ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

ANNUAL FINANCIAL REPORT

MONTGOMERY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

KENT WHITE, CPA, CGFM, CFE
EUGENE HAMPTON II, CPA, CGFM
Auditor 4s

CARRIE SABIN
NATHAN YORK
WENDY HEATH, CFE
State Auditors

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

MONTGOMERY COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Montgomery County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Montgomery County as of and for the year ended June 30, 2014.

Results

Our report on Montgomery County's financial statements is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- Material audit adjustments were required for proper financial statement presentation.
- Bond anticipation notes were not issued in compliance with state statutes.

INTRODUCTORY SECTION

Montgomery County Officials
June 30, 2014

Officials

Carolyn Bowers, County Mayor
Mike Frost, Highway Supervisor
Dr. B.J. Worthington, Director of Schools
Brenda Radford, Trustee
Erinne Hester, Assessor of Property
Kellie Jackson, County Clerk
Cheryl Castle, Circuit, General Sessions, and Juvenile Courts Clerk
Ted A. Crozier, Jr., Clerk and Master
Connie Bell, Register of Deeds
John Fuson, Sheriff
Jeffrey Taylor, Director of Accounts and Budgets
Jane Davis, Purchasing Agent

Board of County Commissioners

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

Highway Commission

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

Board of Education

George Giles, Chairman
Horace Murphy, Jr.
Josh Baggett
Jimmie Garland
Stephanie Lobdell
Eula Dowdy
Anne Murtha

Audit Committee

John Gannon, Sr., Chairman
Martha Brockman
Larry Rocconi
Mark Banasiak
Lettie Kendall

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

Montgomery County Mayor and
Board of County Commissioners
Montgomery 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2014, 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 the discretely presented Emergency Communications District of Montgomery County, which represent 1.3 percent, .9 percent, and .8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Bi-County Solid Waste Management System, which represent 3.9 percent, one percent, and 4.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Clarksville-Montgomery County Industrial Development Board, which represent 4.5 percent, 2.7 percent, and 3.9 percent, respectively, of the assets, net position, and

revenues of the aggregate discretely presented component units; the Clarksville-Montgomery County Public Library, which represent 1.1 percent, 1.3 percent, and one percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; and the Clarksville-Montgomery County Tourism Commission, which represent .3 percent, .4 percent, and .4 percent, respectively, of the assets, net position, and revenues of the aggregate 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 Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, the Clarksville-Montgomery County Public Library, and the Clarksville-Montgomery County Tourism Commission 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of June 30, 2014, 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.

Change in Accounting Principle

As described in Note V.B., Montgomery County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 70, *Accounting and Reporting for Nonexchange*

Financial Guarantees, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

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 plans on pages 136 - 138 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 Montgomery County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Clarksville-Montgomery School System (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the 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 Clarksville-Montgomery School System (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

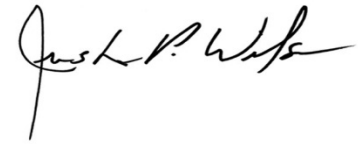
and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 Clarksville-Montgomery School System (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 December 18, 2014, on our consideration of Montgomery 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 Montgomery County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2014

JPW/sb

Basic Financial Statements

Exhibit A

Montgomery County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government	Component Units					
	Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission
ASSETS							
Cash	$ 60,272	$ 587,904	$ 526,934	$ 4,266,647	$ 1,870,707	$ 1,740,383	$ 674,932
Equity in Pooled Cash and Investments	104,169,842	57,214,859	0	0	0	0	0
Investments	0	0	3,585,894	0	0	0	0
Inventories	92,881	487,722	0	51,324	0	0	2,819
Accounts Receivable	3,620,138	120,153	30,000	2,051,362	119,083	45,217	274,165
Allowance for Uncollectibles	(1,046,792)	0	0	0	0	0	0
Due from Other Governments	2,634,788	9,985,198	0	20,679	3,988,040	132,226	106,093
Due from Primary Government	0	346	0	0	0	0	0
Due from Component Units	1,212,714	0	0	0	0	0	0
Property Taxes Receivable	71,993,960	35,734,984	0	0	0	0	0
Allowance for Uncollectible Property Taxes	(1,888,879)	(928,243)	0	0	0	0	0
Prepaid Items	50,343	0	0	0	1,290	0	2,049
Notes Receivable	1,073,820	0	0	0	785,714	0	0
Advances to Other Funds	500,000	0	0	0	0	0	0
Unbilled Reimbursable Costs	0	0	0	0	603,299	0	0
Property Held for Sale or Lease	0	0	0	0	11,358,256	0	0
Due from Related Party	0	0	0	0	17,000	0	35,000
Capital Assets:							
Assets Not Depreciated:							
Land	8,011,240	13,865,563	0	1,238,908	37,641	0	21,000
Construction in Progress	11,350,314	14,838,897	0	0	362,952	0	0
Assets Net of Accumulated Depreciation:							
Buildings and Improvements	79,936,798	264,841,370	49,276	3,009,396	0	3,989,135	0
Other Capital Assets	5,237,673	16,891,683	996,728	7,381,552	1,668,548	303,840	288,129
Intangibles	1,817,734	0	3,999	0	0	0	0
Infrastructure	32,744,412	0	0	0	0	0	0
Total Assets	$ 321,571,258	$ 413,640,436	$ 5,192,831	$ 18,019,868	$ 20,812,530	$ 6,210,801	$ 1,404,187

(Continued)

Exhibit A

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

	Primary Government	Component Units					
	Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Charge on Refunding	$ 13,026,510	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Total Deferred Outflows of Resources	$ 13,026,510	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
LIABILITIES							
Accounts Payable	$ 1,603,383	$ 2,340,678	$ 5,731	$ 714,430	$ 4,421,861	$ 18,952	$ 22,258
Accrued Payroll	730,739	12,762,584	53,801	142,380	0	42,228	0
Payroll Deductions Payable	246,062	9,384,895	0	0	0	11,515	0
Accrued Interest Payable	2,312,856	0	0	0	0	5,460	0
Notes Payable	0	0	0	1,073,820	0	0	0
Contracts Payable	931,662	0	0	0	0	0	0
Retainage Payable	35,221	0	0	0	256,026	0	0
Due to State of Tennessee	66	0	0	0	0	0	0
Due to Primary Government	0	12,000	0	415,000	785,714	0	0
Due to Component Units	346	0	0	0	0	0	0
Due to Litigants, Heirs, and Others	5,175	0	0	0	0	0	0
Other Current Liabilities	0	0	0	51,519	0	0	0
Customer Deposits Payable	99,370	138,583	0	24,777	0	0	0
Advances from Other Funds	500,000	0	0	0	0	0	0
Due to Related Parties	0	0	0	0	271,861	0	25,827
Noncurrent Liabilities:							
Due Within One Year	29,323,291	1,664,191	0	0	181,132	593,141	0
Due in More Than One Year (net of unamortized premium on debt)	330,962,568	4,111,143	114,619	11,982,573	4,820,260	2,253,805	0
Total Liabilities	$ 366,750,739	$ 30,414,074	$ 174,151	$ 14,404,499	$ 10,736,854	$ 2,925,101	$ 48,085
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	$ 67,524,089	$ 33,552,276	$ 0	$ 0	$ 0	$ 0	$ 0
Deferred Inflow from Debt Reduction	0	0	0	0	0	80,000	0
Total Deferred Inflows of Resources	$ 67,524,089	$ 33,552,276	$ 0	$ 0	$ 0	$ 80,000	$ 0

(Continued)

Exhibit A

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

	Primary Government	Component Units					
	Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission
NET POSITION							
Net Investment in Capital Assets	$ (10,507,706)	$ 310,437,513	$ 1,050,003	$ 10,095,563	$ 554,544	$ 1,477,974	$ 309,129
Restricted for:							
Capital Projects	(26,884)	3,121,109	0	0	0	0	0
Debt Service	50,504,723	0	0	0	0	0	0
Highways	4,040,641	0	0	0	0	0	0
Other Purposes	0	1,039,114	0	0	0	0	0
Library	0	0	3,870,381	0	0	0	0
General Government	289,216	0	0	0	0	0	0
Finance	1,198,169	0	0	0	0	0	0
Administration of Justice	787,858	0	0	0	0	0	0
Public Safety	184,596	0	0	0	0	0	0
Public Health and Welfare	82,926	0	0	0	0	0	0
Central Cafeteria	0	4,900,338	0	0	0	0	0
School Transportation	0	2,754,340	0	0	0	0	0
School Federal Projects	0	295,452	0	0	0	0	0
Unrestricted	(146,230,599)	27,126,220	98,296	(6,480,194)	9,521,132	1,727,726	1,046,973
Total Net Position	$ (99,677,060)	$ 349,674,086	$ 5,018,680	$ 3,615,369	$ 10,075,676	$ 3,205,700	$ 1,356,102

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

Exhibit B

Montgomery County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position						
						Component Units					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Clarksville-Solid Waste Management System	Clarksville-Clarksville-County Industrial Development Board	Clarksville-Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission
Primary Government:											
Governmental Activities:											
General Government	$ 14,769,353	$ 2,538,175	$ 502,681	$ 0	$ (11,728,497)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Finance	5,709,131	5,195,450	0	0	(513,681)	0	0	0	0	0	0
Administration of Justice	6,896,644	4,363,558	659,049	0	(1,874,037)	0	0	0	0	0	0
Public Safety	29,224,329	1,943,341	1,072,375	112,794	(26,095,819)	0	0	0	0	0	0
Public Health and Welfare	13,867,413	4,444,018	2,191,135	300,000	(6,932,260)	0	0	0	0	0	0
Social, Cultural, and Recreational Services	2,419,639	314,971	0	481,177	(1,623,491)	0	0	0	0	0	0
Agriculture and Natural Resources	430,434	0	0	0	(430,434)	0	0	0	0	0	0
Highways/Public Works	8,308,270	52,036	3,031,233	497,583	(4,727,418)	0	0	0	0	0	0
Education	47,510,347	32,234,691	0	0	(15,275,656)	0	0	0	0	0	0
Interest on Long-term Debt	14,669,726	0	0	0	(14,669,726)	0	0	0	0	0	0
Total Primary Government	$ 143,805,286	$ 51,086,240	$ 7,456,473	$ 1,391,554	$ (83,871,019)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Component Units:											
Clarksville-Montgomery County School System	$ 264,162,435	$ 5,497,327	$ 28,428,023	$ 568,010	$ 0	$ (229,669,075)	$ 0	$ 0	$ 0	$ 0	$ 0
Clarksville-Montgomery County Public Library	2,497,278	149,326	292,148	0	0	0	(2,055,804)	0	0	0	0
Bi-County Solid Waste Management System	13,248,044	12,722,654	0	0	0	0	0	(525,390)	0	0	0
Clarksville-Montgomery County Industrial Development Board	18,422,487	0	10,780,890	0	0	0	0	0	(7,641,597)	0	0
Clarksville-Montgomery County E-911	2,303,330	1,740,817	0	31,266	0	0	0	0	0	(531,247)	0
Clarksville-Montgomery County Tourism Commission	1,332,933	201,325	187,218	0	0	0	0	0	0	0	(944,390)
Total Component Units	$ 301,966,507	$ 20,311,449	$ 39,688,279	$ 599,276	$ 0	$ (229,669,075)	$ (2,055,804)	$ (525,390)	$ (7,641,597)	$ (531,247)	$ (944,390)

(Continued)

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total Governmental Activities	Component Units: Clarksville-Montgomery County School System	Component Units: Clarksville-Montgomery County Public Library	Component Units: Bi-County Solid Waste Management System	Component Units: Clarksville-Montgomery County Industrial Development Board	Component Units: Emergency Communications District of Montgomery County	Component Units: Clarksville-Montgomery County Tourism Commission
General Revenues:											
Taxes:											
Property Taxes Levied for General Purposes					$ 35,934,376	$ 33,165,155	$ 0	$ 0	$ 0	$ 0	$ 0
Property Taxes Levied for Debt Service					33,917,821	0	0	0	0	0	0
Local Option Sales Tax					3,640,972	39,333,395	0	0	0	0	0
Hotel/Motel Tax					1,563,732	0	0	0	0	0	928,477
Wheel Tax					0	4,027,229	0	0	0	0	0
Business Tax					1,274,415	619,458	0	0	0	0	0
Mixed Drink Tax					0	394,424	0	0	0	0	0
Adequate Facilities/Development Tax					969,516	0	0	0	0	0	0
Litigation Tax					1,165,449	0	0	0	0	0	0
Wholesale Beer Tax					454,086	0	0	0	0	0	0
Mineral Severance Tax					215,913	0	0	0	0	0	0
Interstate Telecommunications Tax					4,015	18,584	0	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs					4,418,327	157,129,068	1,861,983	143,447	73,572	604,769	0
Interest Income					930,572	8,654	0	15,713	4,157	4,516	5,130
Miscellaneous					4,024,902	393,139	653,418	0	719,371	0	6,550
Total General Revenues					$ 88,514,096	$ 235,089,106	$ 2,515,401	$ 159,160	$ 797,100	$ 609,285	$ 940,157
Change in Net Position					$ 4,643,077	$ 5,420,031	$ 459,597	$ (366,230)	$ (6,844,497)	$ 78,038	$ (4,233)
Net Position, July 1, 2013					(104,320,137)	344,254,055	4,912,811	(641,291)	16,920,173	3,127,662	1,360,335
Prior-period Adjustment	See Note VI.Q.				0	0	(353,728)	0	0	0	0
Prior-period Adjustment	See Note VII.N.				0	0	0	4,622,890	0	0	0
Net Position, June 30, 2014					$ (99,677,060)	$ 349,674,086	$ 5,018,680	$ 3,615,369	$ 10,075,676	$ 3,205,700	$ 1,356,102

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

Exhibit C-1

Montgomery County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 8,850	$ 0	$ 0	$ 1,422	$ 10,272
Equity in Pooled Cash and Investments	20,114,840	35,446,723	15,254,030	4,152,015	74,967,608
Inventories	92,881	0	0	0	92,881
Accounts Receivable	3,249,564	58,601	300,000	8,230	3,616,395
Allowance for Uncollectibles	(1,046,792)	0	0	0	(1,046,792)
Due from Other Governments	1,237,341	636,747	174,744	585,956	2,634,788
Due from Other Funds	0	36,223	22,716	0	58,939
Due from Component Units	0	785,714	0	0	785,714
Property Taxes Receivable	32,334,724	32,690,152	2,879,934	4,089,150	71,993,960
Allowance for Uncollectible Property Taxes	(840,228)	(886,123)	(55,249)	(107,279)	(1,888,879)
Prepaid Items	50,343	0	0	0	50,343
Notes Receivable - Current	0	1,073,820	0	0	1,073,820
Advances to Other Funds	0	500,000	0	0	500,000
Total Assets	$ 55,201,523	$ 70,341,857	$ 18,576,175	$ 8,729,494	$ 152,849,049
LIABILITIES					
Accounts Payable	$ 767,900	$ 0	$ 383,531	$ 427,068	$ 1,578,499
Accrued Payroll	619,282	0	0	110,485	729,767
Payroll Deductions Payable	217,846	0	0	19,816	237,662
Contracts Payable	0	0	931,662	0	931,662
Retainage Payable	0	0	35,221	0	35,221
Due to Other Funds	66,640	0	0	981	67,621
Due to State of Tennessee	66	0	0	0	66
Due to Litigants, Heirs, and Others	531	0	0	4,644	5,175

(Continued)

Exhibit C-1

Montgomery County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
LIABILITIES (CONT.)					
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	$ 15,800	$ 0	$ 0	$ 83,570	$ 99,370
Advances from Other Funds	0	0	500,000	0	500,000
Total Liabilities	$ 1,688,065	$ 0	$ 1,850,414	$ 646,564	$ 4,185,043
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 30,358,517	$ 30,550,788	$ 2,779,491	$ 3,835,293	$ 67,524,089
Deferred Delinquent Property Taxes	1,005,773	1,109,649	40,016	129,783	2,285,221
Other Deferred/Unavailable Revenue	1,470,129	1,108,896	0	264,780	2,843,805
Total Deferred Inflows of Resources	$ 32,834,419	$ 32,769,333	$ 2,819,507	$ 4,229,856	$ 72,653,115
FUND BALANCES					
Nonspendable:					
Inventory	$ 92,881	$ 0	$ 0	$ 0	$ 92,881
Prepaid Items	50,343	0	0	0	50,343
Restricted:					
Restricted for General Government	289,216	0	0	0	289,216
Restricted for Finance	1,198,169	0	0	0	1,198,169
Restricted for Administration of Justice	787,858	0	0	0	787,858
Restricted for Public Safety	145,773	0	0	38,823	184,596
Restricted for Public Health and Welfare	82,926	0	0	0	82,926
Restricted for Highways/Public Works	0	0	0	3,814,251	3,814,251
Restricted for Debt Service	0	37,572,524	0	0	37,572,524
Restricted for Capital Projects	0	0	13,906,254	0	13,906,254

(Continued)

Exhibit C-1

Montgomery County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES (CONT.)					
Committed:					
Committed for General Government	$ 158,017	$ 0	$ 0	$ 0	$ 158,017
Committed for Public Safety	81,414	0	0	0	81,414
Committed for Social, Cultural, and Recreational Services	13,189	0	0	0	13,189
Assigned:					
Assigned for Finance	201,890	0	0	0	201,890
Unassigned	17,577,363	0	0	0	17,577,363
Total Fund Balances	$ 20,679,039	$ 37,572,524	$ 13,906,254	$ 3,853,074	$ 76,010,891
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 55,201,523	$ 70,341,857	$ 18,576,175	$ 8,729,494	$ 152,849,049

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

Exhibit C-2

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2014

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)		$ 76,010,891
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 8,011,240	
Add: construction in progress	11,350,314	
Add: buildings and improvements net of accumulated depreciation	79,936,798	
Add: other capital assets net of accumulated depreciation	5,237,673	
Add: intangibles net of accumulated depreciation	1,817,734	
Add: infrastructure net of accumulated depreciation	32,744,412	
Less: capital assets of internal service funds, which are included below in item (2)	(17,261)	139,080,910
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		25,711,014
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (313,910,000)	
Less: other loans payable	(17,256,266)	
Add: due from component unit for debt retirement	415,000	
Add: deferred amount on refunding	13,026,510	
Less: other deferred revenue - premium on debt	(20,201,086)	
Less: accrued interest on bonds and other loans	(2,312,856)	
Less: other postemployment benefits liability	(2,375,113)	
Less: compensated absences payable	(2,995,090)	(345,608,901)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		5,129,026
Net position of governmental activities (Exhibit A)		$ (99,677,060)

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

Exhibit C-3

Montgomery County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 35,925,542	$ 40,121,905	$ 1,224,102	$ 4,279,668	$ 81,551,217
Licenses and Permits	695,798	0	0	0	695,798
Fines, Forfeitures, and Penalties	1,020,151	0	0	18,464	1,038,615
Charges for Current Services	5,582,142	0	0	10,805	5,592,947
Other Local Revenues	2,114,113	405,488	52,488	63,052	2,635,141
Fees Received from County Officials	8,503,296	0	0	0	8,503,296
State of Tennessee	6,774,803	0	300,000	3,320,227	10,395,030
Federal Government	814,843	89,303	700,547	0	1,604,693
Other Governments and Citizens Groups	567,380	782,215	0	24,587	1,374,182
Total Revenues	$ 61,998,068	$ 41,398,911	$ 2,277,137	$ 7,716,803	$ 113,390,919
Expenditures					
Current:					
General Government	$ 6,958,416	$ 0	$ 0	$ 0	$ 6,958,416
Finance	5,868,627	0	0	0	5,868,627
Administration of Justice	6,296,714	0	0	10,743	6,307,457
Public Safety	27,190,326	0	0	37,356	27,227,682
Public Health and Welfare	11,473,940	0	0	0	11,473,940
Social, Cultural, and Recreational Services	2,439,295	0	0	0	2,439,295
Agriculture and Natural Resources	392,822	0	0	0	392,822
Other Operations	4,239,059	0	0	0	4,239,059
Highways	132,403	0	0	7,478,277	7,610,680
Debt Service:					
Principal on Debt	0	23,632,230	0	0	23,632,230
Interest on Debt	0	13,467,377	0	0	13,467,377
Other Debt Service	0	1,025,707	11,900	0	1,037,607

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Capital Projects	$ 0	$ 0	$ 27,353,471	$ 0	$ 27,353,471
Total Expenditures	$ 64,991,602	$ 38,125,314	$ 27,365,371	$ 7,526,376	$ 138,008,663
Excess (Deficiency) of Revenues Over Expenditures	$ (2,993,534)	$ 3,273,597	$ (25,088,234)	$ 190,427	$ (24,617,744)
Other Financing Sources (Uses)					
Bonds Issued	$ 0	$ 0	$ 13,200,000	$ 0	$ 13,200,000
Refunding Debt Issued	0	50,155,000	0	0	50,155,000
Premiums on Debt Issued	0	5,453,780	859,649	0	6,313,429
Insurance Recovery	27,115	0	161,046	6,243	194,404
Transfers In	0	36,223	977,347	0	1,013,570
Transfers Out	(92,223)	(971,347)	0	0	(1,063,570)
Payments to Refunded Debt Escrow Agent	0	(55,405,324)	0	0	(55,405,324)
Total Other Financing Sources (Uses)	$ (65,108)	$ (731,668)	$ 15,198,042	$ 6,243	$ 14,407,509
Net Change in Fund Balances	$ (3,058,642)	$ 2,541,929	$ (9,890,192)	$ 196,670	$ (10,210,235)
Fund Balance, July 1, 2013	23,737,681	35,030,595	23,796,446	3,656,404	86,221,126
Fund Balance, June 30, 2014	$ 20,679,039	$ 37,572,524	$ 13,906,254	$ 3,853,074	$ 76,010,891

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

Exhibit C-4

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

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)			$ (10,210,235)
(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	$ 12,171,900	
	Less: current-year depreciation expense	(4,274,128)	
	Add: current-year depreciation expense in internal service fund	991	7,898,763
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
	Add: capital assets donation	$ 92,804	
	Less: loss on disposal of capital assets	(39,911)	52,893
(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, 2013	$ (7,617,695)	
	Add: deferred delinquent property taxes and other deferred June 30, 2014	5,129,026	(2,488,669)
(4)	The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
	Less: bond proceeds	$ (63,355,000)	
	Add: principal payments on notes	43,180	
	Add: principal payments on bonds	21,905,000	
	Add: principal payments on other loans	1,684,050	
	Less: debt service contributions from component unit to the primary government	(140,000)	
	Add: payment to refunding agent	55,405,324	
	Less: change in deferred amount on refunding debt	(1,580,293)	
	Less: premiums on debt issued during the year	(6,313,429)	
	Add: amortization of debt issuance premiums	1,971,981	9,620,813
(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	$ 377,944	
	Change in other postemployment benefits liability	(567,277)	
	Change in compensated absences payable	(317,710)	(507,043)
(6)	Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		276,555
Change in net position of governmental activities (Exhibit B)			$ 4,643,077

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

Exhibit C-5

Montgomery County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 35,925,542	$ 0	$ 0	$ 35,925,542	$ 36,585,690	$ 36,585,690	$ (660,148)
Licenses and Permits	695,798	0	0	695,798	643,800	643,800	51,998
Fines, Forfeitures, and Penalties	1,020,151	0	0	1,020,151	904,125	904,125	116,026
Charges for Current Services	5,582,142	0	0	5,582,142	5,535,750	5,535,750	46,392
Other Local Revenues	2,114,113	0	0	2,114,113	2,161,355	2,191,355	(77,242)
Fees Received from County Officials	8,503,296	0	0	8,503,296	8,159,250	8,159,250	344,046
State of Tennessee	6,774,803	0	0	6,774,803	6,342,514	7,286,317	(511,514)
Federal Government	814,843	0	0	814,843	25,200	1,064,059	(249,216)
Other Governments and Citizens Groups	567,380	0	0	567,380	257,943	275,047	292,333
Total Revenues	$ 61,998,068	$ 0	$ 0	$ 61,998,068	$ 60,615,627	$ 62,645,393	$ (647,325)
Expenditures							
General Government							
County Commission	$ 327,510	$ 0	$ 0	$ 327,510	$ 252,393	$ 336,800	$ 9,290
Board of Equalization	1,808	0	0	1,808	10,224	10,224	8,416
Beer Board	6,673	0	0	6,673	1,615	7,253	580
Other Boards and Committees	10,738	0	0	10,738	3,121	10,872	134
County Mayor/Executive	445,998	0	0	445,998	459,945	461,713	15,715
Personnel Office	320,948	0	0	320,948	340,303	340,303	19,355
County Attorney	29,305	0	0	29,305	60,000	60,000	30,695
Election Commission	619,706	0	0	619,706	465,516	662,881	43,175
Register of Deeds	431,206	0	0	431,206	430,728	451,728	20,522
Planning	303,364	0	0	303,364	303,364	303,364	0
Building	177,606	0	0	177,606	182,210	182,296	4,690
Codes Compliance	636,528	0	0	636,528	657,292	659,792	23,264
Geographical Information Systems	188,142	0	0	188,142	164,005	177,005	(11,137)
County Buildings	1,671,657	(2,098)	2,000	1,671,559	1,772,622	1,776,570	105,011
Other Facilities	1,057,300	0	3,723	1,061,023	1,133,612	1,152,843	91,820
Other General Administration	546,744	0	0	546,744	624,520	624,520	77,776
Preservation of Records	183,183	0	0	183,183	177,744	189,095	5,912

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance							
Accounting and Budgeting	$ 587,501	$ 0	$ 0	$ 587,501	$ 643,852	$ 643,852	$ 56,351
Purchasing	286,412	0	0	286,412	292,474	292,524	6,112
Property Assessor's Office	970,292	(754)	0	969,538	1,140,802	1,091,281	121,743
County Trustee's Office	565,259	0	0	565,259	546,531	583,125	17,866
County Clerk's Office	1,867,872	0	131	1,868,003	1,988,108	1,988,332	120,329
Data Processing	1,541,573	0	1,387	1,542,960	1,612,082	1,662,357	119,397
Other Finance	49,718	0	0	49,718	50,550	50,550	832
Administration of Justice							
Circuit Court	2,121,529	0	76,236	2,197,765	2,407,031	2,407,085	209,320
General Sessions Court	657,861	0	0	657,861	662,355	662,355	4,494
Drug Court	69,840	0	0	69,840	50,000	70,000	160
Chancery Court	493,317	0	0	493,317	526,807	533,706	40,389
Juvenile Court	910,691	(682)	0	910,009	1,053,728	1,074,410	164,401
Juvenile Court Clerk	407,457	0	0	407,457	491,638	491,638	84,181
District Attorney General	70,792	0	0	70,792	46,300	76,300	5,508
Office of Public Defender	7,725	0	0	7,725	7,725	7,725	0
Judicial Commissioners	214,407	0	0	214,407	258,668	258,668	44,261
Other Administration of Justice	512,148	0	0	512,148	91,557	513,639	1,491
Probation Services	830,947	0	0	830,947	921,684	935,334	104,387
Public Safety							
Sheriff's Department	9,028,823	(7,299)	16,190	9,037,714	8,507,584	9,254,738	217,024
Special Patrols	1,732,656	(4,446)	0	1,728,210	1,754,557	1,838,386	110,176
Administration of the Sexual Offender Registry	10,920	0	0	10,920	13,340	15,340	4,420
Jail	12,786,484	0	0	12,786,484	12,456,880	13,252,474	465,990
Workhouse	1,631,135	0	0	1,631,135	1,767,290	1,767,290	136,155
Correctional Incentive Program Improvements	435,107	0	0	435,107	483,873	488,089	52,982
Juvenile Services	205,553	0	0	205,553	142,429	223,219	17,666
Fire Prevention and Control	406,000	0	0	406,000	453,248	456,183	50,183
Civil Defense	408,545	0	0	408,545	432,331	432,331	23,786
Other Emergency Management	333,423	0	0	333,423	0	445,883	112,460

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety (Cont.)							
County Coroner/Medical Examiner	$ 211,680	$ 0	$ 0	$ 211,680	$ 215,500	$ 215,500	$ 3,820
Public Health and Welfare							
Local Health Center	232,483	0	0	232,483	224,365	303,875	71,392
Rabies and Animal Control	645,958	0	0	645,958	684,937	688,032	42,074
Ambulance/Emergency Medical Services	8,246,437	0	2,800	8,249,237	9,040,512	9,240,254	991,017
Other Local Health Services	2,073,193	0	0	2,073,193	2,263,600	2,622,300	549,107
Regional Mental Health Center	7,000	0	0	7,000	7,000	7,000	0
Appropriation to State	197,269	0	0	197,269	214,225	214,225	16,956
Other Local Welfare Services	57,800	0	0	57,800	62,825	62,825	5,025
Other Public Health and Welfare	13,800	0	0	13,800	12,500	12,500	(1,300)
Social, Cultural, and Recreational Services							
Libraries	1,861,983	0	0	1,861,983	1,861,983	1,861,983	0
Parks and Fair Boards	568,366	0	0	568,366	590,618	599,597	31,231
Other Social, Cultural, and Recreational	8,946	0	0	8,946	9,688	9,688	742
Agriculture and Natural Resources							
Agricultural Extension Service	357,993	0	0	357,993	383,713	418,623	60,630
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	32,829	0	0	32,829	32,850	32,850	21
Other Operations							
Tourism	1,238,476	0	0	1,238,476	1,289,350	1,289,350	50,874
Industrial Development	600,403	0	0	600,403	600,404	600,404	1
Airport	216,633	0	0	216,633	216,633	216,633	0
Veterans' Services	399,283	0	0	399,283	413,759	431,059	31,776
Other Charges	1,248,311	0	0	1,248,311	1,296,178	1,370,213	121,902
Contributions to Other Agencies	169,944	0	0	169,944	180,560	180,560	10,616
Employee Benefits	353,976	0	0	353,976	508,496	508,496	154,520
Miscellaneous	12,033	0	0	12,033	18,400	18,400	6,367
Highways							
Litter and Trash Collection	132,403	0	0	132,403	116,319	133,919	1,516
Total Expenditures	$ 64,991,602	$ (15,279)	$ 102,467	$ 65,078,790	$ 66,089,053	$ 69,964,359	$ 4,885,569

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	$ (2,993,534)	$ 15,279	$ (102,467)	$ (3,080,722)	$ (5,473,426)	$ (7,318,966)	$ 4,238,244
Other Financing Sources (Uses)							
Insurance Recovery	$ 27,115	$ 0	$ 0	$ 27,115	$ 0	$ 20,859	$ 6,256
Transfers In	0	0	0	0	442,859	712,877	(712,877)
Transfers Out	(92,223)	0	0	(92,223)	0	(6,000)	(86,223)
Total Other Financing Sources	$ (65,108)	$ 0	$ 0	$ (65,108)	$ 442,859	$ 727,736	$ (792,844)
Net Change in Fund Balance	$ (3,058,642)	$ 15,279	$ (102,467)	$ (3,145,830)	$ (5,030,567)	$ (6,591,230)	$ 3,445,400
Fund Balance, July 1, 2013	23,737,681	(15,279)	0	23,722,402	19,120,773	19,120,773	4,601,629
Fund Balance, June 30, 2014	$ 20,679,039	$ 0	$ (102,467)	$ 20,576,572	$ 14,090,206	$ 12,529,543	$ 8,047,029

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

Exhibit D-1

Montgomery County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2014

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 29,202,234
Cash with Paying Agents	50,000
Accounts Receivable	3,743
Due from Other Funds	8,682
Due from Component Units	12,000
Total Current Assets	$ 29,276,659
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	$ 24,803
Accumulated Depreciation - Buildings and Improvements	(7,542)
Total Noncurrent Assets	$ 17,261
Total Assets	$ 29,293,920
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 24,884
Accrued Payroll	972
Payroll Deductions Payable	8,400
Due to Component Units	346
Claims and Judgments Payable	1,774,152
Total Current Liabilities	$ 1,808,754
Noncurrent Liabilities:	
Claims and Judgments Payable	$ 1,774,152
Total Noncurrent Liabilities	$ 1,774,152
Total Liabilities	$ 3,582,906
NET POSITION	
Unrestricted	$ 25,711,014
Total Net Position	$ 25,711,014

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

Exhibit D-2

Montgomery County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for Current Services	$ 44,217,646
Total Operating Revenues	$ 44,217,646
Operating Expenses	
Personnel Office	$ 275
Risk Management	461,942
Probation Services	4,446
Jail	765
Other Local Health Services	620
Landfill Operation and Maintenance	9,112
Parks and Fair Boards	887
Other Charges	1,228,041
Depreciation	991
Employee Benefits	43,780,208
Other	49,626
Total Operating Expenses	$ 45,536,913
Operating Income (Loss)	$ (1,319,267)
Nonoperating Revenues (Expenses)	
Investment Income	$ 78,588
Miscellaneous Refunds	1,516,734
Contributions and Gifts	500
Total Nonoperating Revenues (Expenses)	$ 1,595,822
Changes in Net Position	$ 276,555
Net Position, July 1, 2013	25,434,459
Net Position, June 30, 2014	$ 25,711,014

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

Exhibit D-3

Montgomery County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Receipts from Interfund Services Provided	$ 44,279,672
Other Self-Insured Claims	(45,257,641)
Other Receipts (Payments)	1,517,188
Net Cash Provided By (Used In) Operating Activities	$ 539,219
Cash Flows from Investing Activities	
Investment Income	$ 78,588
Net Cash Provided By (Used In) Investing Activities	$ 78,588
Net Increase (Decrease) in Cash	$ 617,807
Cash, July 1, 2013	28,634,427
Cash, June 30, 2014	$ 29,252,234
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (1,319,267)
Miscellaneous Refunds	1,516,734
Contributions and Gifts	500
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	72,035
(Increase) Decrease in Due from Other Funds	(5,737)
(Increase) Decrease in Due from Component Units	5,427
Increase (Decrease) in Accounts Payable	(170,638)
Increase (Decrease) in Accrued Payroll	212
Increase (Decrease) in Payroll Deductions Payable	6,405
Increase (Decrease) in Due to Component Units	(57,909)
Increase (Decrease) in Claims and Judgments Payable	490,466
Net Cash Provided By (Used In) Operating Activities	$ 539,219

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

Exhibit E

Montgomery County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds
ASSETS	
Cash	$ 7,156,446
Equity in Pooled Cash and Investments	186,519
Accounts Receivable	4,328
Due from Other Governments	2,389,138
Total Assets	$ 9,736,431
LIABILITIES	
Accounts Payable	$ 4,613
Accrued Payroll	1,291
Due to Other Taxing Units	2,380,911
Due to Litigants, Heirs, and Others	7,255,336
Due to Joint Ventures	94,280
Total Liabilities	$ 9,736,431

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

MONTGOMERY COUNTY, TENNESSEE
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MONTGOMERY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

The Bi-County Solid Waste Management System provides landfill and collection services for Montgomery and Stewart counties, and Montgomery County operates the transfer station. The joint participants appoint the board members of the system; however, Montgomery County appoints a voting majority of the board members and contributes the majority of funding for the system. This system is treated as a discrete component unit of

Montgomery County since the county may unilaterally control the operations of the system.

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

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

The county, in conjunction with the City of Clarksville, has created the Clarksville-Montgomery County Tourism Commission to promote tourist and recreational activity in the Clarksville-Montgomery County area. The nine-member Tourism Commission is selected by and with the joint approval of the city mayor and county mayor. Major funding for this organization is from the hotel/motel tax. The annual budget of the Tourism Commission is prepared and legally adopted by the board of commissioners and approved by the Montgomery County Director of Accounts and Budgets.

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

Administrative Offices:

Emergency Communications District of Montgomery County
130 South First Street
Clarksville, TN 37040

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

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

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

Clarksville-Montgomery County Tourism Commission
25 Jefferson Street, Suite 300
Clarksville, TN 37040

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net 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. However, the primary government of Montgomery County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Clarksville-Montgomery County School System component unit only reports governmental activities in the government-wide financial statements.

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

Montgomery County issues all debt for the discretely presented Clarksville-Montgomery County School System. Net debt issues totaling $14,650,624 were contributed by the county to the School System during the year ended June 30, 2014.

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

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

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

Fund financial statements of Montgomery County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, 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 category. Montgomery County reports three proprietary funds (internal service funds). It has no enterprise funds to report.

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

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

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

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

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

Montgomery County reports the following major governmental funds:

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

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

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

Additionally, Montgomery County reports the following fund types:

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

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Montgomery County, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, restricted revenues held for the benefit of the Office of District Attorney General, and assets held in a custodial capacity for a regional port authority. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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.

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

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

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

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

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

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 Montgomery County for animal control spay/neuter vouchers ($11,300), rental deposits ($4,500), and road construction ($83,570). Claims and Judgments Payable totaling $3,548,304 for the primary government and $540,741 for the discretely presented Clarksville-Montgomery County School System are discussed in Note V.A. Risk Management.

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects.

3. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. 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 column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $25,000 ($5,000 for the School System) or more and an estimated useful life of more than two years (one year for the School System). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

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

have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net 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, claims and judgments, and other postemployment benefits, 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, 2014, Montgomery County had $178,009,964 in outstanding debt for capital purposes for the discretely presented Clarksville-Montgomery County School System. This debt is a liability of Montgomery County, but the capital assets acquired are reported in the financial statements of the School System. Therefore, Montgomery County has incurred a liability significantly decreasing its unrestricted net 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 System's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School System.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net 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 Clarksville-Montgomery County School System

Exhibit K-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net 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 Clarksville-Montgomery County School System

Exhibit K-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2014, the Clarksville-Montgomery County School System reported the following significant encumbrance:

Fund	Description		Amount
School System:			
Major Fund:			
General Purpose School	Textbooks	$	829,156

B. Expenditures Exceeded Appropriations

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

Fund/Major Appropriation Category	Amount Overspent
Primary Government:	
General:	
Geographical Information Systems	$ 11,137
Other Public Health and Welfare	1,300
School System:	
General Purpose School:	
Interest on Debt - Education	2,240

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

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

Investments

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

Investment Balances. As of June 30, 2014, Montgomery County had the following investments carried at fair value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Montgomery County and the discretely presented Clarksville-Montgomery County School System since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)		Fair Value
State Treasurer's Investment Pool	109	$	46,417

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

maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Montgomery County has no investment policy that would further limit its investment choices. As of June 30, 2014, Montgomery County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

Notes receivable in the General Debt Service Fund totaling $1,073,820 resulted from issuing a bond anticipation note to the Bi-County Solid Waste Management System for unanticipated equipment purchases and is included in the restricted fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government (Includes Internal Service Fund)

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	$ 7,979,240	$ 32,000	$ 0	$ 8,011,240
Construction in Progress	1,634,470	10,865,515	(1,149,671)	11,350,314
Total Capital Assets Not Depreciated	$ 9,613,710	$ 10,897,515	$ (1,149,671)	$ 19,361,554
Capital Assets Depreciated:				
Buildings and Improvements	$ 109,566,570	$ 0	$ (41,501)	$ 109,525,069
Infrastructure	49,706,298	777,815	0	50,484,113
Intangibles	9,599,049	0	0	9,599,049
Other Capital Assets	12,835,225	1,739,045	(251,778)	14,322,492
Total Capital Assets Depreciated	$ 181,707,142	$ 2,516,860	$ (293,279)	$ 183,930,723

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 26,956,411	$ 2,658,628	$ (26,768)	$ 29,588,271
Infrastructure	17,289,618	450,083	0	17,739,701
Intangibles	7,642,383	138,932	0	7,781,315
Other Capital Assets	8,284,934	1,026,485	(226,600)	9,084,819
Total Accumulated Depreciation	$ 60,173,346	$ 4,274,128	$ (253,368)	$ 64,194,106
Total Capital Assets Depreciated, Net	$ 121,533,796	$ (1,757,268)	$ (39,911)	$ 119,736,617
Governmental Activities Capital Assets, Net	$ 131,147,506	$ 9,140,247	$ (1,189,582)	$ 139,098,171

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

Governmental Activities:

General Government	$ 574,100
Finance	211,822
Administration of Justice	543,725
Public Safety	1,293,043
Public Health and Welfare	578,514
Social, Cultural, and Recreational Services	393,121
Agriculture and Natural Resources	34,982
Highway/Public Works	644,821
Total Depreciation Expense - Governmental Activities	$ 4,274,128

Discretely Presented Clarksville-Montgomery County School System

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	$ 13,865,563	$ 0	$ 0	$ 13,865,563
Construction in Progress	21,909,952	9,265,690	(16,336,745)	14,838,897
Total Capital Assets Not Depreciated	$ 35,775,515	$ 9,265,690	$ (16,336,745)	$ 28,704,460
Capital Assets Depreciated:				
Buildings and Improvements	$ 348,038,527	$ 16,370,885	$ 0	$ 364,409,412
Other Capital Assets	31,562,088	2,901,549	(1,849,532)	32,614,105
Total Capital Assets Depreciated	$ 379,600,615	$ 19,272,434	$ (1,849,532)	$ 397,023,517
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 91,785,834	$ 7,782,208	$ 0	$ 99,568,042
Other Capital Assets	15,622,454	1,914,474	(1,814,506)	15,722,422
Total Accumulated Depreciation	$ 107,408,288	$ 9,696,682	$ (1,814,506)	$ 115,290,464
Total Capital Assets Depreciated, Net	$ 272,192,327	$ 9,575,752	$ (35,026)	$ 281,733,053
Governmental Activities Capital Assets, Net	$ 307,967,842	$ 18,841,442	$ (16,371,771)	$ 310,437,513

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

Governmental Activities:

Instruction	$ 61,320
Support Services	9,391,702
Operation of Non-instructional Services	243,660
Total Depreciation Expense - Governmental Activities	$ 9,696,682

D. Construction Commitments

At June 30, 2014, the General Capital Projects Fund had uncompleted construction contracts of approximately $6,823,495 for various construction projects. Funding for these future expenditures has been received.

At June 30, 2014, the discretely presented School System's General Purpose School Fund had uncompleted construction contracts of approximately $1,645,789 for various construction projects. Funding for these future expenditures has been received.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	$ 36,223
General Capital Projects	"	22,716
Self-Insurance (Internal Service)	"	7,701
Unemployment Comp (Internal Service)	Nonmajor governmental	981
School System Component Unit:		
General Purpose School	Nonmajor governmental	495,100
"	Education Capital Projects	721
Nonmajor governmental	General Purpose School	43,324
"	Nonmajor governmental	24
Education Capital Projects	General Purpose School	49,866
"	Nonmajor governmental	17,522

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

Advances to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:	Primary Government:	
General Debt Service	General Capital Projects	$ 500,000

The balance of $500,000 due the General Debt Service Fund from the General Capital Projects Fund resulted from an advance to the General Capital Projects Fund to complete a construction project.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General Debt Service	Industrial Development Board	$ 785,714
"	Bi-County Solid Waste Management System	415,000
	School System:	
Internal Service - Self-Insurance	Nonmajor governmental	12,000
Component Unit:		
School System:	Primary Government:	
General Purpose School	Internal Service - Self-Insurance	346

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

	Transfers In		
Transfers Out	General Debt Service Fund	General Capital Projects Fund	Agency Funds
General Fund	$ 36,223	$ 6,000	$ 50,000
General Debt Service Fund	0	971,347	0
Agency Fund	0	0	13,741

Discretely Presented Clarksville-Montgomery County School System

	Transfers In	
Transfers Out	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	$ 0	$ 1,000,000
Nonmajor governmental funds	344,902	1,248,993

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.

F. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Montgomery 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 System. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund facilities and other capital outlay purchases, such as equipment.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 21 years for bonds 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 and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2 to 5.625 %	4-1-30	$ 180,010,000	$ 109,225,000
General Obligation Bonds - Refunding	.2 to 5	4-1-29	272,255,000	204,685,000
Other Loans	variable	7-1-26	26,234,718	17,256,266

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

Qualified School Construction Bonds were issued through the State of Tennessee, and the proceeds were loaned to Montgomery County and various other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those

requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	$ 22,870,000	$ 11,825,025	$ 34,695,025
2016	22,865,000	11,416,178	34,281,178
2017	23,785,000	10,692,004	34,477,004
2018	24,995,000	9,857,614	34,852,614
2019	25,915,000	8,985,334	34,900,334
2020-2024	127,290,000	29,134,078	156,424,078
2025-2029	65,465,000	6,669,012	72,134,012
2030	725,000	40,600	765,600
Total	$ 313,910,000	$ 88,619,845	$ 402,529,845

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	$ 1,684,049	$ 303,000	$ 22,093	$ 2,009,142
2016	1,684,048	303,000	22,093	2,009,141
2017	1,507,569	303,000	21,246	1,831,815
2018	1,507,569	303,000	21,246	1,831,815
2019	1,507,569	303,000	21,246	1,831,815
2020-2024	6,629,032	1,515,000	102,492	8,246,524
2025-2027	2,736,430	631,250	45,000	3,412,680
Total	$ 17,256,266	$ 3,661,250	$ 255,416	$ 21,172,932

There is $37,572,524 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled $1,922, based on the 2010 federal census.

The Bi-County Solid Waste Management System, a component unit, 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 Bi-County Solid Waste Management System and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-14
Bonds Payable	
Payable by Bi-County Solid Waste Management System	
Contributions to the General Debt Service Fund	
General Obligation Public Improvement	$ 415,000

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:	Bonds	Other Loans
Balance, July 1, 2013	$ 323,685,000	$ 18,940,316
Additions	63,355,000	0
Reductions	(73,130,000)	(1,684,050)
Balance, June 30, 2014	$ 313,910,000	$ 17,256,266
Balance Due Within One Year	$ 22,870,000	$ 1,684,049

	Compensated Absences	Other Postemployment Benefits	Internal Service Claims and Judgments
Balance, July 1, 2013	$ 2,677,380	$ 1,807,836	$ 3,057,838
Additions	3,325,299	655,265	38,584,843
Reductions	(3,007,589)	(87,988)	(38,094,377)
Balance, June 30, 2014	$ 2,995,090	$ 2,375,113	$ 3,548,304
Balance Due Within One Year	$ 2,995,090	$ 0	$ 1,774,152

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 340,084,773
Less: Due Within One Year	(29,232,291)
Add: Unamortized Premium on Debt	20,201,086
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 331,053,568

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

Advance Refunding

On May 15, 2014, Montgomery County advance refunded two general obligation bond issues with a separate general obligation bond issue. The county issued $50,155,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 12 years will be reduced by $4,334,502, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $3,624,250 was obtained.

Defeasance of Prior Debt

In prior years, Montgomery County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2014, the following outstanding bonds are considered defeased:

2004 General Obligation School and Public Improvement	$	18,300,000
2005 General Obligation School and Public Improvement		27,850,000
2004 General Obligation Public Improvement		2,700,000

Discretely Presented Clarksville-Montgomery County School System

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Clarksville-Montgomery County School System for the year ended June 30, 2014, was as follows:

	Other Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2013	$ 3,354,934	$ 1,349,665	$ 612,049
Additions	1,176,905	1,450,546	57,405
Reductions	(724,207)	(1,373,250)	(128,713)
Balance, June 30, 2014	$ 3,807,632	$ 1,426,961	$ 540,741
Balance Due Within One Year	$ 0	$ 1,384,152	$ 280,039

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	$ 5,775,334
Less: Due Within One Year	(1,664,191)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 4,111,143

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Clarksville-Montgomery County School System. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2014, were $96,894. The School System has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Montgomery County issued revenue anticipation notes in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Revenue Anticipation Notes	$ 0	$ 750,000	$ (750,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Montgomery County, the Clarksville-Montgomery County School System, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Clarksville-Montgomery County Public Library, component units, have chosen to establish the Self-Insurance Fund for risks associated with the employees' health insurance plan. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of $300,000 per specific loss. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability. The reinsurance carrier will pay 85 percent of paid claims exceeding $300,000 per specific loss to an unlimited maximum less the county's deductible.

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2012-13	$ 2,695,506	$ 33,165,940	$ (32,921,271)	$ 2,940,175
2013-14	2,940,175	38,232,893	(37,790,795)	3,382,273

Montgomery County has decided to maintain a self-insurance plan for risks associated with workers' compensation claims. Claims are paid from the

Workers' Compensation Fund. The county administers this plan internally instead of contracting out this service. The county retains the risk of loss to a limit of $300,000 per specific loss. All employees of Montgomery County, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Clarksville-Montgomery County Public Library participate. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2012-13	$ 30,806	$ 0	$ (8,813)	$ 21,993
2013-14	21,993	27,820	0	49,813

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2012-13	$ 95,670	$ 297,030	$ (297,030)	$ 95,670
2013-14	95,670	48,368	(27,820)	116,218

Montgomery County, the Clarksville-Montgomery County School System, the Emergency Communications District of Montgomery County, the Bi-County

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

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

It is the policy of the Clarksville-Montgomery County School System to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, and casualty losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2012-13	$ 606,091	$ 0	$ (35,799)	$ 570,292
2013-14	570,292	0	(48,888)	521,404

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2012-13	$ 57,314	$ 86,642	$ (102,199)	$ 41,757
2013-14	41,757	57,404	(79,824)	19,337

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 31, 2014, Carolyn Bowers left the Office of County Mayor and was succeeded by Jim Durrett, and Connie Bell left the Office of Register of Deeds and was succeeded by Connie Gunnett.

On October 21, 2014, and November 7, 2014, the county's General Debt Service Fund issued a $2,000,000 tax anticipation note to the General Fund and a $750,000 revenue anticipation note to the School Federal Projects Fund for temporary operating funds.

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. Changes in Administration

Director of Accounts and Budgets Erinne Hester resigned December 8, 2013, and was succeeded by Jeffrey Taylor effective March 3, 2014. Shannon Holt served as Interim Director of Accounts and Budgets between December 9, 2013, and March 2, 2014.

Assessor of Property Betty Burchett resigned November 30, 2013, and was succeeded by Erinne Hester effective December 9, 2013.

F. Landfill Closure/Postclosure Care Costs

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

G. Joint Ventures

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

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Airport and the Clarksville-Montgomery County Regional Planning Commission. These joint ventures are operated by county/city-appointed boards/commissions for the benefit of all citizens of the two entities. Montgomery County has control over budgeting and financing the joint ventures only to the extent of representation by the board members

appointed. Each entity is responsible for funding 50 percent of any deficits from operations if not covered by prior earnings. Montgomery County contributed $216,633 for the operations of the airport during the year ended June 30, 2014.

The Joint Economic and Community Development Board is a joint venture between Montgomery County and the City of Clarksville. The board comprises the county mayor, city mayor, and several additional members. The purpose of the board is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and city will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Montgomery County did not appropriate any funds to the Economic and Community Development Board during the 2013-14 year.

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

The Nineteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Nineteenth Judicial District and Montgomery County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general and the Montgomery County Sheriff. Montgomery County did not appropriate any funds to the DTF during the 2013-14 year.

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

Administrative Offices:

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

Administrative Offices (Cont.):

Clarksville-Montgomery County Airport
200 Airport Road
Clarksville, TN 37042

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

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

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

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

H. Jointly Governed Organization

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Montgomery County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five

years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Montgomery County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 14.33 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, 2014, Montgomery County's annual pension cost of $9,861,110 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 post retirement increases of

2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	$9,861,110	100%	$0
6-30-13	9,197,180	100	0
6-30-12	9,113,022	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 93.61 percent funded. The actuarial accrued liability for benefits was $193.03 million, and the actuarial value of assets was $180.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of $12.33 million. The covered payroll (annual payroll of active employees covered by the plan) was $63.33 million, and the ratio of the UAAL to the covered payroll was 19.47 percent.

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

SCHOOL TEACHERS

Plan Description

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

30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School System is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School System is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were $10,592,992, $10,149,030, and $10,000,983, respectively, equal to the required contributions for each year.

2. Deferred Compensation – Primary Government

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

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

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

J. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

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

Funding Policy

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

Employees who retire from Montgomery County become eligible for retiree health coverage if they have 30 years of verified Tennessee Consolidated Retirement System service, or have reached 55 years of age with a minimum of 20 years of service and were enrolled in the health insurance program for at least two years. Montgomery County pays a portion of the premium for retirees and their spouses. The insurance coverage will remain in effect until the retiree becomes eligible for Medicare.

The School System also offers postemployment health care benefits to employees who have 30 years of verified Tennessee Consolidated Retirement System service, or have reached 55 years of age with a minimum of 20 years of service. The School System provides retirees and their spouses with the same health insurance coverage that full-time employees receive if the eligible employees were covered with the same before their retirement. A

portion of the cost of the insurance premium will be paid by the School System. The insurance coverage will remain in effect for ten years after employment ends or until the retiree becomes eligible for Medicare, whichever comes first.

The School System also provides postemployment life insurance benefits to certified employees with 20 years of service. The School System pays 100 percent of life insurance premiums ($7,000 policy) until death. Anyone who is hired after July 1, 2007, is not eligible for this benefit.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School System	Total
ARC	$ 656,937	1,174,555	$ 1,831,492
Interest on the NOPEBO	72,314	148,040	220,354
Adjustment to the ARC	(73,986)	(145,690)	(219,676)
Annual OPEB cost	$ 655,265	$ 1,176,905	$ 1,832,170
Amount of contribution	(87,988)	(724,207)	(812,195)
Increase/decrease in NOPEBO	$ 567,277	$ 452,698	$ 1,019,975
Net OPEB obligation, 7-1-13	1,807,836	3,354,934	5,162,770
Net OPEB obligation, 6-30-14	$ 2,375,113	$ 3,807,632	$ 6,182,745

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Primary Government	$ 438,199	17 %	$ 1,448,038
6-30-13	"	465,722	23	1,807,836
6-30-14	"	655,265	13	2,375,113
6-30-12	School System	1,336,653	51	3,008,093
6-30-13	"	1,123,615	69	3,354,934
6-30-14	"	1,176,905	62	3,807,632

Funded Status and Funding Progress

The funded status of the plans are as follows:

	Primary Government	School System
Actuarial valuation date	7-1-14	7-1-12
Actuarial accrued liability (AAL)	$ 5,937,419	$ 11,911,650
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 5,937,419	$ 11,911,650
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 31,419,792	$ 137,701,251
UAAL as a % of covered payroll	19%	9%

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, 2014, actuarial valuation for the primary government, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with July 1, 2009.

In the July 1, 2012, actuarial valuation for the School System, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent initially,

reduced by decrements to an ultimate rate of five percent after seven years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with July 1, 2009.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Laws

Office of Central Purchasing

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

Office of Director of Schools

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

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

A. Significant Accounting Policies

1. Reporting Entity

The Clarksville-Montgomery County Public Library was created on August 6, 1959, by an agreement between the City of Clarksville and Montgomery County. A joint City-County Public Library Board was charged with the maintenance and operation of the library for the benefit of residents of both Montgomery County and the City of Clarksville. The agreement functioned as a joint venture between the City of Clarksville and Montgomery County until July 1, 2004, when Montgomery County took over the funding of the library.

The library is a component unit of Montgomery County, Tennessee, which is the principal reporting entity and primary government. The library is treated as a discrete component unit of the county since the county may unilaterally control the operations of the library. The county is responsible for appointing all of the library's board of trustees and provides its primary funding support. The financial reporting entity of the library only includes the assets and operations of the library and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

2. Use of Estimates

The library's financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from these estimates in the near term, and these variations can have a material effect on these financial statements.

3. Concentration of Credit Risk

Financial instruments that potentially subject the library to significant concentrations of credit risk consist principally of cash and receivables. The library is exposed to credit risk by placing its deposits in financial institutions. The library's risk is mitigated because the bank balance in excess of the FDIC limit is collateralized by the State of Tennessee Bank Collateral Pool. With respect to receivables, credit risk is dispersed across a large number of customers who are geographically concentrated in the service area of the library.

4. Government-wide and Fund Financial Statements

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

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

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

5. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred, regardless of the timing of the related cash flow.

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

The library's only fund is the General Fund. It accounts for all of the financial resources of the library. The Library has one component unit (see Note VI.N.).

6. **Cash and Cash Equivalents**

The library considers all highly liquid debt instruments purchased with a maturity of 90 days or less to be cash equivalents.

7. Customer Receivables

Customer receivables consist primarily of late fees and penalties for lost books. Customer receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible accounts.

8. Allowance for Uncollectible Customer Receivables

Bad debts are provided for using the allowance method. Management annually estimates an adequate allowance for uncollectible customer receivables based on historic collection rates. The allowance for uncollectible customer receivables was $1,622,657 as of June 30, 2014.

9. Capital Assets

Property and equipment are valued at cost for assets purchased. All assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of five years are capitalized. Depreciation of capital assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Donated items are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs is not capitalized.

10. Accrued Compensated Absences

Vacation benefits are accrued as earned and charged to salaries.

11. Fund Equity

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

> Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.

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

Committed fund balance – amounts constrained to specific purposes by the library's governing body, using its highest level of decision-making authority (i.e., through a majority vote by the board of trustees during an official meeting). To be reported as committed, amounts cannot be used for any other purpose unless the board of trustees takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts the library intends to use for a specific purpose. Intent can be expressed by management of the library.

Unassigned fund balance – amounts that are available for any purpose.

The details of the fund balances are included in the Governmental Fund Balance Sheet and in Note VI.J.

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

12. Program Revenues and Expenses

Charges for services, fines, and penalties are shown as program revenues. Substantially all expenditures are considered program expenditures.

13. Funding

General revenues include support from local governments and other miscellaneous revenues.

B. Cash and Cash Equivalents

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

Custodial credit risk for the library's deposits is the risk that in the event of a bank failure, the library's deposits may not be returned to it. As required by state statutes, the library's policy is to require financial institutions holding

its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the library or its agent in the library's name. At June 30, 2014, cash and other deposits included bank balances totaling $464,736, all of which were insured by the Federal Deposit Insurance Corporation (FDIC). Restricted cash of $219,731 included funds received from donors with restricted purposes.

Both cash and cash equivalents are carried at cost, which approximated fair value at June 30, 2014.

Total investment income of $138,606 for the year ended June 30, 2014, consisted of earnings of $138,606.

C. Customer Receivables

Customer receivables, net are summarized as follows:

Customer Receivables Outstanding	$ 1,652,657
Allowance for Uncollectible Accounts	(1,622,657)
Customer Receivables, Net	$ 30,000

D. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2014, is as follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Leasehold Improvements	$ 164,765	$ 17,012	$ 0	$ 181,777
Furniture and Fixtures	782,495	0	(710)	781,785
Machinery and Equipment	1,093,413	2,098	(27,369)	1,068,142
Software	243,754		(114,586)	129,168
Library Resources	4,012,862	285,967	(400,981)	3,897,848
Construction in Progress	2,720	14,292	(17,012)	0
Total Capital Assets	$ 6,300,009	$ 319,369	$ (560,658)	$ 6,058,720

Construction in progress is not depreciated until placed in service. The library has no capital assets that are idle or impaired.

A summary of changes in accumulated depreciation for the year ended June 30, 2014, is as follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Leasehold Improvements	$ 107,470	$ 25,031	$ 0	$ 132,501
Furniture and Fixtures	705,017	32,230	(273)	736,974
Machinery and Equipment	874,356	120,897	(26,553)	968,700
Software	238,880	874	(114,585)	125,169
Library Resources	3,154,622	291,732	(400,981)	3,045,373
Total Accumulated Depreciation	$ 5,080,345	$ 470,764	$ (542,392)	$ 5,008,717

E. Gracey Trust

The library was named as a beneficiary of a portion of the Estate of Finley Gracey. The principal of the bequest is held in trust for a period of 30 years from the settlement of the estate, and 28.5 percent of the income from this trust is to be paid to the library on at least a quarterly basis. Upon expiration of 30 years, 28.5 percent of the trust corpus will be delivered to the library. The estate was settled in 1992. During the current year, investment income of $136,764 was received by the library. The bequest is to be used for general library purposes as directed by its board of trustees.

F. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

> When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the library, net of related accumulated depreciation.

Cost of Capital Assets	$ 6,058,720
Less: Accumulated Depreciation	5,008,717
Total	$ 1,050,003

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities:

> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation expense exceeded (was exceeded by) capital outlays in the current period.

Cost of Capital Assets	$	(302,357)
Loss on Disposal		1,255
Depreciation Expense		470,764
Total	$	169,662

G. Deferred Compensation Plan

The library offers its employees a supplemental deferred compensation plan created in accordance with Internal Revenue Code, Section 457 (the 457 Plan). The 457 Plan, available to all library employees, permits them to defer a portion of their salary until retirement. Employees can make voluntary pre-tax contributions; however, the library does not make any matching employer contributions. Employees are always 100 percent vested in their voluntary contributions. Employee contributions were $10,474 for the year ended June 30, 2014.

H. Defined Contribution 401(k) Plan

The library employees are eligible to participate in a Montgomery County 401(k) plan. All employees are immediately eligible to participate upon hire. The plan includes no employer matching contributions. Employee contributions were $5,278 for the year ended June 30, 2014.

I. Postemployment Benefit

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

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

This plan is a single-employer defined benefit plan. Prior to the year ended June 30, 2014, the plan was funded and expensed on a pay-as-you-go basis. The provisions of GASB Codification Po50 were retrospectively implemented in the year ended June 30, 2014. For 2014, the plan continued to be funded on a pay-as-you-go basis with expense calculated under the provisions of GASB Codification Po50 as described below. The plan does not issue stand-alone financial reports.

The GASB issued GASB Codification Po50, *Postemployment Benefits Other Than Pension Plan - Defined Benefit*, which requires employers that participate in single-employer or agent multiple-employer defined other postemployment benefit (OPEB) plans to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

The annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Codification Po50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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

Normal Cost	$	8,901
30 Year Amortization of Accrued Liability		4,561
Interest on Net OPEB Obligation		267
Annual Required Contribution	$	13,729
Interest on Net OPEB Obligation		1,240
Adjustment on Annual Required Contribution		(1,261)
Annual OPEB Expense	$	13,708
Contributions Made		(500)
Increase in Net OPEB Obligation	$	13,208
Net OPEB Obligation - Beginning		30,988
Net OPEB Obligation - Ending	$	44,196

The library's annual OPEB expense, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
6-30-14	$	13,729	4 %	$	13,208
6-30-13		8,774	3		8,482
6-30-12		8,105	3		7,835

As of July 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits for the fiscal year ended June 30, 2014, was $110,940, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $110,940. The covered payroll (annual payroll of active employees covered by the plan) was $1,162,975, and the ratio of the UAAL to the covered payroll was 9.54 percent. The ARC was 1.18 percent of covered payroll, and the funding was determined on a pay-as-you-go basis.

Actuarial valuations of ongoing plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumption included an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, is 24 years.

The library funds and expenses the costs of the benefits as incurred. At June 30, 2014, the library had no eligible retirees receiving benefits.

J. Fund Balance

Restricted fund balance consisted of the following at June 30, 2014:

Library Foundation Donations	$	216,547
Memorial Donations		2,135
Friends of the Library Donations		849
Other Restricted Donations		200
Total Restricted Fund Balance	$	219,731

K. Funding Sources

The library's operating expenses are primarily funded by transfers of funds from Montgomery County. Other funding sources include memorials, donations, endowments, and fines and fees. The library received approximately 56 percent of its funding from Montgomery County. A substantial reduction in funding by Montgomery County could have an adverse effect on the future operations of the library's programs and activities.

L. Related-party Transactions

The building, which houses the library, is owned by Montgomery County. The library uses the building free of charge. The fair rental value of the building was $629,000 for the year ended June 30, 2014. The fair rental value of the building was determined by considering the age and condition of the buildings and the cost of similar rental space in the same vicinity. No recognition was made in these financial statements for in-kind rent.

M. Retirement Plan

Plan Description:

Employees of the library 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* (*TCA*). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the library participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a

political subdivision unless approved by the chief governing body. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

Funding Policy:

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

The library is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 14.7 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the library is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the library's annual pension cost of $118,444 to TCRS was equal to 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 salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The library's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012. The contribution rate is effective through June 30, 2014.

Trend Information for the Library

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	$ 118,444	100 %	$ 0
6-30-13	107,205	100	0
6-30-12	100,385	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 89.07 percent funded. The actuarial accrued liability for benefits was $2.29 million and the actuarial value of assets was $2.04 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.25 million. The covered payroll (annual payroll of active employees covered by the plan) was $.72 million, and the ratio of the UAAL to the covered payroll was 34.62 percent.

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

N. Component Unit

The Clarksville-Montgomery County Public Library Foundation is a legally separate, tax-exempt component unit of the library. The foundation's primary purpose is to provide assistance to the library through fundraising activities and through the management, investment, and administration of the funds under the foundation's control. The funds raised by the foundation are not to be used for the funding of day-to-day operations of the library but for special programs, activities, and capital projects. The four-member board is self-perpetuating and consists of residents of Montgomery County with diverse business, personal, and professional experience. Although the library does not control the timing or amount of receipts from the foundation, all of the resources that the foundation holds are restricted to library purposes. Because these resources can only be used by or for the benefit of the library, the foundation is considered a component unit of the library. The foundation is required to disburse not less than five percent of the total assets held by the foundation on December 31 of the previous year. The foundation's by-laws, adopted April 1, 2005, require the foundation's accounts to be audited annually.

O. Risk Management

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

The library, along with other Montgomery County component units, has chosen to establish a combined Self-Insurance Fund for risks associated with

the employees' health insurance plan, workers compensation claims (including on-the-job injury), and unemployment compensation claims. The library is party to a lawsuit for which the ultimate outcome is not determinable. The library's management believes that the outcome of those proceedings will not have a materially adverse effect on the accompanying financial statements.

P. Budget

The library prepares and adopts the budget for the next succeeding fiscal year prior to June 30 of each year. This budget is also approved by Montgomery County for agreement to the amount of funding to be provided for the fiscal year. The operating budget is used as a planning tool and includes proposed expenditures and the means of funding them. Once a budget is approved, expenditures can be amended by approval of a majority of the members of the board of trustees if no additional funding is required. Budget amendments requiring additional funding must be approved by the county in addition to the board of trustees.

Q. Prior-period Adjustments

Accounts receivable, allowance for uncollectible accounts, accrued payroll, other postemployment benefits, and fund balance/net position were adjusted as of June 30, 2013, to correct accounting errors that occurred in previous years. These errors resulted from failure to reconcile accounts receivable to subsidiary ledgers, record other postemployment benefits, and record the accrued payroll obligation as of June 30, 2013.

Following is a schedule of adjustments to the June 30, 2013, governmental fund balance sheet/statement of net position:

	Fund Balance	Net Position
Increase in Customer Receivables	$ 911,984	$ 911,984
Increase in Allowance for Uncollectible Accounts	(1,209,048)	(1,209,048)
Increase in Accrued Payroll	(25,676)	(25,676)
Increase in Other Postemployment Benefits Liability	(30,988)	(30,988)
Total Decrease in Fund Balance/Net Position	$ (353,728)	$ (353,728)
Fund Balance/Net Position - 6-30-13, as Previously Reported	497,877	1,717,542
Fund Balance/Net Position- 6-30-13, as Restated	$ 144,149	$ 1,363,814

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

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

2. Use of Estimates

The system's financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates in the near term and these variations can have a material effect on these financial statements.

3. Concentration of Credit Risk

Financial instruments that potentially subject the system to significant concentrations of credit risk consist principally of cash and receivables. The system is exposed to credit risk by placing its deposits in financial institutions. The system has mitigated this risk because the bank balance in excess of the FDIC insurance limit is collateralized by the State of Tennessee Bank Collateral Pool. With respect to receivables, credit risk is dispersed across a large number of

customers who are geographically concentrated in the system's service area. The system does not obtain collateral for receivables.

4. Basis of Accounting

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

Resources are classified for accounting reporting purposes in the following three net position groups:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The net investment in capital assets at June 30, 2014, was:

Capital Assets	$ 22,158,757
Accumulated Depreciation	(10,528,901)
Debt Related to Capital Assets	(1,534,293)
Total	$ 10,095,563

Restricted: Net position for which use is subject to externally imposed stipulations that can be fulfilled by actions of the system pursuant to those stipulations or that expire by the passage of time. The system had no restricted net position as of June 30, 2014.

Unrestricted: Net position that is not subject to externally imposed stipulations and that does not meet the definition of "restricted" or "net investment in capital assets." Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. The system had a deficit of unrestricted net position of $6,480,194, as of June 30, 2014.

5. Cash and Cash Equivalents

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

6. Uncollectible Accounts

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

7. Inventories

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

8. Capital Assets

Capital assets are valued at cost for assets purchased. All assets with an initial, individual cost of $10,000 or more and an estimated useful life exceeding two years are capitalized. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized once the asset is placed in service.

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

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

9. Accrued Compensated Absences

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

10. Restricted Net Position

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

B. Deposits and Investments

The system participates in an internal cash and investment pool through the Office of Montgomery County Trustee. The trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. The system's portion of this pool is displayed on the Statement of Net Position as cash and cash equivalents. The system paid the trustee $81,478 during the year ended June 30, 2014, for these services.

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

Custodial credit risk for the system's deposits is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As required by state statutes, the system's policy is to require financial institutions holding its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the system or its agent in the system's name. At June 30, 2014, cash and other deposits included bank balances totaling $4,484,809, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

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

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

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

C. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2014, follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Land-Held for Expansion	$ 783,246	$ 0	$ (7,045)	$ 776,201
Land	462,707	0	0	462,707
Buildings and Improvements	4,240,641	0	0	4,240,641
Property and Equipment	13,302,058	1,375,732	(40,074)	14,637,716
Other Property	868,938	1,172,554	0	2,041,492
Total Capital Assets	$ 19,657,590	$ 2,548,286	$ (47,119)	$ 22,158,757

A summary of changes in accumulated depreciation for the year ended June 30, 2014, follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Buildings and Improvements	$ 1,120,391	$ 110,854	$ 0	$ 1,231,245
Property and Equipment	7,471,661	856,480	(36,732)	8,291,409
Other Property	850,174	156,073	0	1,006,247
Total Accumulated Depreciation	$ 9,442,226	$ 1,123,407	$ (36,732)	$ 10,528,901

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

D. Due to Primary Government - Bonds Payable

Long-term debt consisted as follows:

		2014
$625,000 Series 2012 Public Improvement Bonds due in annual installments of $140,000 with a final payment of $135,000 on April 1, 2017, plus interest payable semi-annually on October 1 and April 1 at a rate of five percent	$	415,000
Plus: Unamortized net bond premium		45,473
Total long-term debt	$	460,473
Less: Current Portion		140,000
Total long-term debt excluding current portion	$	320,473

Future payments on long-term debt are as follows:

Year Ending June 30		Principal		Interest
2015	$	140,000	$	20,750
2016		140,000		13,750
2017		135,000		6,750
Total future payments	$	415,000	$	41,250

Interest incurred of $11,701 was expensed during the year ended June 30, 2014.

A summary of changes in long-term debt is as follows:

		2014
Payable at July 1	$	555,000
Proceeds		-
Repayments		(140,000)
Payable at June 30	$	415,000

E. Note Payable

During the year ended June 30, 2014, the Montgomery County Commission advanced $1,073,820 cash for equipment purchases to be ultimately funded by bonds issued by Montgomery County in the fiscal year ending June 30, 2016. The system received an interest-free temporary loan from Montgomery County for the principal amount of the bonds in the fiscal year ended June 30, 2014. The system will make ten annual bond payments of principal and interest to Montgomery County upon issuance of the bonds.

F. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the system to place a final cover on its landfill sections when the section stops accepting waste and to perform certain maintenance and monitoring functions at the section for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the system reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill section capacity used as of each balance sheet date. Closure/postclosure costs are calculated based on an engineering evaluation. The $11,409,458 reported as landfill closure and postclosure care liability at June 30, 2014, represents the cumulative amount reported to date based on the use of 63 percent of the estimated capacity of the currently open sections of the landfill. The landfill will recognize an additional estimated cost of closure and postclosure care of $6,622,141 as the remaining estimated capacity is filled in those sections. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Also, expansion of the landfill property could change these estimates. The system currently has 250 acres of unused land that it anticipates using for waste and estimates ample capacity to accept waste until 2107.

Montgomery and Stewart counties have executed a Contract in-Lieu-of Performance Bond of $20,297,563 to provide financial assurance to the State of Tennessee for estimated operation, closure, and postclosure costs.

Changes in long-term obligation for closure and postclosure costs:

Accrued Liability at July 1, 2013	$ 11,222,541
Current Year Accrual	798,132
Current Year Closure Costs	(611,215)
Accrued Liability at June 30, 2014	$ 11,409,458

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

G. Accrued Compensated Absences

Changes in accrued compensated absences for the year ended June 30, 2014, were as follows:

	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
Accrued Compensated Absences	$ 253,274	$ 26,594	$ 0	$ 279,868

H. Other Postemployment Benefits (OPEB)

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

For qualifying retired employees the system pays a portion of the medical insurance premium until the retired employee is eligible for Medicare. The co-payment schedule is as follows:

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

This plan is a single-employer defined benefit plan. Prior to the year ended June 30, 2010, the plan was funded and expensed on a pay-as-you-go basis. The provisions of Governmental Accounting Standards Board (GASB) Codification Po50 were retroactively implemented in the year ended June 30, 2010, to be effective as of June 30, 2009. For 2010 and forward, the plan continued to be funded on a pay-as-you-go basis with expense calculated under the provisions of GASB Codification Po50 as described below. The plan does not issue stand-alone financial reports.

The GASB issued GASB Codification Po50 *Postemployment Benefits Other Than Pension Plans-Defined Benefit,* which requires employers that participate in single-employer or agent multiple-employer defined other postemployment benefit (OPEB) plans to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

The annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Codification Po50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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

	Year Ended 6-30-14
Normal Cost	$ 52,466
30 Year Amortization of Accrued Liability	35,572
Interest on Net OPEB Obligation	1,743
Annual Required Contribution	$ 89,781
Interest on Net OPEB Obligation	7,530
Adjustment on Annual Required Contribution	(7,842)
Annual OPEB Expense	$ 89,469
Contributions Made	(29,956)
Increase in Net OPEB Obligation	$ 59,513
Net OPEB Obligation - 7-1-13	188,261
Net OPEB Obligation - 6-30-14	$ 247,774

The system's annual OPEB expense, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6-30-14	$ 89,469	33 %	$ 247,774
6-30-13	60,947	49	188,261
6-30-12	57,372	48	157,466

As of July 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $859,995, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $859,995. The covered payroll (annual payroll of active employees covered by the plan) was $2,856,924, and the ratio of the UAAL to the covered payroll was 30.1 percent. The ARC was 3.14 percent of covered payroll, and the funding was determined on a pay-as-you-go basis.

Actuarial valuations of ongoing plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumption included an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, is 24 years.

The system pays and expenses the costs of the benefits as they are incurred. At June 30, 2014, the system had two eligible retirees receiving benefits.

I. Retirement Commitments

1. Plan Description

Certain employees of the system are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefits pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits, as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979,

become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the system participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

2. Funding Policy

The system has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Montgomery County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 14.63 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirements for the system are established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Cost and Actuarial Information

Pension costs and actuarial information for the system cannot be separately stated from that of Montgomery County. The system is a component unit of Montgomery County, and aggregated pension information is reported for all Montgomery County employees in the June 30, 2014, Montgomery County Annual Financial Report.

J. Concentrations

The system receives a substantial amount of its Charges for Services (tipping fees) from three entities: City of Franklin, Clarksville Disposal, and Queen City Disposals. These three haulers comprised 57.34 percent of tipping fee revenues earned during the year ended June 30, 2014, as well as $692,741 (47.37 percent) of accounts receivable balances at June 30, 2014. The system also collects a user fee from each household in Montgomery and Stewart counties. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the system.

K. Operating Leases

The system has convenience centers in 17 locations in Montgomery and Stewart counties. Twelve of these convenience centers are located on leased property. The system also had two short-term leases for dump trucks during the fiscal year ended June 30, 2014. The lease payments for the year ended June 30, 2014, were $169,465 and are included in the contracted services category on the Statement of Revenues, Expenses, and Changes in Net Position. This amount includes payments made for short- and long-term leases.

Future payments on lease obligations are as follows:

Year Ending June 30		Lease Payments
2015	$	32,702
2016		19,138
2017		12,580
2018		2,400
Total	$	66,820

L. Risk Management

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

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

M. Commitments and Contingencies

In the normal course of conducting its business, the system may be involved in legal proceedings. Due to the nature and scope of the system's business, which brings it into regular contact with the general public, a variety of businesses, and multiple governmental entities, which regulate and examine its operations, the system is inherently subject to the hazards of potential litigation, claims, and assessments. Additionally, routine examination performed by the system's federal and state oversight agencies could result in

findings and violations, which have an adverse effect on the system. Currently, management is not aware of any such conditions, which would have a material adverse effect on the system.

N. Prior-period Adjustment

Closure/postclosure liability and net position were adjusted as of June 30, 2013, to correct accounting errors that occurred in previous years. An error was discovered in the calculation for the closure/postclosure liability. The system began receiving waste on a new parcel of land during the year ended June 30, 2014. The state had included the closure/postclosure costs of the parcel in its calculation provided to system management since 2007 while the system believed it was not included. Therefore, management had to separate the parcels to recalculate the closure/postclosure liability based on the capacity of the separate parcels, creating a reduction in the closure/postclosure liability. It was also discovered that, as a result of overpayment from the user fee billing agent, user fee revenue had been recorded for customers who had not paid their user fee in previous years.

Following is a schedule of adjustments to the June 30, 2013, statement of financial position:

Decrease in Closure/Postclosure Liability	$	4,777,359
Decrease in User Fee Revenue		(50,519)
Total Increase to Net Position	$	4,726,840

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

A. Summary of Significant Accounting Policies

1. Financial Reporting Entity

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

The board is a component unit of Montgomery County, Tennessee, which is the principal reporting entity and primary government. The board is treated as a discrete component unit of the county since the county may unilaterally control the operations of the board. The

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

In fiscal year 1995, the Clarksville-Montgomery County Tourism Commission (Tourism), the Clarksville Area Chamber of Commerce (Chamber), and the board jointly organized the Clarksville-Montgomery County Economic Development Council (EDC) to develop, coordinate, and implement a comprehensive marketing plan relating to economic prosperity of Clarksville-Montgomery County and the surrounding area. The board, Tourism, and Chamber evenly share the cost of EDC staff salaries, payroll taxes, benefits, and other operating costs and expenses related to the general administration of the EDC. All other expenses of the EDC are share based on usage allocations. The audited financial statements of the EDC can be obtained from the Vice President of Finance and Human Resources, Clarksville-Montgomery County Economic Development Council, P. O. Box 883, Clarksville, Tennessee 37041-0883.

2. Use of Estimates

The board's financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from these estimates in the near term and these variations can have a material effect on these financial statements.

3. Concentrations of Credit Risk

Financial instruments that potentially subject the board to significant concentrations of credit risk consist principally of cash and receivables. The board is exposed to credit risk by depositing its cash in financial institutions. The board's risk is mitigated because the bank balance in excess of the FDIC deposit insurance limit is collateralized by the State of Tennessee bank collateral pool. With respect to receivables, credit risk is primarily limited to amounts due from escrow agents in connection with the sale of property and from grantors including Aspire Clarksville and the State of Tennessee.

4. Government-wide Financial Statements

The government-wide financial statements (the governmental fund balance sheet/statement of net position and the statement of

governmental fund revenues, expenditures, and changes in fund balance/statement of activities) report information on all of the nonfiduciary activities of the board.

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

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

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

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when the related liabilities are incurred, regardless of the timing of the related cash flow.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the board considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

6. Cash and Cash Equivalents

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

7. Uncollectible Accounts

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

8. Capital Assets

Capital assets are valued at cost for assets purchased. All assets with an initial, individual cost of more than $500 and an estimated useful life in excess of two years are capitalized. Depreciation of capital assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Donated capital assets are recorded at the estimated fair value at the date of the donation. The cost of normal maintenance and repairs is not capitalized.

9. Property Held for Sale or Lease

Property held for sale or lease is recorded at cost or market, if lower. The cost of property sold is charged to expense using the specific identification method. If the property was originally contributed by the primary government, the value of the property sold is charged to contributed capital.

10. Accrued Compensated Absences

Employees are required to take earned vacation days within the fiscal year, and sick days are not paid upon separation. Therefore, compensated absences are not accrued.

11. Fund Balance

The board has implemented Governmental Accounting Standards Board (GASB) Codification 1800, *Classification and Terminology*. This code provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

The details of the fund balances are included in the Governmental Fund Balance Sheet and in Note VIII.Q.

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

12. Funding

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

B. Cash and Cash Equivalents

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

Custodial credit risk for the board's deposits is the risk that in the event of a bank failure, the board's deposits may not be returned to it. As required by state statutes, the board's policy is to require financial institutions holding its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the board or its agent in the board's name. At June 30, 2014, cash and other deposits included bank balances

totaling $1,873,734, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

C. Investments and Other Deposits

Investments and other deposits are restricted by state law to deposits with financial institutions and certain obligations guaranteed by the United States Government. Investments and other deposits are stated at cost or amortized cost, which approximates fair value at June 30, 2014. Following is a summary of the board's certificates of deposit at June 30, 2014, all of which were insured by the FDIC or the State of Tennessee Bank Collateral Pool.

	Carrying Amount	Market Value
Certificates of Deposit	$ 610,210	$ 610,210

D. Note Receivable from Sale of Land

The note receivable is a $5.5 million non-interest bearing note received in exchange for land.

	Balance 6-30-14
Hemlock Semiconductor, LLC (HSC) note	$ 785,714

The HSC note is due in seven annual installments of $785,714 with the final payment due during the fiscal year ending June 30, 2015.

E. Property Held for Sale or Lease

A summary of property held for sale or lease follows:

	Acres Available	At Cost
Land-Park Expansion	417.530	$ 5,833,605
Goodpasture Property	20.190	125,032
Bell Property	50.080	184,309
Dunlop Property	18.300	3,734,085
Hamill Property	1.640	7,815
Hampton Station Property	3.360	111,724
Homemax Property	1.998	13,965
Lafayette Property	42.830	257,000
Pad-Ready Site	0.000	1,090,721
Total		$ 11,358,256

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

F. Capital Assets

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

Capital Assets	Balance 7-1-13	Additions	Balance 6-30-14
Equipment	$ 75,416	$ 0	$ 75,416
Vehicles	36,790	0	36,790
Leasehold Improvements	48,793	0	48,793
Buildings	1,883,553	0	1,883,553
Land	37,641	0	37,641
Software	1,385	0	1,385
Total	$ 2,083,578	$ 0	$ 2,083,578
Accumulated Depreciation			
Equipment	$ 67,223	$ 5,130	$ 72,353
Vehicles	33,407	2,825	36,232
Leasehold Improvements	20,872	3,254	24,126
Buildings	196,204	47,089	243,293
Software	1,385	0	1,385
Total	$ 319,091	$ 58,298	$ 377,389

Land is not depreciated or amortized. Capital assets with net book values totaling $1,677,902 were pledged as collateral for debt at June 30, 2014.

G. Construction in Progress

A summary of changes in construction in progress follows:

	Balance 7-1-13	Deductions	Balance 6-30-14
Rail to Park Expansion	$ 362,952	$ 0	$ 362,952
Speculative Building	81,976	81,976	0
Total	$ 444,928	$ 81,976	$ 362,952

Construction in progress is not depreciated until placed in service.

H. Land Sale Options

The board had two land sale options that were terminated during the year ended June 30, 2014. The first outstanding option, granted in fiscal year 2004, allows the holder to purchase a 20-acre tract of land for $6,000 per acre. The option was given for $6,400 consideration, with $7,200 additional consideration received in fiscal year 2009 in order to purchase the right of first refusal. This option expired in 2014.

On August 1, 2008, the board entered into a letter of agreement for the second land sale option in which a developer would purchase or lease a 225-acre lot for the development of approximately two million square feet of Class A bulk warehouse, manufacturing, office, and flex distribution space thereon. The developer paid $5,000 initial consideration and $50,000 earnest money. The purchase price of the lot was $34,000 per acre. During the year ended June 30, 2014, the board paid $162,500 to the developer to terminate the option early.

I. Notes Payable

Notes payable consisted of the following:

	2014
Note payable bearing interest at Wall Street Journal prime rate (4.5% as of June 30, 2014) secured by land and a building; principal and interest are payable in monthly installments, maturing May 2021.	$ 1,291,392
Note payable bearing interest at 3.25% secured by building in inventory; interest is payable in annual installments with a balloon payment due March 2019. The interest payments will be assumed by the county in fiscal year ending June 30, 2017, with the county funding the balloon payment if the building has not sold.	3,710,000
Total Notes Payable	$ 5,001,392
Less: Current Portion	(181,132)
Total Notes Payable Excluding Current Portion	$ 4,820,260

Changes in notes payable (including current portions) for the year ended June 30, 2014, were as follows:

	(Restated) Balance 7-1-13	Increases	Decreases	Balance 6-30-14	Estimated Amount Due in Year Ending 6-30-15
Notes Payable	$ 1,452,716	$ 3,710,000	$ 161,324	$ 5,001,392	$ 181,132

Future payments on notes payable are as follows:

Year Ending June 30	Total Principal	Total Interest
2015	$ 181,132	$ 175,519
2016	189,454	167,198
2017	198,157	158,494
2018	207,260	149,391
2019	3,926,782	139,869
2020-2021	298,607	10,178
Total	$ 5,001,392	$ 800,649

J. Due to Montgomery County

At June 30, 2014, the board owed $785,714 to the county in connection with funds that were contributed by the county to the board for the HSC project during the fiscal year ended June 30, 2009. The board holds a corresponding note receivable from HSC. Both the payable to the county and the note receivable from HSC are reduced as payments are received from HSC and then are remitted to the county.

K. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets of the board, net of related accumulated depreciation. The Statement of Net Position also includes the debt related to the capital assets and other debt among the liabilities of the board.

Cost of Capital Assets	$ 2,083,578
Less: Accumulated Depreciation	(377,389)
Net Capital Assets	$ 1,706,189
Debt Related to Capital Assets:	
Current Portion of Note Payable	$ 153,791
Long-term Portion of Note Payable	1,104,780
Total Debt Related to Capital Assets	$ 1,258,571
Other Debt:	
Current Portion of Note Payable	$ 27,341
Long-term Portion of Note Payable	3,715,480
Total Other Debt	$ 3,742,821
Total Debt	$ 5,001,392

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Proceeds from the sales of capital assets are excluded from the Statement of Activities since the proceeds are not a gain or loss associated with the sale. Governmental funds record borrowings as revenue and the principal portion of debt repayment as an expense, while the Statement of Net Position records borrowings as a liability and the Statement of Activities records the interest portion of payments as an expense.

Depreciation Expense	$ (58,298)
Debt Service Principal	161,324
Proceeds from Note Payable	(3,710,000)
Total	$ (3,606,974)

L. Operating Leases

The board leases office space in the Capital Bank building from the EDC under a five-year agreement. Rental expense under the operating lease was $26,664 for the year ended June 30, 2014. The lease expires in November 2016.

Future payments on lease obligations are as follows:

2015	$ 26,667
2016	26,667
2017	8,889
Total	$ 62,223

M. Lease Contracts

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

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

Year Ending June 30	Lease Payments
2015	$ 258,513
2016	258,513
2017	258,513
2018	258,513
2019	258,513
2020	129,257
Total	$ 1,421,822

N. Retirement Plan

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

During the fiscal year ended June 30, 2014, contributions totaling $24,655 were paid and expensed by the board. Employee contributions to the plan were $26,991 for the year ended June 30, 2014.

O. Related-party Transactions

The board paid EDC $209,018 for its share of EDC expenses during the year ended June 30, 2014. The board had related-party payables at June 30, 2014, totaling $271,861, and related-party receivables of $17,000. Included in related party receivables at June 30, 2014, is $17,000 that was advanced to the EDC to facilitate payment of routine board expenses and is not expected to be collected within one year.

P. Fund Balance

The board has unassigned fund balance of $1,632,671 and nonspendable fund balance of $11,738,208 at June 30, 2014. Nonspendable fund balance consisted of the following:

Property Held for Sale or Lease	$ 11,358,256
Construction in Progress	362,952
Long-term Portion of Due from Related Parties	17,000
Total Nonspendable Fund Balance	$ 11,738,208

Q. Conduit Debt Obligations

The board has participated in several issues of industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The board is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements. The principal balance outstanding as of June 30, 2014, totaled $3,099,832,876.

R. Annual Budget Procedures

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

S. Commitments and Contingencies

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

After such time as the city has either annexed the land being purchased or recovered its investment, the sale of the land shall be divided equally between the city and county after ten percent is deducted for the board. At June 30, 2014, there was an accrued liability of zero to the city and zero to the county.

The board 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 board through its primary government, Montgomery County, has elected to obtain various insurance policies to transfer risk to a commercial insurance company either directly or through the Tennessee County Services Association Pool. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years. The board has obtained commercial insurance for employees' health, unemployment compensation, and worker's compensation through the EDC.

T. Nonmonetary Transactions

During the year ended June 30, 2014, the board entered into three material nonmonetary transactions. In the first transaction, the board obtained land and a building in exchange for a note payable of $3,710,000. The property was placed in inventory and is included in the Dunlop Lane property described in Note E. The note payable terms are described in note I.

The second transaction involved the board contributing approximately 470 acres to Hankook Tire for construction of a new facility. The land had been donated by the county to the board. The book value of the land was $6,440,796 and is included in expense for sale of land.

Thirdly, the board contributed approximately 38 acres of land to the county for use by the county Highway Department. The land had been donated by the county to the board. The book value of the land was $531,487 and is included in distributions of capital.

U. Subsequent Event

On September 24, 2014, HSC contributed approximately 833 acres of land to the board to market to industries interested in relocating to Clarksville. The contributed land has an estimated value of $15,800,000 and will be recorded as inventory and revenue during the fiscal year ending June 30, 2015.

IX. OTHER NOTES – DISCRETELY PRESENTED EMERGENCY COMMUNICATIONS DISTRICT OF MONTGOMERY COUNTY

A. Summary of Significant Accounting Policies

Organization

The Clarksville Montgomery County Emergency Communications District was created as a "Municipality" or public corporation under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, and approved by the voters of Montgomery County, Tennessee, on November 4, 1986. The powers of the district are vested in and exercised by a majority of the Board of Directors. The board consists of nine members comprised of the county sheriff, Clarksville's chief of police, the chairman of the E-911 user group, three members (one of whom shall be a county commissioner) nominated by the county mayor and approved by the Montgomery County Board of Commissioners, and three members (one of whom shall be a member of the City Council) nominated by the mayor and approved by the City Council. The district is considered a political sub-division of the county, and is exempt from federal and state income tax.

Reporting Entity

The district, a component unit of Montgomery County, provides emergency communications and dispatch services for all fire, law enforcement, and other emergency departments within the county. The district is a component unit of Montgomery County because it is fiscally dependent on the county. The district cannot issue bonded debt without approval of the county and it cannot adjust the rate of service charges without the County Commission's approval. The governing board of the district is appointed equally by the city and county, and a substantial portion of operating revenues are provided by allocations from Montgomery County. The district's financial statements include only the assets and operations of the district and do not include any other fund, organization, agency, or department of the city or county.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The district operations are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

The district's financial statements have been prepared in accordance with generally accepted accounting principles and in conformity with all applicable GASB pronouncements.

Operating Revenues and Expenses

The accounts of the district are organized as a proprietary governmental fund. A proprietary fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing services to the general public covered by the district are financed through user charges. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations.

The major sources of operating revenue are customer service charges, shared wireless charges, and operating subsidies. There is also other income that is considered substantial.

(1) Customer Service Charges – A monthly subscriber fee is added to each telephone line in Montgomery County. The charge is billed and collected by the telephone company and is remitted to the district after a deduction of a one percent administrative fee.

(2) Shared Wireless Charges – A monthly wireless E-911 fee is collected by the State of Tennessee from wireless customers and is remitted to the district.

(3) Operating Subsidies – The district receives an operating subsidy from the Tennessee Emergency Communications Board.

(4) The district also receives rent from the city and county on the 911 building as well as compensation for dispatch services provided from the county.

Operating expenses for enterprise funds include expenses incurred relating to the operation and maintenance of its system. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents

Cash and cash equivalents, as shown in the Statement of Cash Flows, includes all cash in bank accounts and on hand that is allocated for use by the district. For the purposes of the Statement of Cash Flows, the district considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of June 30, 2014, there were no cash equivalents.

Accounts Receivable/Due from Tennessee Emergency Communications Board

The district has receivables due from communication service providers and the state ECB for service charges and tariffs. Based on the nature of the revenues, there will always be at least one month's receivable at the end of the year.

There has been no allowance for doubtful accounts recorded because the probability of non-payment is low. Accounts receivable are recorded when incurred.

Accounts receivable from other than the TECB is concentrated with two vendors. Both vendors are pass-through entities that collect and forward wireless and land line collections from customers in Montgomery County.

Capital Assets and Depreciation

Capital assets are recorded at cost. Capital expenditures of $10,000 or more and certain sensitive equipment, such as computer equipment, are capitalized for future depreciation. General equipment costing less than $10,000 is an expense of the period when placed in service. Computer software is not considered capital equipment. Depreciation and accumulated depreciation are recorded on capitalized equipment. Assets are depreciated using the straight-line basis, and a 5 - 40 year expected useful life as required by the Accounting and Financial Reporting Manual. The district capitalizes all significant purchases over the capitalization amount with a useful life greater than five years.

Budgets and Budgetary Accounting

The district board of directors formally approves the budget. The budget is adopted on a basis consistent with generally accepted accounting principles. The district is required by Section 7-86-120, *Tennessee Code Annotated*, to adopt and operate under an annual budget. In addition, the *Accounting and Financial Reporting Manual for Tennessee Emergency Communication Districts* established the legal level of control, which is defined to be at the line-item level.

Budgeted amounts lapse at the end of the fiscal year and no unexpended balances are carried to the subsequent year.

The budget was amended during the year by vote of the board of directors.

Leave Policies

Annual leave is accrued on a monthly basis from the effective date of an employee's appointment. Annual leave may be accrued up to a maximum of 160 hours for less than five years of employment, 192 hours for five to ten years of employment, and 200 hours for more than ten years employment. At the end of each month, accrued hours for each employee in excess of the maximum are transferred to sick leave. On termination of employment, the district pays an accrued vacation leave in a lump cash payment to such employee. All accrued compensated absences are shown on the balance sheet as short-term liabilities since a reasonable estimation of the long-term portion cannot be made.

Sick leave is accumulated on a monthly basis from the effective date of an employee's appointment. Employees may accrue an unlimited number of hours. On termination of employment of any employee, for any reason except retirement, all sick leave is forfeited. On retirement of an employee, accrued sick leave is credited toward extending the computation of longevity. Accrued sick leave is not included as a liability in the balance sheet.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the district.

Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employee, natural disasters. The district has elected to obtain various insurance policies to transfer risk to a commercial insurance company either directly or through the Tennessee County Services Association Pool. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years. Insurance for the district is included in the policies written for Montgomery County and the City of Clarksville.

Use of Estimates

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

Cash Funds

Cash funds of the district are combined with other county funds and managed by the county trustee. Interest earned on these combined cash funds is allocated as directed by the County Commissioners. Interest income of $4,516 was allocated to the district during the current year.

Deferred Inflows

A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of revenue until that time.

B. Cash Deposits

Cash deposits are carried at cost, which approximates fair value. The carrying amount of deposits is separately displayed on the balance sheet at $1,740,383.

Custodial credit risk for the district's deposits is the risk that in the event of a bank failure, the district's deposits may not be returned to it. At June 30, 2014, a portion of the deposits of the district were held by the Montgomery County Trustee in a combined fund with other Montgomery County deposits. The deposits of the Montgomery County Trustee that exceed Federal Deposit Insurance Corporation insurance limits are further insured by securities set aside as collateral and pledged to the State Treasurer of the State of Tennessee. This pledging is accomplished as prescribed by Tennessee State Code, Public Funds Collateral Pool Board.

State statutes authorize the district to invest in obligations of the federal government, federal agencies, state government, the state investment pool, certificates of deposit, other time deposits and repurchase agreements. The district's investment policy – via Montgomery County – follows state law, which authorizes investments for emergency communications districts in *Tennessee Code Annotated,* Section 5-8-301.

The district's deposits with financial institutions consist of the following at June 30, 2014:

Cash	Maturity Date	Interest Rate	Carrying Amount	Bank Balance
Held in Pooled Checking	N/A	variable	$ 1,740,383	$ 1,749,146

C. Accounts Receivable

Accounts receivable consist primarily of amounts due for monthly service charges collected for the district:

AT&T	$ 31,002
Other Service Providers	13,585
Miscellaneous	630
Due From TECB	132,226
Total	$ 177,443

D. Property and Equipment

Property and equipment consisted of the following at June 30, 2014:

	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
Capital Assets Depreciated:				
Buildings and Improvements	$ 5,314,855	$ 0	$ 0	$ 5,314,855
Communication Equipment	367,022	44,501	(20,995)	390,528
Other Capital Assets	52,120	0	0	52,120
Total Capital Assets Depreciated	$ 5,733,997	$ 44,501	$ (20,995)	$ 5,757,503
Less: Accumulated Depreciation For:				
Buildings and Improvements	1,192,756	132,964	0	1,325,720
Communication Equipment	51,330	67,841	(18,895)	100,276
Other Capital Assets	31,831	6,701	0	38,532
Total Accumulated Depreciation	$ 1,275,917	$ 207,506	$ (18,895)	$ 1,464,528
Total Capital Assets Depreciated, Net	$ 4,458,080	$ (163,005)	$ (2,100)	$ 4,292,975

E. Operating Lease and Related-party Transactions

The district entered into a lease effective July 1, 2005, with Montgomery County, Tennessee, a related party, to lease the second floor of the E-911 Building. The base term of this lease is three years from July 1, 2005, continuing through June 30, 2008. A new two-year agreement was entered into for the period from July 1, 2013, to June 30, 2015, at $6,533 per month. In addition, the lessee signed a new one-year agreement from July 1, 2013, to June 30, 2014, agreeing to pay a portion of the utility costs, maintenance salaries, custodial supplies, and trash collection on an annual basis. Said reimbursement shall be made monthly at $3,710 per month and shall be in an amount based on the prior-year's costs.

The district also signed interlocal agreements with Montgomery County to receive compensation for dispatch services provided by the district. The interlocal agreement for the dispatch services was in place from July 1, 2013,

through June 30, 2014, at $37,083 per month. There were no amounts due to or from Montgomery County at June 30, 2014.

Finally, the City of Clarksville signed a one-year agreement from July 1, 2013, through June 30, 2014, to lease a portion of the 911 building at $4,546 per month.

F. Retirement Plan

Plan Description

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

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

Funding Policy

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

The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 12.01 percent of annual

covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Montgomery County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the district's annual pension cost of $135,919 to TCRS was equal to the district'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 district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was eight years. An actuarial valuation was performed 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
6-30-14	$ 135,919	100%	$ 0
6-30-13	131,080	100	0
6-30-12	127,272	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 89.38 percent funded. The actuarial accrued liability for benefits was $3.02 million, and the actuarial value of assets was $2.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.32 million. The covered payroll (annual payroll of active employees covered by the plan) was $1.08 million, and the ratio of the UAAL to the covered payroll was 29.80 percent.

The Schedule of Funding Progress 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.

Schedule of Funding Progress

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	$ 2,696	$ 3,016	$ 320	89.38 %	$ 1,075	29.80 %
7-1-11	2,290	2,566	276	89.25	995	27.73
7-1-09	1,745	1,932	187	90.32	968	19.31

G. Long-term Debt

In 2001, an interlocal agreement was signed by the City of Clarksville and the district whereby the City of Clarksville agreed to furnish the land and issue revenue bonds for the construction of the new emergency dispatch center, and the district became responsible for reimbursing the city for the debt service to retire the revenue bonds. When the debt service is retired, the city will transfer title to the land and building to the district in fee simple free of all liens and encumbrances. This agreement constitutes a lease purchase; and, therefore a liability for the amount of the bond payable still outstanding for the city is recorded on the district's books.

In 2014, the city reissued these bonds. The bonds were reissued at a lower interest rate and at a premium, which reduced the city's debt obligation by $80,000. See Note IX.H.

The interlocal agreements call for the payments of the debt service to be due annually on June 1 and December 1 until 2022. The interest rate varies on this debt from three percent to four percent based on the rate of interest paid by the city on the bond issue.

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Lease Payable Principal	Lease Payable Interest
2015	$ 525,000	$ 88,213
2016	285,000	72,100
2017	295,000	60,700
2018	305,000	48,900
2019	315,000	39,750
Thereafter	1,010,000	61,350
Total	$ 2,735,000	$ 371,013

Long-term debt for the year ended June 30, 2014, is as follows:

	Balance 7-1-13	Additions	Reductions	Balance 6-30-14	Due Within One Year
Revenue Bonds	$ 2,815,000	$ 0	$ (80,000)	$ 2,735,000	$ 525,000

The total interest incurred on these liabilities for the year ended June 30, 2014, was $70,350. The amount due within one year includes $260,000 billed by the City of Clarksville in July 2014, and $265,000 due on June 1 of 2015. The July 2014 billing was previously scheduled to be billed in June 2014 but was postponed due to the refinancing of the city's underlying debt.

H. Deferred Inflows

In 2014, the city reissued the bonds issued for the construction of the emergency communications building. The bonds were reissued at a lower interest rate and at a premium, which reduced the city's debt obligation by $80,000. Accordingly, the city passed through the debt reduction to the district. This reduction is reported on the Statement of Net Position as deferred inflows and is being recorded as a $10,000 per year reduction in interest expense over the remaining life of the bonds beginning June 30, 2015.

I. Economic Dependency

As of and for the year ended June 30, 2014, the district has the following balances and transactions with respect to major customers:

	Revenues	A/R
TECB	$ 1,220,235	$ 132,226
AT&T	406,347	31,002

J. Other Postemployment Benefits (OPEB) Self-Insurance Plan

Plan Description

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

Funding Policy

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

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

Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution	$	20,449
Interest on the Net OPEB Obligation		1,041
Adjustment to the Annual Required Contributions		(1,025)
Annual OPEB Cost	$	20,465
Amount of Contribution		(2,695)
Increase/Decrease in Net OPEB Obligation	$	17,770
Net OPEB Obligation, 7-1-13		26,035
Net OPEB Obligation, 6-30-14	$	43,805

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Emergency Communications District	$ 20,465	13.17 %	$ 43,805
6-30-13	"	14,814	1.73	26,035
6-30-12	"	13674	1.73	11,477

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, was as follows:

Actuarial valuation date		7-1-14
Actuarial accrued liability (AAL)	$	167,598
Actuarial value of plan assets	$	0
Unfunded actuarial accrued liability (UAAL)	$	167,598
Actuarial value of assets as a % of AAL		0%
Covered payroll (active plan members)	$	1,125,349
UAAL as a % of covered payroll		14.89%

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 presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included at six percent investment rate of return (net of administrative expenses) and an annual healthcare cost of nine percent grading six percent over six years for 2012, with the assumption that annual medical costs will increase eight percent per year.

X. OTHER NOTES – DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION

A. Summary of Significant Accounting Policies

Reporting Entity

The Clarksville-Montgomery County Tourism Commission was created by Private Chapter No. 167, Senate Bill No. 1414, by the ninety-first General Assembly, State of Tennessee, on June 4, 1979. On May 22, 2000, Private Chapter No. 140, Senate Bill No. 3303, was passed to amend Chapter No.

167. The purpose of the commission is to promote tourist and recreational activity in the Clarksville-Montgomery County area. The commission office is located in Clarksville, Tennessee.

The commission is a component unit of Montgomery County, Tennessee, which is the principal reporting entity and primary government. The commission is treated as a discrete component unit of the county since the county may unilaterally control the operations of the commission. The county provides its primary funding support. The financial reporting entity of the commission only includes the assets and operations of the commission and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

The commission is jointly-governed by the governments of Montgomery County and the City of Clarksville and is exempt from federal and state income tax. The commission's operations alone constitute the reporting entity since it has no oversight responsibility for any other agencies and no component units. In fiscal year 1995, the commission, the Clarksville Area Chamber of Commerce, and the Clarksville-Montgomery County Industrial Development Board (IDB) jointly organized the Clarksville-Montgomery County Economic Development Council (EDC) to develop, coordinate, and implement a comprehensive marketing plan relating to the economic prosperity of Clarksville-Montgomery County and the surrounding area. The commission, chamber, and IDB evenly share the cost of the EDC staff's salary, payroll taxes, benefits and other operating costs and expenses related to general administration of the EDC. All other expenses of the EDC are shared based on usage allocations. The audited financial statements of the EDC can be obtained from the Vice President of Finance and Human Resources, Clarksville-Montgomery County Economic Development Council, P. O. Box 883, Clarksville, Tennessee 37041-0883.

Use of Estimates

The commission's financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from these estimates in the near term, and these variations can have a material effect on these financial statements.

Concentrations of Credit Risk

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

Bank Collateral Pool. With respect to receivables, credit risk is dispersed across a large number of businesses and certain governmental and nonprofit entities, which are geographically concentrated in Montgomery County. The commission does not obtain collateral for receivables.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flow.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the commission considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The commission's only fund is the General Fund. It accounts for all of the financial resources of the commission.

Cash and Cash Equivalents

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

Uncollectible Accounts

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

Inventories

Inventories consist of retail merchandise available for sale and are valued at average cost. The cost is expensed at the time individual items are sold and not at the time purchased.

Capital Assets

Capital assets are valued at cost for assets purchased. All assets with an initial, individual cost of $500 or more and an estimated useful life in excess of two years are capitalized. Depreciation of capital assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs are not capitalized.

Accrued Compensated Absences

Employees are required to use earned vacation days within the fiscal year, and sick days are not paid upon separation. Therefore, compensated absences are not accrued.

Fund Equity

The commission has implemented GASB Codification 1800, *Classification and Terminology*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

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

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of

government), through constitutional provisions, or by enabling legislation.

- Committed fund balance – amounts constrained to specific purposes by the commission's governing body, using its highest level of decision-making authority (i.e., through a majority vote by the board of commissioners during an official meeting). To be reported as committed, amounts cannot be used for any other purpose unless the board of commissioners takes the same highest level of action to remove or change the constraint.

- Assigned fund balance – amounts the commission intends to use for a specific purpose. Intent can be expressed by management of the commission.

- Unassigned fund balance – amounts that are available for any purpose.

The details of the fund balances are included in the Governmental Fund Balance Sheet and in Note X.G.

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

Advertising Costs

Advertising costs are expensed as incurred.

B. Cash and Other Deposits

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

Custodial credit risk for the commission's deposits is the risk that in the event of a bank failure, the commission's deposits may not be returned to it. As required by state statutes, the commission's policy is to require financial institutions holding its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the commission or its agent in the commission's name. At June 30, 2014, cash and other deposits included bank balances totaling $730,294, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

Both cash and cash equivalents are carried at cost, which approximated fair value at June 30, 2014.

C. Capital Assets

Changes in capital assets follow:

	Balance 7-1-13	Additions	Balance 6-30-14
Land	$ 21,000	$ 0	$ 21,000
Building	128,769	0	128,769
Furniture, Fixtures and Equipment	41,858	549	42,407
Leasehold Improvements	252,147	0	252,147
Vehicle	34,657	0	34,657
Total Capital Assets Depreciated	$ 478,431	$ 549	$ 478,980
Less: Accumulated Depreciation For:			
Building	$ 52,829	$ 3,301	$ 56,130
Furniture, Fixtures and Equipment	34,217	2,499	36,716
Leasehold Improvements	34,647	16,943	51,590
Vehicle	18,484	6,931	25,415
Total Accumulated Depreciation	$ 140,177	$ 29,674	$ 169,851

The commission has no capital assets that are idle or impaired. Land is not depreciated.

D. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the commission, net of related accumulated depreciation.

Cost of Capital Assets	$ 478,980
Less: Accumulated Depreciation	(169,851)
Total	$ 309,129

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. Proceeds and gain or loss from the sale of capital assets are excluded from the Statement of Activities since the proceeds are not a gain or loss associated with the sale.

Capital Outlays	$ 549
Depreciation Expense	(29,674)
Total	$ (29,125)

E. Gifts in Kind

The commission received contributed services from volunteers during the fiscal year ended June 30, 2014. The value of those contributed services could not be reasonably determined and, therefore, are not recorded in the financial statements.

F. Related-party Transactions

The commission paid the EDC $208,947 for its share of EDC expenses during the year ended June 30, 2014. The commission had related-party payables at June 30, 2014, totaling $25,827, and related-party receivables of $35,000 that was advanced to the EDC in a previous year to facilitate payment of routine commission expenses and is not expected to be collected within one year.

G. Fund Balance

The commission had unassigned fund balance of $976,471, committed fund balance of $30,634, and nonspendable fund balance of $39,868 at June 30, 2014. Committed fund balance consisted of amounts set aside by the board of commissioners through a majority vote in an official meeting for the Civil War Sesquicentennial marketing campaign. Nonspendable fund balance consisted of the following:

Inventories	$ 2,819
Prepaid Expenses	2,049
Long-term Portion of Due from Related Party	35,000
Total Nonspendable Fund Balance	$ 39,868

H. Leases

Beginning December 2006, the commission began leasing office space in the Capital Bank building from EDC under a five-year agreement. This lease expired in November 2011, and was renewed for an additional five years

ending November 2016. The commission entered into a lease for parking space during the fiscal year ended June 30, 2012. Rental expense under the operating leases was $41,051 for the year ended June 30, 2014.

Future payments on lease obligations are as follows:

2015	$ 38,667
2016	38,667
2017	21,089
2018	12,600
2019	12,600
2020-2028	112,980
Total Nonspendable Fund Balance	$ 236,603

The commission has subleased half of the parking lot space to a third party. The above lease commitments will be offset by annual sublease rental income of $6,000 through March 2017, $6,300 through March 2022, and $6,615 through March 2028.

The commission entered into a sublease agreement with the City of Clarksville on May 5, 2006, for the Post House located on Fort Campbell Boulevard. The lease term was for 77 years and required an annual rent payment of $1. The commission was entitled to receive the monthly rentals for placement of an ATM machine on the premises. The commission cancelled this lease during the year ended June 30, 2014.

I. Retirement Plan

The EDC maintains a defined contribution 401 (k) plan administered by American Chamber of Commerce Executives (ACCE). All employees who have completed one year of service, reached age 21, and work 1,000 hours or more per year are eligible to participate. Employees can make pre-tax contributions from one to 100 percent of total annual earnings (subject to IRS limitations) in which they are immediately vested. The commission will match 100 percent of the participant's pre-tax contributions up to a maximum of four percent as the employer matching contribution and the participant is immediately vested.

During the fiscal year ended June 30, 2014, contributions totaling $28,357 were paid and expensed by the commission. Employee contributions to the plan were $28,783 for the year ended June 30, 2014.

J. Concentrations

The commission's primary source of funding is hotel/motel taxes collected by Montgomery County businesses. The amount of taxes collected each fiscal year is impacted by fluctuations in spending for tourism and for industrial

and military-related travel. A major reduction in hotel/motel tax collections could have a significant effect on the future operations of the commission.

K. Contingencies

The commission 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 commission has elected to obtain various insurance policies to transfer risk to a commercial insurance company either directly or through the EDC or through Montgomery County. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years.

L. Budget

The annual budget is prepared and legally adopted by the board of commissioners and approved by the Montgomery County director of accounts and budgets. The budget is prepared using the modified accrual basis of accounting. The board members review the commission's needs for the year as well as prior-year expenditures to arrive at the current-year budget. The "encumbrance" method of budgeting and accounting for expenditures is not used.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Montgomery County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Clarksville-Montgomery County School System
June 30, 2014

(Dollar amounts in thousands)

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)
7-1-13	$ 180,696	$ 193,029	$ 12,333	93.61 %	$ 63,334	19.47 %
7-1-11	155,626	160,002	4,375	97.27	59,749	7.32
7-1-09	121,574	127,706	6,131	95.20	56,479	10.86

Exhibit F-2

Montgomery County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Clarksville-Montgomery County School System
June 30, 2014

(Dollar amounts in thousands)

Plans	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)
Primary Government	1-1-10	$ 0	$ 3,651	$ 3,651	0 %	$ 26,551	14 %
"	7-1-12	0	4,469	4,469	0	29,182	15
"	7-1-14	0	5,937	5,937	0	31,420	19
School System	7-1-08	0	14,188	14,188	0	129,482	11
"	7-1-10	0	13,236	13,236	0	137,205	10
"	7-1-12	0	11,912	11,912	0	137,701	9

MONTGOMERY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Exhibit G-1

Montgomery County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds			
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 1,372	$ 50	$ 1,422
Equity in Pooled Cash and Investments	38,182	0	4,113,833	4,152,015
Accounts Receivable	641	3,272	4,317	8,230
Due from Other Governments	0	0	585,956	585,956
Property Taxes Receivable	0	0	4,089,150	4,089,150
Allowance for Uncollectible Property Taxes	0	0	(107,279)	(107,279)
Total Assets	$ 38,823	$ 4,644	$ 8,686,027	$ 8,729,494
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 427,068	$ 427,068
Accrued Payroll	0	0	110,485	110,485
Payroll Deductions Payable	0	0	19,816	19,816
Due to Other Funds	0	0	981	981
Due to Litigants, Heirs, and Others	0	4,644	0	4,644
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	83,570	83,570
Total Liabilities	$ 0	$ 4,644	$ 641,920	$ 646,564
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 0	$ 3,835,293	$ 3,835,293
Deferred Delinquent Property Taxes	0	0	129,783	129,783
Other Deferred/Unavailable Revenue	0	0	264,780	264,780
Total Deferred Inflows of Resources	$ 0	$ 0	$ 4,229,856	$ 4,229,856
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 38,823	$ 0	$ 0	$ 38,823
Restricted for Highways/Public Works	0	0	3,814,251	3,814,251
Total Fund Balances	$ 38,823	$ 0	$ 3,814,251	$ 3,853,074
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 38,823	$ 4,644	$ 8,686,027	$ 8,729,494

Exhibit G-2

Montgomery County, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds			
	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
Revenues				
Local Taxes	$ 0	$ 0	$ 4,279,668	$ 4,279,668
Fines, Forfeitures, and Penalties	18,464	0	0	18,464
Charges for Current Services	0	10,743	62	10,805
Other Local Revenues	0	0	63,052	63,052
State of Tennessee	0	0	3,320,227	3,320,227
Other Governments and Citizens Groups	0	0	24,587	24,587
Total Revenues	$ 18,464	$ 10,743	$ 7,687,596	$ 7,716,803
Expenditures				
Current:				
Administration of Justice	$ 0	$ 10,743	$ 0	$ 10,743
Public Safety	37,356	0	0	37,356
Highways	0	0	7,478,277	7,478,277
Total Expenditures	$ 37,356	$ 10,743	$ 7,478,277	$ 7,526,376
Excess (Deficiency) of Revenues Over Expenditures	$ (18,892)	$ 0	$ 209,319	$ 190,427
Other Financing Sources (Uses)				
Insurance Recovery	$ 0	$ 0	$ 6,243	$ 6,243
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 6,243	$ 6,243
Net Change in Fund Balances	$ (18,892)	$ 0	$ 215,562	$ 196,670
Fund Balance, July 1, 2013	57,715	0	3,598,689	3,656,404
Fund Balance, June 30, 2014	$ 38,823	$ 0	$ 3,814,251	$ 3,853,074

Exhibit G-3

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 18,464	$ 12,500	$ 12,500	$ 5,964
Total Revenues	$ 18,464	$ 12,500	$ 12,500	$ 5,964
Expenditures				
Public Safety				
Sheriff's Department	$ 37,356	$ 30,570	$ 48,970	$ 11,614
Total Expenditures	$ 37,356	$ 30,570	$ 48,970	$ 11,614
Excess (Deficiency) of Revenues Over Expenditures	$ (18,892)	$ (18,070)	$ (36,470)	$ 17,578
Net Change in Fund Balance	$ (18,892)	$ (18,070)	$ (36,470)	$ 17,578
Fund Balance, July 1, 2013	57,715	45,113	45,113	12,602
Fund Balance, June 30, 2014	$ 38,823	$ 27,043	$ 8,643	$ 30,180

Exhibit G-4

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,279,668	$ 0	$ 0	$ 4,279,668	$ 4,368,300	$ 4,368,300	$ (88,632)
Charges for Current Services	62	0	0	62	100	100	(38)
Other Local Revenues	63,052	0	0	63,052	90,660	90,660	(27,608)
State of Tennessee	3,320,227	0	0	3,320,227	3,427,888	3,427,888	(107,661)
Other Governments and Citizens Groups	24,587	0	0	24,587	50,000	50,000	(25,413)
Total Revenues	$ 7,687,596	$ 0	$ 0	$ 7,687,596	$ 7,936,948	$ 7,936,948	$ (249,352)
Expenditures							
Highways							
Administration	$ 411,790	$ 0	$ 0	$ 411,790	$ 420,502	$ 421,902	$ 10,112
Highway and Bridge Maintenance	4,252,317	0	19,823	4,272,140	4,520,389	4,518,989	246,849
Operation and Maintenance of Equipment	1,208,642	0	0	1,208,642	1,289,231	1,289,231	80,589
Traffic Control	397,226	0	0	397,226	491,476	491,476	94,250
Other Charges	392,145	0	0	392,145	405,541	405,541	13,396
Employee Benefits	55,910	0	0	55,910	60,000	60,000	4,090
Capital Outlay	760,247	(58,000)	23,967	726,214	1,224,500	1,282,500	556,286
Interest on Debt							
Highways and Streets	0	0	0	0	7,000	7,000	7,000
Total Expenditures	$ 7,478,277	$ (58,000)	$ 43,790	$ 7,464,067	$ 8,418,639	$ 8,476,639	$ 1,012,572
Excess (Deficiency) of Revenues Over Expenditures	$ 209,319	$ 58,000	$ (43,790)	$ 223,529	$ (481,691)	$ (539,691)	$ 763,220
Other Financing Sources (Uses)							
Insurance Recovery	$ 6,243	$ 0	$ 0	$ 6,243	$ 0	$ 0	$ 6,243
Total Other Financing Sources	$ 6,243	$ 0	$ 0	$ 6,243	$ 0	$ 0	$ 6,243
Net Change in Fund Balance	$ 215,562	$ 58,000	$ (43,790)	$ 229,772	$ (481,691)	$ (539,691)	$ 769,463
Fund Balance, July 1, 2013	3,598,689	(58,000)	0	3,540,689	2,566,536	2,566,536	974,153
Fund Balance, June 30, 2014	$ 3,814,251	$ 0	$ (43,790)	$ 3,770,461	$ 2,084,845	$ 2,026,845	$ 1,743,616

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 40,121,905	$ 39,042,400	$ 40,018,703	$ 103,202
Other Local Revenues	405,488	1,533,356	1,045,792	(640,304)
Federal Government	89,303	97,016	97,016	(7,713)
Other Governments and Citizens Groups	782,215	1,046,422	916,022	(133,807)
Total Revenues	$ 41,398,911	$ 41,719,194	$ 42,077,533	$ (678,622)
Expenditures				
Principal on Debt				
General Government	$ 7,416,916	$ 6,422,316	$ 7,436,933	$ 20,017
Education	16,215,314	15,869,915	16,215,315	1
Interest on Debt				
General Government	3,474,867	4,105,523	4,091,060	616,193
Education	9,992,510	10,170,713	10,185,175	192,665
Other Debt Service				
General Government	410,075	236,500	462,751	52,676
Education	615,632	591,094	665,607	49,975
Total Expenditures	$ 38,125,314	$ 37,396,061	$ 39,056,841	$ 931,527
Excess (Deficiency) of Revenues Over Expenditures	$ 3,273,597	$ 4,323,133	$ 3,020,692	$ 252,905
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 50,155,000	$ 0	$ 50,155,000	$ 0
Premiums on Debt Issued	5,453,780	0	5,453,780	0
Transfers In	36,223	167,750	586,223	(550,000)
Transfers Out	(971,347)	(971,347)	(971,347)	0
Payments to Refunded Debt Escrow Agent	(55,405,324)	0	(55,405,324)	0
Total Other Financing Sources	$ (731,668)	$ (803,597)	$ (181,668)	$ (550,000)
Net Change in Fund Balance	$ 2,541,929	$ 3,519,536	$ 2,839,024	$ (297,095)
Fund Balance, July 1, 2013	35,030,595	34,037,833	34,037,833	992,762
Fund Balance, June 30, 2014	$ 37,572,524	$ 37,557,369	$ 36,876,857	$ 695,667

Proprietary Funds

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

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

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

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

Exhibit I-1

Montgomery County, Tennessee
Combining Statement of Net Position
Proprietary Funds
June 30, 2014

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	$ 28,425,098	$ 739,136	$ 38,000	$ 29,202,234
Cash with Paying Agents	0	50,000	0	50,000
Accounts Receivable	3,743	0	0	3,743
Due from Other Funds	7,701	0	981	8,682
Due from Component Units	12,000	0	0	12,000
Total Current Assets	$ 28,448,542	$ 789,136	$ 38,981	$ 29,276,659
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	$ 24,803	$ 0	$ 0	$ 24,803
Accumulated Depreciation - Buildings and Improvements	(7,542)	0	0	(7,542)
Total Noncurrent Assets	$ 17,261	$ 0	$ 0	$ 17,261
Total Assets	$ 28,465,803	$ 789,136	$ 38,981	$ 29,293,920
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 19,287	$ 4,616	$ 981	$ 24,884
Accrued Payroll	0	972	0	972
Payroll Deductions Payable	7,060	1,340	0	8,400
Due to Component Units	346	0	0	346
Claims and Judgments Payable	1,691,137	83,015	0	1,774,152
Total Current Liabilities	$ 1,717,830	$ 89,943	$ 981	$ 1,808,754
Noncurrent Liabilities:				
Claims and Judgments Payable	$ 1,691,136	$ 83,016	$ 0	$ 1,774,152
Total Noncurrent Liabilities	$ 1,691,136	$ 83,016	$ 0	$ 1,774,152
Total Liabilities	$ 3,408,966	$ 172,959	$ 981	$ 3,582,906
NET POSITION				
Unrestricted	$ 25,056,837	$ 616,177	$ 38,000	$ 25,711,014
Total Net Position	$ 25,056,837	$ 616,177	$ 38,000	$ 25,711,014

Exhibit I-2

Montgomery County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Operating Revenues				
Charges for Current Services	$ 44,146,844	$ 0	$ 70,802	$ 44,217,646
Total Operating Revenues	$ 44,146,844	$ 0	$ 70,802	$ 44,217,646
Operating Expenses				
Personnel Office	$ 0	$ 0	$ 275	$ 275
Risk Management	0	461,942	0	461,942
Probation Services	0	0	4,446	4,446
Jail	0	0	765	765
Other Local Health Services	0	0	620	620
Landfill	0	0	9,112	9,112
Parks and Fair Boards	0	0	887	887
Depreciation	991	0	0	991
Other Charges	1,228,041	0	0	1,228,041
Employee Benefits	43,775,137	0	5,071	43,780,208
Other	0	0	49,626	49,626
Total Operating Expenses	$ 45,004,169	$ 461,942	$ 70,802	$ 45,536,913
Operating Income (Loss)	$ (857,325)	$ (461,942)	$ 0	$ (1,319,267)
Nonoperating Revenues (Expenses)				
Investment Income	$ 78,588	$ 0	$ 0	$ 78,588
Miscellaneous Refunds	1,516,688	46	0	1,516,734
Contributions and Gifts	500	0	0	500
Total Nonoperating Revenues (Expenses)	$ 1,595,776	$ 46	$ 0	$ 1,595,822
Changes in Net Position	$ 738,451	$ (461,896)	$ 0	$ 276,555
Net Position, July 1, 2013	24,318,386	1,078,073	38,000	25,434,459
Net Position, June 30, 2014	$ 25,056,837	$ 616,177	$ 38,000	$ 25,711,014

Exhibit I-3

Montgomery County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Cash Flows from Operating Activities				
Receipts from Interfund Services Provided	$ 44,208,824	$ 46	$ 70,802	$ 44,279,672
Other Self-Insured Claims	(44,761,552)	(425,287)	(70,802)	(45,257,641)
Other Receipts (Payments)	1,517,188	0	0	1,517,188
Net Cash Provided By (Used In) Operating Activities	$ 964,460	$ (425,241)	$ 0	$ 539,219
Cash Flows from Investing Activities				
Investment Income	$ 78,588	$ 0	$ 0	$ 78,588
Net Cash Provided By (Used In) Investing Activities	$ 78,588	$ 0	$ 0	$ 78,588
Net Increase (Decrease) in Cash	$ 1,043,048	$ (425,241)	$ 0	$ 617,807
Cash, July 1, 2013	27,382,050	1,214,377	38,000	28,634,427
Cash, June 30, 2014	$ 28,425,098	$ 789,136	$ 38,000	$ 29,252,234

(Continued)

Exhibit I-3

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	$ (857,325)	$ (461,942)	$ 0	$ (1,319,267)
Miscellaneous Refunds	1,516,688	46	0	1,516,734
Contributions and Gifts	500	0	0	500
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation Expense	991	0	0	991
(Increase) Decrease in Accounts Receivable	63,510	0	8,525	72,035
(Increase) Decrease in Due from Other Funds	(6,957)	0	1,220	(5,737)
(Increase) Decrease in Due from Component Units	5,427	0	0	5,427
Increase (Decrease) in Accounts Payable	(149,623)	(11,270)	(9,745)	(170,638)
Increase (Decrease) in Accrued Payroll	0	212	0	212
Increase (Decrease) in Payroll Deductions Payable	7,060	(655)	0	6,405
Increase (Decrease) in Due to Component Units	(57,909)	0	0	(57,909)
Increase (Decrease) in Claims and Judgments Payable	442,098	48,368	0	490,466
Net Cash Provided By (Used In) Operating Activities	$ 964,460	$ (425,241)	$ 0	$ 539,219

Fiduciary Funds

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

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

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

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

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held in trust for the benefit of the Office of District Attorney General.

Port Authority Fund – The Port Authority Fund is used to account for restricted revenue held in trust for the benefit of the Port Authority.

Exhibit J-1

Montgomery County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds					
	Cities - Sales Tax	Constitu-tional Officers - Agency	Judicial District Drug	District Attorney General Fund	Port Authority Fund	Total
ASSETS						
Cash	$ 0	$ 7,145,333	$ 11,113	$ 0	$ 0	$ 7,156,446
Equity in Pooled Cash and Investments	0	0	81,297	55,222	50,000	186,519
Accounts Receivable	0	2,905	290	1,133	0	4,328
Due from Other Governments	2,380,911	0	7,197	1,030	0	2,389,138
Total Assets	$ 2,380,911	$ 7,148,238	$ 99,897	$ 57,385	$ 50,000	$ 9,736,431
LIABILITIES						
Accounts Payable	$ 0	$ 0	$ 4,613	$ 0	$ 0	$ 4,613
Accrued Payroll	0	0	1,004	287	0	1,291
Due to Other Taxing Units	2,380,911	0	0	0	0	2,380,911
Due to Litigants, Heirs, and Others	0	7,148,238	0	57,098	50,000	7,255,336
Due to Joint Ventures	0	0	94,280	0	0	94,280
Total Liabilities	$ 2,380,911	$ 7,148,238	$ 99,897	$ 57,385	$ 50,000	$ 9,736,431

Exhibit J-2

Montgomery County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 13,814,066	$ 13,814,066	$ 0
Due from Other Governments	2,264,479	2,380,911	2,264,479	2,380,911
Total Assets	$ 2,264,479	$ 16,194,977	$ 16,078,545	$ 2,380,911
Liabilities				
Due to Other Taxing Units	$ 2,264,479	$ 16,194,977	$ 16,078,545	$ 2,380,911
Total Liabilities	$ 2,264,479	$ 16,194,977	$ 16,078,545	$ 2,380,911
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 6,791,655	$ 36,604,578	$ 36,250,900	$ 7,145,333
Accounts Receivable	1,817	2,905	1,817	2,905
Total Assets	$ 6,793,472	$ 36,607,483	$ 36,252,717	$ 7,148,238
Liabilities				
Due to Litigants, Heirs, and Others	$ 6,793,472	$ 36,607,483	$ 36,252,717	$ 7,148,238
Total Liabilities	$ 6,793,472	$ 36,607,483	$ 36,252,717	$ 7,148,238
Judicial District Drug Fund				
Assets				
Cash	$ 18,481	$ 11,113	$ 18,481	$ 11,113
Equity in Pooled Cash and Investments	143,477	290,710	352,890	81,297
Accounts Receivable	572	290	572	290
Due from Other Governments	4,251	7,197	4,251	7,197
Total Assets	$ 166,781	$ 309,310	$ 376,194	$ 99,897
Liabilities				
Accounts Payable	$ 5,567	$ 4,613	$ 5,567	$ 4,613
Accrued Payroll	1,000	1,004	1,000	1,004
Due to Joint Ventures	160,214	303,693	369,627	94,280
Total Liabilities	$ 166,781	$ 309,310	$ 376,194	$ 99,897

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
District Attorney General Fund				
Assets				
Equity in Pooled Cash and Investments	$ 72,090	$ 67,725	$ 84,593	$ 55,222
Accounts Receivable	931	1,133	931	1,133
Due from Other Governments	20,016	1,030	20,016	1,030
Due from Other Funds	222	0	222	0
Total Assets	$ 93,259	$ 69,888	$ 105,762	$ 57,385
Liabilities				
Accounts Payable	$ 191	$ 0	$ 191	$ 0
Accrued Payroll	969	287	969	287
Due to Litigants, Heirs, and Others	92,099	69,601	104,602	57,098
Total Liabilities	$ 93,259	$ 69,888	$ 105,762	$ 57,385
Port Authority Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 50,000	$ 0	$ 50,000
Total Assets	$ 0	$ 50,000	$ 0	$ 50,000
Liabilities				
Due to Litigants, Heirs, and Others	$ 0	$ 50,000	$ 0	$ 50,000
Total Liabilities	$ 0	$ 50,000	$ 0	$ 50,000
Totals - All Agency Funds				
Assets				
Cash	$ 6,810,136	$ 36,615,691	$ 36,269,381	$ 7,156,446
Equity in Pooled Cash and Investments	215,567	14,222,501	14,251,549	186,519
Accounts Receivable	3,320	4,328	3,320	4,328
Due from Other Governments	2,288,746	2,389,138	2,288,746	2,389,138
Due from Other Funds	222	0	222	0
Total Assets	$ 9,317,991	$ 53,231,658	$ 52,813,218	$ 9,736,431
Liabilities				
Accounts Payable	$ 5,758	$ 4,613	$ 5,758	$ 4,613
Accrued Payroll	1,969	1,291	1,969	1,291
Due to Other Taxing Units	2,264,479	16,194,977	16,078,545	2,380,911
Due to Litigants, Heirs, and Others	6,885,571	36,727,084	36,357,319	7,255,336
Due to Joint Ventures	160,214	303,693	369,627	94,280
Total Liabilities	$ 9,317,991	$ 53,231,658	$ 52,813,218	$ 9,736,431

Clarksville-Montgomery County School System

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

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

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

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

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

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

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

Exhibit K-1

Montgomery County, Tennessee
Statement of Activities
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

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	$ 143,967,270	$ 177,756	$ 10,634,729	$ 483,287	$ (132,671,498)
Support Services	103,127,559	506,579	5,322,702	84,723	(97,213,555)
Operation of Non-instructional Services	16,556,802	4,812,992	12,470,592	0	726,782
Interest on Long-term Debt	23,240	0	0	0	(23,240)
Other Debt Service	487,564	0	0	0	(487,564)
Total Governmental Activities	$ 264,162,435	$ 5,497,327	$ 28,428,023	$ 568,010	$ (229,669,075)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 33,165,155
Local Option Sales Tax					39,333,395
Wheel Tax					4,027,229
Business Tax					619,458
Mixed Drink Tax					394,424
Interstate Telecommunications Tax					18,584
Grants and Contributions Not Restricted to Specific Programs					157,129,068
Unrestricted Investment Earnings					8,654
Miscellaneous					393,139
Total General Revenues					$ 235,089,106
Change in Net Position					$ 5,420,031
Net Position, July 1, 2013					344,254,055
Net Position, June 30, 2014					$ 349,674,086

Exhibit K-2

Montgomery County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2014

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 7,760	$ 0	$ 580,144	$ 587,904
Equity in Pooled Cash and Investments	44,977,226	3,393,264	8,844,369	57,214,859
Inventories	288,074	0	199,648	487,722
Accounts Receivable	41,561	6,725	71,867	120,153
Due from Other Governments	7,632,325	0	2,352,873	9,985,198
Due from Other Funds	495,821	67,388	43,348	606,557
Due from Primary Government	346	0	0	346
Property Taxes Receivable	33,682,051	0	2,052,933	35,734,984
Allowance for Uncollectible Property Taxes	(874,918)	0	(53,325)	(928,243)
Total Assets	$ 86,250,246	$ 3,467,377	$ 14,091,857	$ 103,809,480
LIABILITIES				
Accounts Payable	$ 1,375,897	$ 345,547	$ 619,234	$ 2,340,678
Accrued Payroll	12,076,151	0	686,433	12,762,584
Payroll Deductions Payable	8,745,538	0	639,357	9,384,895
Due to Other Funds	93,190	721	512,646	606,557
Due to Primary Government	0	0	12,000	12,000
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	138,583	138,583
Total Liabilities	$ 22,290,776	$ 346,268	$ 2,608,253	$ 25,245,297

(Continued)

Exhibit K-2

Montgomery County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Clarksville-Montgomery County School System (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 31,624,737	$ 0	$ 1,927,539	$ 33,552,276
Deferred Delinquent Property Taxes	1,050,441	0	64,025	1,114,466
Other Deferred/Unavailable Revenue	3,646,857	0	0	3,646,857
Total Deferred Inflows of Resources	$ 36,322,035	$ 0	$ 1,991,564	$ 38,313,599
FUND BALANCES				
Nonspendable:				
Inventory	$ 288,074	$ 0	$ 199,648	$ 487,722
Restricted:				
Restricted for Education	1,039,114	0	8,160,217	9,199,331
Restricted for Capital Projects	0	3,121,109	0	3,121,109
Committed:				
Committed for Education	1,783,218	0	1,132,175	2,915,393
Assigned:				
Assigned for Education	17,188,835	0	0	17,188,835
Unassigned	7,338,194	0	0	7,338,194
Total Fund Balances	$ 27,637,435	$ 3,121,109	$ 9,492,040	$ 40,250,584
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 86,250,246	$ 3,467,377	$ 14,091,857	$ 103,809,480

Exhibit K-3

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Clarksville-Montgomery County School System
June 30, 2014

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:			
Total fund balances - balance sheet - governmental funds (Exhibit K-2)			$ 40,250,584
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 13,865,563	
	Add: construction in progress	14,838,897	
	Add: buildings and improvements net of accumulated depreciation	264,841,370	
	Add: other capital assets net of accumulated depreciation	16,891,683	310,437,513
(2)	Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: claims and judgments payable	$ (540,741)	
	Less: other postemployment benefits liability	(3,807,632)	
	Less: compensated absences payable	(1,426,961)	(5,775,334)
(3)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,761,323
Net position of governmental activities (Exhibit A)			$ 349,674,086

Exhibit K-4

Montgomery County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 76,114,640	$ 0	$ 1,951,725	$ 78,066,365
Charges for Current Services	72,439	0	4,906,498	4,978,937
Other Local Revenues	788,101	12,950	251,327	1,052,378
State of Tennessee	127,621,562	0	8,330,542	135,952,104
Federal Government	3,739,331	0	30,766,351	34,505,682
Other Governments and Citizens Groups	28,755	14,650,624	0	14,679,379
Total Revenues	$ 208,364,828	$ 14,663,574	$ 46,206,443	$ 269,234,845
Expenditures				
Current:				
Instruction	$ 130,310,974	$ 0	$ 13,213,871	$ 143,524,845
Support Services	72,657,498	1,741,179	18,501,942	92,900,619
Operation of Non-instructional Services	2,076,152	0	14,839,004	16,915,156
Debt Service:				
Interest on Debt	23,240	0	0	23,240
Other Debt Service	487,564	0	0	487,564
Capital Projects	0	12,586,029	0	12,586,029
Total Expenditures	$ 205,555,428	$ 14,327,208	$ 46,554,817	$ 266,437,453
Excess (Deficiency) of Revenues Over Expenditures	$ 2,809,400	$ 336,366	$ (348,374)	$ 2,797,392
Other Financing Sources (Uses)				
Insurance Recovery	$ 253,267	$ 0	$ 0	$ 253,267
Transfers In	344,902	0	2,248,993	2,593,895
Transfers Out	(1,000,000)	0	(1,593,895)	(2,593,895)
Total Other Financing Sources (Uses)	$ (401,831)	$ 0	$ 655,098	$ 253,267
Net Change in Fund Balances	$ 2,407,569	$ 336,366	$ 306,724	$ 3,050,659
Fund Balance, July 1, 2013	25,229,866	2,784,743	9,185,316	37,199,925
Fund Balance, June 30, 2014	$ 27,637,435	$ 3,121,109	$ 9,492,040	$ 40,250,584

Exhibit K-5

Montgomery County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

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

	Net change in fund balances - total governmental funds (Exhibit K-4)		$ 3,050,659
(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	$ 12,201,379	
	Less: current-year depreciation expense	(9,696,682)	2,504,697
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
	Less: revenue from the sale of capital assets	$ (99,764)	
	Add: gain on disposal of capital assets	64,738	(35,026)
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Less: deferred delinquent property taxes and other deferred June 30, 2013	$ (4,402,936)	
	Add: deferred delinquent property taxes and other deferred June 30, 2014	4,761,323	358,387
(4)	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in claims and judgments payable	$ 71,308	
	Change in other postemployment benefits liability	(452,698)	
	Change in compensated absences payable	(77,296)	(458,686)
	Change in net position of governmental activities (Exhibit B)		$ 5,420,031

Exhibit K-6

Montgomery County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2014

	Special Revenue Funds				Total
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 580,144	$ 0	$ 0	$ 580,144
Equity in Pooled Cash and Investments	1,242,891	4,659,225	2,803,716	138,537	8,844,369
Inventories	0	199,648	0	0	199,648
Accounts Receivable	1,561	2,132	66,819	1,355	71,867
Due from Other Governments	2,289,539	63,334	0	0	2,352,873
Due from Other Funds	19,284	12,161	11,903	0	43,348
Property Taxes Receivable	0	0	2,052,933	0	2,052,933
Allowance for Uncollectible Property Taxes	0	0	(53,325)	0	(53,325)
Total Assets	$ 3,553,275	$ 5,516,644	$ 4,882,046	$ 139,892	$ 14,091,857
LIABILITIES					
Accounts Payable	$ 554,467	$ 24,203	$ 37,394	$ 3,170	$ 619,234
Accrued Payroll	686,433	0	0	0	686,433
Payroll Deductions Payable	578,984	23,246	32,592	4,535	639,357
Due to Other Funds	350,473	161,394	767	12	512,646
Due to Primary Government	0	0	12,000	0	12,000
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	138,583	0	0	138,583
Total Liabilities	$ 2,170,357	$ 347,426	$ 82,753	$ 7,717	$ 2,608,253

(Continued)

Exhibit K-6

Montgomery County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Clarksville-Montgomery County School System (Cont.)

	Special Revenue Funds				Total
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 0	$ 1,927,539	$ 0	$ 1,927,539
Deferred Delinquent Property Taxes	0	0	64,025	0	64,025
Total Deferred Inflows of Resources	$ 0	$ 0	$ 1,991,564	$ 0	$ 1,991,564
FUND BALANCES					
Nonspendable:					
Inventory	$ 0	$ 199,648	$ 0	$ 0	$ 199,648
Restricted:					
Restricted for Education	382,918	4,969,570	2,807,729	0	8,160,217
Committed:					
Committed for Education	1,000,000	0	0	132,175	1,132,175
Total Fund Balances	$ 1,382,918	$ 5,169,218	$ 2,807,729	$ 132,175	$ 9,492,040
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,553,275	$ 5,516,644	$ 4,882,046	$ 139,892	$ 14,091,857

Exhibit K-7

Montgomery County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

	Special Revenue Funds				Total
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 1,951,725	$ 0	$ 1,951,725
Charges for Current Services	0	4,756,148	0	150,350	4,906,498
Other Local Revenues	0	133,505	117,822	0	251,327
State of Tennessee	673,939	137,479	7,519,124	0	8,330,542
Federal Government	20,266,755	10,499,596	0	0	30,766,351
Total Revenues	$ 20,940,694	$ 15,526,728	$ 9,588,671	$ 150,350	$ 46,206,443
Expenditures					
Current:					
Instruction	$ 13,137,308	$ 0	$ 0	$ 76,563	$ 13,213,871
Support Services	7,174,134	0	11,292,033	35,775	18,501,942
Operation of Non-instructional Services	0	14,839,004	0	0	14,839,004
Total Expenditures	$ 20,311,442	$ 14,839,004	$ 11,292,033	$ 112,338	$ 46,554,817
Excess (Deficiency) of Revenues Over Expenditures	$ 629,252	$ 687,724	$ (1,703,362)	$ 38,012	$ (348,374)
Other Financing Sources (Uses)					
Transfers In	$ 1,000,000	$ 0	$ 1,248,993	$ 0	$ 2,248,993
Transfers Out	(1,593,895)	0	0	0	(1,593,895)
Total Other Financing Sources (Uses)	$ (593,895)	$ 0	$ 1,248,993	$ 0	$ 655,098
Net Change in Fund Balances	$ 35,357	$ 687,724	$ (454,369)	$ 38,012	$ 306,724
Fund Balance, July 1, 2013	1,347,561	4,481,494	3,262,098	94,163	9,185,316
Fund Balance, June 30, 2014	$ 1,382,918	$ 5,169,218	$ 2,807,729	$ 132,175	$ 9,492,040

Exhibit K-8

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
General Purpose School Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 76,114,640	$ 0	$ 0	$ 76,114,640	$ 76,382,230	$ 77,002,145	$ (887,505)
Charges for Current Services	72,439	0	0	72,439	76,300	74,116	(1,677)
Other Local Revenues	788,101	0	0	788,101	414,411	640,963	147,138
State of Tennessee	127,621,562	0	0	127,621,562	124,128,729	126,891,597	729,965
Federal Government	3,739,331	0	0	3,739,331	3,876,000	3,745,500	(6,169)
Other Governments and Citizens Groups	28,755	0	0	28,755	27,000	27,000	1,755
Total Revenues	$ 208,364,828	$ 0	$ 0	$ 208,364,828	$ 204,904,670	$ 208,381,321	$ (16,493)
Expenditures							
Instruction							
Regular Instruction Program	$ 101,320,950	$ (34,218)	$ 853,682	$ 102,140,414	$ 105,716,358	$ 108,031,736	$ 5,891,322
Alternative Instruction Program	1,047,412	(262)	0	1,047,150	1,031,021	1,107,329	60,179
Special Education Program	23,236,514	(89,099)	1,481	23,148,896	23,612,492	24,247,051	1,098,155
Vocational Education Program	4,706,098	(1,871)	443	4,704,670	4,851,755	4,939,841	235,171
Support Services							
Attendance	764,944	0	437	765,381	788,172	807,204	41,823
Health Services	1,211,663	(199)	483	1,211,947	1,249,101	1,283,435	71,488
Other Student Support	8,528,273	0	8,295	8,536,568	8,113,972	8,963,898	427,330
Regular Instruction Program	10,495,418	(7,519)	0	10,487,899	10,697,196	11,060,019	572,120
Alternative Instruction Program	30,557	0	0	30,557	38,649	39,476	8,919
Special Education Program	2,120,543	0	54	2,120,597	2,283,774	2,340,740	220,143
Vocational Education Program	106,028	0	0	106,028	116,700	118,255	12,227
Adult Programs	135,378	0	0	135,378	145,096	146,714	11,336
Other Programs	96,894	0	0	96,894	96,894	96,894	0
Board of Education	3,774,863	0	0	3,774,863	2,264,517	4,265,623	490,760
Director of Schools	999,260	(19,570)	17,143	996,833	1,023,842	1,090,832	93,999
Office of the Principal	15,025,556	0	99,082	15,124,638	15,505,206	15,787,335	662,697
Fiscal Services	2,224,210	(58,930)	916	2,166,196	2,229,530	2,395,079	228,883
Human Services/Personnel	1,332,980	(7,435)	0	1,325,545	2,565,434	1,588,737	263,192
Operation of Plant	15,156,960	(133,722)	207,938	15,231,176	16,730,902	16,613,433	1,382,257

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Maintenance of Plant	$ 5,692,624	$ (108,008)	$ 178,396	$ 5,763,012	$ 6,117,154	$ 6,296,256	$ 533,244
Central and Other	4,961,347	(241,455)	228,005	4,947,897	5,915,600	6,027,444	1,079,547
Operation of Non-instructional Services							
Early Childhood Education	2,076,152	0	0	2,076,152	2,094,971	2,156,519	80,367
Interest on Debt							
Education	23,240	0	0	23,240	21,000	21,000	(2,240)
Other Debt Service							
Education	487,564	0	0	487,564	499,340	487,564	0
Total Expenditures	$ 205,555,428	$ (702,288)	$ 1,596,355	$ 206,449,495	$ 213,708,676	$ 219,912,414	$ 13,462,919
Excess (Deficiency) of Revenues Over Expenditures	$ 2,809,400	$ 702,288	$ (1,596,355)	$ 1,915,333	$ (8,804,006)	$ (11,531,093)	$ 13,446,426
Other Financing Sources (Uses)							
Insurance Recovery	$ 253,267	$ 0	$ 0	$ 253,267	$ 25,000	$ 366,056	$ (112,789)
Transfers In	344,902	0	0	344,902	242,307	280,000	64,902
Transfers Out	(1,000,000)	0	0	(1,000,000)	0	(1,000,001)	1
Total Other Financing Sources	$ (401,831)	$ 0	$ 0	$ (401,831)	$ 267,307	$ (353,945)	$ (47,886)
Net Change in Fund Balance	$ 2,407,569	$ 702,288	$ (1,596,355)	$ 1,513,502	$ (8,536,699)	$ (11,885,038)	$ 13,398,540
Fund Balance, July 1, 2013	25,229,866	(702,288)	0	24,527,578	20,490,419	24,463,763	63,815
Fund Balance, June 30, 2014	$ 27,637,435	$ 0	$ (1,596,355)	$ 26,041,080	$ 11,953,720	$ 12,578,725	$ 13,462,355

Exhibit K-9

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Clarksville-Montgomery County School System
School Federal Projects Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
State of Tennessee	$ 673,939	$ 610,895	$ 732,642	$ (58,703)
Federal Government	20,266,755	22,048,036	24,058,264	(3,791,509)
Total Revenues	$ 20,940,694	$ 22,658,931	$ 24,790,906	$ (3,850,212)
Expenditures				
Instruction				
Regular Instruction Program	$ 9,825,637	$ 8,006,352	$ 11,805,269	$ 1,979,632
Special Education Program	2,949,872	3,040,078	3,263,385	313,513
Vocational Education Program	279,673	268,892	279,676	3
Adult Education Program	82,126	89,588	93,977	11,851
Support Services				
Other Student Support	577,908	570,031	734,764	156,856
Regular Instruction Program	4,979,483	6,910,606	6,294,990	1,315,507
Special Education Program	990,808	1,103,900	1,029,999	39,191
Vocational Education Program	2,433	4,000	2,433	0
Adult Programs	138,424	139,591	144,181	5,757
Office of the Principal	100,019	102,801	100,019	0
Operation of Plant	198,886	201,100	258,870	59,984
Transportation	186,173	1,696,191	472,242	286,069
Total Expenditures	$ 20,311,442	$ 22,133,130	$ 24,479,805	$ 4,168,363
Excess (Deficiency) of Revenues Over Expenditures	$ 629,252	$ 525,801	$ 311,101	$ 318,151
Other Financing Sources (Uses)				
Transfers In	$ 1,000,000	$ 124,593	$ 1,000,000	$ 0
Transfers Out	(1,593,895)	(650,394)	(1,658,661)	64,766
Total Other Financing Sources	$ (593,895)	$ (525,801)	$ (658,661)	$ 64,766
Net Change in Fund Balance	$ 35,357	$ 0	$ (347,560)	$ 382,917
Fund Balance, July 1, 2013	1,347,561	1,347,561	1,347,561	0
Fund Balance, June 30, 2014	$ 1,382,918	$ 1,347,561	$ 1,000,001	$ 382,917

Exhibit K-10

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 4,756,148	$ 0	$ 0	$ 4,756,148	$ 4,858,071	$ 4,804,140	$ (47,992)
Other Local Revenues	133,505	0	0	133,505	104,782	109,782	23,723
State of Tennessee	137,479	0	0	137,479	125,378	137,479	0
Federal Government	10,499,596	0	0	10,499,596	8,965,549	10,336,544	163,052
Total Revenues	$ 15,526,728	$ 0	$ 0	$ 15,526,728	$ 14,053,780	$ 15,387,945	$ 138,783
Expenditures							
Operation of Non-instructional Services							
Food Service	$ 14,839,004	$ (98,420)	$ 162,287	$ 14,902,871	$ 14,122,972	$ 15,710,734	$ 807,863
Total Expenditures	$ 14,839,004	$ (98,420)	$ 162,287	$ 14,902,871	$ 14,122,972	$ 15,710,734	$ 807,863
Excess (Deficiency) of Revenues Over Expenditures	$ 687,724	$ 98,420	$ (162,287)	$ 623,857	$ (69,192)	$ (322,789)	$ 946,646
Net Change in Fund Balance	$ 687,724	$ 98,420	$ (162,287)	$ 623,857	$ (69,192)	$ (322,789)	$ 946,646
Fund Balance, July 1, 2013	4,481,494	(98,420)	0	4,383,074	4,460,587	4,383,074	0
Fund Balance, June 30, 2014	$ 5,169,218	$ 0	$ (162,287)	$ 5,006,931	$ 4,391,395	$ 4,060,285	$ 946,646

Exhibit K-11

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
School Transportation Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,951,725	$ 0	$ 0	$ 1,951,725	$ 1,962,000	$ 2,007,300	$ (55,575)
Other Local Revenues	117,822	0	0	117,822	53,700	53,700	64,122
State of Tennessee	7,519,124	0	0	7,519,124	7,519,124	7,519,124	0
Federal Government	0	0	0	0	1,297,915	0	0
Total Revenues	$ 9,588,671	$ 0	$ 0	$ 9,588,671	$ 10,832,739	$ 9,580,124	$ 8,547
Expenditures							
Support Services							
Board of Education	$ 39,102	$ 0	$ 0	$ 39,102	$ 0	$ 45,000	$ 5,898
Fiscal Services	0	0	0	0	40,000	0	0
Transportation	11,252,931	(10,195)	3,953	11,246,689	12,164,178	12,659,030	1,412,341
Total Expenditures	$ 11,292,033	$ (10,195)	$ 3,953	$ 11,285,791	$ 12,204,178	$ 12,704,030	$ 1,418,239
Excess (Deficiency) of Revenues Over Expenditures	$ (1,703,362)	$ 10,195	$ (3,953)	$ (1,697,120)	$ (1,371,439)	$ (3,123,906)	$ 1,426,786
Other Financing Sources (Uses)							
Transfers In	$ 1,248,993	$ 0	$ 0	$ 1,248,993	$ 0	$ 1,297,915	$ (48,922)
Total Other Financing Sources	$ 1,248,993	$ 0	$ 0	$ 1,248,993	$ 0	$ 1,297,915	$ (48,922)
Net Change in Fund Balance	$ (454,369)	$ 10,195	$ (3,953)	$ (448,127)	$ (1,371,439)	$ (1,825,991)	$ 1,377,864
Fund Balance, July 1, 2013	3,262,098	(10,195)	0	3,251,903	2,017,578	3,247,925	3,978
Fund Balance, June 30, 2014	$ 2,807,729	$ 0	$ (3,953)	$ 2,803,776	$ 646,139	$ 1,421,934	$ 1,381,842

Exhibit K-12

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Clarksville-Montgomery County School System
Extended School Program Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 150,350	$ 165,000	$ 165,000	$ (14,650)
Total Revenues	$ 150,350	$ 165,000	$ 165,000	$ (14,650)
Expenditures				
Instruction				
Regular Instruction Program	$ 76,563	$ 112,769	$ 112,769	$ 36,206
Support Services				
Board of Education	1,494	0	1,800	306
Office of the Principal	27,501	27,948	27,948	447
Fiscal Services	0	1,000	0	0
Operation of Plant	6,780	9,759	9,759	2,979
Total Expenditures	$ 112,338	$ 151,476	$ 152,276	$ 39,938
Excess (Deficiency) of Revenues Over Expenditures	$ 38,012	$ 13,524	$ 12,724	$ 25,288
Net Change in Fund Balance	$ 38,012	$ 13,524	$ 12,724	$ 25,288
Fund Balance, July 1, 2013	94,163	73,870	94,163	0
Fund Balance, June 30, 2014	$ 132,175	$ 87,394	$ 106,887	$ 25,288

MISCELLANEOUS SCHEDULES

Exhibit L-1

Montgomery County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-14
NOTES PAYABLE									
Payable through General Debt Service Fund									
Promissory Note - Land for Park	$ 250,000	4 %	3-31-10	6-30-14	$ 43,180	$ 0	$ 43,180	$ 0	$ 0
Total Notes Payable					$ 43,180	$ 0	$ 43,180	$ 0	$ 0
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
Qualified Zone Academy Bonds	2,470,731	0	10-17-02	12-18-15	$ 529,440	$ 0	$ 176,481	$ 0	$ 352,959
Qualified Zone Academy Bonds	(1)	0	5-22-06	12-1-20	1,946,787	0	259,600	0	1,687,187
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	16,464,089	0	1,247,969	0	15,216,120
Total Other Loans Payable					$ 18,940,316	$ 0	$ 1,684,050	$ 0	$ 17,256,266
BONDS PAYABLE									
Payable through General Debt Service Fund									
General Obligation Refunding	43,240,000	2 to 5	3-15-04	5-1-14	$ 4,250,000	$ 0	$ 4,250,000	$ 0	$ 0
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-15	200,000	0	100,000	0	100,000
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-16	11,000,000	0	250,000	10,100,000	650,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	53,785,000	0	2,330,000	41,125,000	10,330,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	14,750,000	0	725,000	0	14,025,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	16,225,000	0	625,000	0	15,600,000
General Obligation Schools - Build America Bonds	5,400,000	4.55 to 5.6	2-4-10	4-1-30	5,400,000	0	0	0	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	73,960,000	0	8,470,000	0	65,490,000
General Obligation School and Public Improvement	62,335,000	2 to 5	7-28-11	4-1-29	61,335,000	0	1,000,000	0	60,335,000
General Obligation Refunding	19,465,000	2 to 5	4-25-12	4-1-25	19,090,000	0	1,355,000	0	17,735,000
General Obligation Public Improvement and Refunding	27,415,000	2 to 5	10-11-12	4-1-29	26,015,000	0	1,320,000	0	24,695,000
General Obligation Refunding	37,120,000	.20 to 1.65	5-17-13	5-1-20	37,120,000	0	840,000	0	36,280,000
General Obligation Public Improvement	13,200,000	3 to 5	8-29-13	4-1-28	0	13,200,000	500,000	0	12,700,000
General Obligation Refunding	50,155,000	2.5 to 5	5-15-14	4-1-26	0	50,155,000	0	0	50,155,000
Total Payable through General Debt Service Fund					$ 323,130,000	$ 63,355,000	$ 21,765,000	$ 51,225,000	$ 313,495,000
Payable by Bi-County Solid Waste Management System									
Contributions to General Debt Service Fund									
General Obligation Public Improvement	625,000	5	10-11-12	4-1-17	$ 555,000	$ 0	$ 140,000	$ 0	$ 415,000
Total Bonds Payable					$ 323,685,000	$ 63,355,000	$ 21,905,000	$ 51,225,000	$ 313,910,000

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

Exhibit L-2

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

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	$ 1,684,049	$ 303,000	$ 22,093	$ 2,009,142
2016	1,684,048	303,000	22,093	2,009,141
2017	1,507,569	303,000	21,246	1,831,815
2018	1,507,569	303,000	21,246	1,831,815
2019	1,507,569	303,000	21,246	1,831,815
2020	1,507,569	303,000	21,246	1,831,815
2021	1,377,556	303,000	21,246	1,701,802
2022	1,247,969	303,000	20,000	1,570,969
2023	1,247,969	303,000	20,000	1,570,969
2024	1,247,969	303,000	20,000	1,570,969
2025	1,247,969	303,000	20,000	1,570,969
2026	1,370,814	303,000	20,000	1,693,814
2027	117,647	25,250	5,000	147,897
Total	$ 17,256,266	$ 3,661,250	$ 255,416	$ 21,172,932

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	$ 22,870,000	$ 11,825,025	$ 34,695,025
2016	22,865,000	11,416,178	34,281,178
2017	23,785,000	10,692,004	34,477,004
2018	24,995,000	9,857,614	34,852,614
2019	25,915,000	8,985,334	34,900,334
2020	27,335,000	8,066,759	35,401,759
2021	28,470,000	7,031,094	35,501,094
2022	24,070,000	5,688,188	29,758,188
2023	23,730,000	4,698,950	28,428,950
2024	23,685,000	3,649,087	27,334,087
2025	20,480,000	2,693,287	23,173,287
2026	18,635,000	1,854,150	20,489,150
2027	11,180,000	1,205,450	12,385,450
2028	10,600,000	702,800	11,302,800
2029	4,570,000	213,325	4,783,325
2030	725,000	40,600	765,600
Total	$ 313,910,000	$ 88,619,845	$ 402,529,845

Exhibit L-3

Montgomery County, Tennessee
Schedule of Notes Receivable
June 30, 2014

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
General Debt Service Fund						
Equipment Purchases	Bi-County Solid Waste Management System	$ 1,073,820	various	various	0 %	$ 1,073,820
Total Notes Receivable						$ 1,073,820

Exhibit L-4

Montgomery County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Commission on sales tax	$ 36,223
"	General Capital Projects	EMA equipment	6,000
"	Port Authority	Construction consultant	50,000
General Debt Service	General Capital Projects	Various capital expenditures	971,347
District Attorney General	Judicial District Drug	Safe neighborhood grant funds	13,741
Total Transfers Primary Government			$ 1,077,311
DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY SCHOOL SYSTEM			
General Purpose School	School Federal Projects	Maintain cash flows	$ 1,000,000
School Federal Projects	General Purpose School	Indirect costs	344,902
"	School Transportation	Equipment and maintenance	15,000
"	"	Salaries	1,233,993
Total Transfers Discretely Presented Clarksville-Montgomery County School System			$ 2,593,895

Exhibit L-5

Montgomery County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 143,232	$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, *TCA*	99,460	100,000	Western Surety Company
Director of Schools	State Board of Education and Local Board of Education	169,248 (1)		(4)
Trustee	Section 8-24-102, *TCA*	90,418	7,383,400	Ohio Casualty Insurance Company
Assessor of Property:				
Betty Burchett (7-1-13 through 11-30-13)	Section 8-24-102, *TCA*	37,674	50,000	Western Surety Company
Erinne Hester (12-9-13 through 6-30-14)	Section 8-24-102, *TCA*	50,483	50,000	Western Surety Company
Director of Accounts and Budgets:				
Erinne Hester (7-1-13 through 12-8-13)	County Commission	52,245	100,000	"
Jeffrey Taylor (3-3-14 through 6-30-14)	County Commission	31,226	100,000	"
Purchasing Agent	County Commission	69,503	25,000	Ohio Casualty Insurance Company
County Clerk	Section 8-24-102, *TCA*	90,418	50,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	90,418	50,000	"
Clerk and Master	Section 8-24-102, *TCA,* and Chancery Judge	90,418 (2)	50,000	Auto-Owners Mutual Insurance Company
Register of Deeds	Section 8-24-102, *TCA*	90,418	50,000	RLI Insurance Company
Sheriff	Section 8-24-102, *TCA,* and County Commission	107,905 (3)	25,000	"
County Employees:				
Public Employees Blanket Bond			150,000	Local Government Insurance Pool
School Employees:				
Public School System			500,000	Travelers Insurance

(1) Includes a $4,800 transportation supplement, a $5,967 payment for unused vacation days, and a $2,338 payment for retroactive back pay.
(2) Does not include special commissioner fees totaling $10,743.
(3) Includes $7,500 as a workhouse superintendent and $600 for a law enforcement training supplement.
(4) Director of schools is covered by the public school system employee blanket bond.

Exhibit L-6

Montgomery County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2014

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Local Taxes					
County Property Taxes					
Current Property Tax	$ 29,463,879	$ 0	$ 0	$ 3,789,242	$ 32,398,044
Trustee's Collections - Prior Year	942,146	0	0	134,106	1,146,613
Interest and Penalty	292,172	0	0	37,700	322,332
Payments in-Lieu-of Taxes - T.V.A.	763	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	1,063,828	0	0	0	0
Payments in-Lieu-of Taxes - Other	525,461	0	0	0	785,714
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	3,622,287
Hotel/Motel Tax	1,563,732	0	0	0	0
Litigation Tax - General	387,284	0	0	0	338,346
Litigation Tax - Special Purpose	71,424	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	368,395
Business Tax	1,087,001	0	0	93,707	93,707
Mineral Severance Tax	0	0	0	215,913	0
Adequate Facilities/Development Tax	0	0	0	0	969,516
Statutory Local Taxes					
Bank Excise Tax	69,751	0	0	9,000	76,951
Wholesale Beer Tax	454,086	0	0	0	0
Interstate Telecommunications Tax	4,015	0	0	0	0
Total Local Taxes	$ 35,925,542	$ 0	$ 0	$ 4,279,668	$ 40,121,905
Licenses and Permits					
Licenses					
Animal Registration	$ 35,754	$ 0	$ 0	$ 0	$ 0
Animal Vaccination	4,620	0	0	0	0
Cable TV Franchise	192,471	0	0	0	0

(Continued)

Exhibit L-6

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Licenses and Permits (Cont.)					
Permits					
Building Permits	$ 355,726	$ 0	$ 0	$ 0	$ 0
Plumbing Permits	14,200	0	0	0	0
Other Permits	93,027	0	0	0	0
Total Licenses and Permits	$ 695,798	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 16,011	$ 0	$ 0	$ 0	$ 0
Officers Costs	23,629	0	0	0	0
Drug Court Fees	3,366	0	0	0	0
Jail Fees	27,989	0	0	0	0
Data Entry Fee - Circuit Court	9,292	0	0	0	0
Courtroom Security Fee	8,647	0	0	0	0
Victims Assistance Assessments	5,819	0	0	0	0
General Sessions Court					
Fines	119,530	0	0	0	0
Fines for Littering	1,092	0	0	0	0
Officers Costs	191,478	0	0	0	0
Game and Fish Fines	477	0	0	0	0
Drug Court Fees	33,199	0	0	0	0
Jail Fees	309,575	0	0	0	0
DUI Treatment Fines	28,343	0	0	0	0
Data Entry Fee - General Sessions Court	47,803	0	0	0	0
Victims Assistance Assessments	72,064	0	0	0	0

(Continued)

Exhibit L-6

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties (Cont.)					
Juvenile Court					
Fines	$ 962	$ 0	$ 0	$ 0	$ 0
Officers Costs	1,207	0	0	0	0
Jail Fees	50,710	0	0	0	0
Data Entry Fee - Juvenile Court	6,661	0	0	0	0
Courtroom Security Fee	4	0	0	0	0
Chancery Court					
Officers Costs	30,474	0	0	0	0
Data Entry Fee - Chancery Court	4,550	0	0	0	0
Other Courts - In-county					
Fines	1,084	0	0	0	0
Drug Control Fines	0	18,464	0	0	0
Drug Court Fees	22,087	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Other Fines, Forfeitures, and Penalties	4,098	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 1,020,151	$ 18,464	$ 0	$ 0	$ 0
Charges for Current Services					
General Service Charges					
Patient Charges	$ 4,744,813	$ 0	$ 0	$ 0	$ 0
Zoning Studies	3,750	0	0	0	0
Other General Service Charges	58,105	0	0	0	0
Fees					
Recreation Fees	11,020	0	0	0	0
Copy Fees	9,264	0	0	0	0
Archives and Records Management Fee - County Clerk	404,169	0	0	0	0

(Continued)

Exhibit L-6

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Charges for Current Services (Cont.)					
Fees (Cont.)					
Greenbelt Late Application Fee	$ 350	$ 0	$ 0	$ 0	$ 0
Telephone Commissions	137,240	0	0	0	0
Vending Machine Collections	65,961	0	0	62	0
Special Commissioner Fees/Special Master Fees	0	0	10,743	0	0
Data Processing Fee - Register	72,644	0	0	0	0
Probation Fees	12,725	0	0	0	0
Data Processing Fee - Sheriff	29,088	0	0	0	0
Sexual Offender Registration Fee - Sheriff	12,650	0	0	0	0
Data Processing Fee - County Clerk	16,405	0	0	0	0
Other Charges for Services					
Other Charges for Services	3,958	0	0	0	0
Total Charges for Current Services	$ 5,582,142	$ 0	$ 10,743	$ 62	$ 0
Other Local Revenues					
Recurring Items					
Investment Income	$ 441,353	$ 0	$ 0	$ 0	$ 405,488
Lease/Rentals	710,504	0	0	0	0
Sale of Gasoline	0	0	0	51,974	0
Sale of Maps	1,392	0	0	0	0
Sale of Recycled Materials	715	0	0	0	0
Miscellaneous Refunds	218,911	0	0	11,078	0
Nonrecurring Items					
Sale of Equipment	32,033	0	0	0	0
Contributions and Gifts	11,000	0	0	0	0

(Continued)

Exhibit L-6

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service
Other Local Revenues (Cont.)					
Other Local Revenues					
Other Local Revenues	$ 698,205	$ 0	$ 0	$ 0	$ 0
Total Other Local Revenues	$ 2,114,113	$ 0	$ 0	$ 63,052	$ 405,488
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 1,592,433	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	693,318	0	0	0	0
General Sessions Court Clerk	1,355,582	0	0	0	0
Clerk and Master	386,213	0	0	0	0
Juvenile Court Clerk	254,852	0	0	0	0
Register	1,020,019	0	0	0	0
Sheriff	38,836	0	0	0	0
Trustee	3,162,043	0	0	0	0
Total Fees Received from County Officials	$ 8,503,296	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 572,812	$ 0	$ 0	$ 0	$ 0
Public Safety Grants					
Law Enforcement Training Programs	47,400	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	349,753	0
Litter Program	70,700	0	0	0	0
Other State Revenues					
Beer Tax	17,806	0	0	0	0

(Continued)

Exhibit L-6

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

	General	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitutional Officers - Fees	Special Revenue Funds: Highway / Public Works	Debt Service Fund: General Debt Service
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Vehicle Certificate of Title Fees	$ 19,176	$ 0	$ 0	$ 0	$ 0
Alcoholic Beverage Tax	215,470	0	0	0	0
State Revenue Sharing - T.V.A.	1,595,111	0	0	0	0
Prisoner Transportation	18,575	0	0	0	0
Contracted Prisoner Boarding	1,556,664	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,846,129	0
Petroleum Special Tax	0	0	0	124,345	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	2,539,260	0	0	0	0
Other State Revenues	106,665	0	0	0	0
Total State of Tennessee	$ 6,774,803	$ 0	$ 0	$ 3,320,227	$ 0
Federal Government					
Federal Through State					
Homeland Security Grants	$ 400,823	$ 0	$ 0	$ 0	$ 0
Other Federal through State	356,000	0	0	0	0
Direct Federal Revenue					
Tax Credit Bond Rebate	0	0	0	0	89,303
Other Direct Federal Revenue	58,020	0	0	0	0
Total Federal Government	$ 814,843	$ 0	$ 0	$ 0	$ 89,303
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 209	$ 0	$ 0	$ 0	$ 0
Paving and Maintenance	0	0	0	24,587	0
Contributions	463,525	0	0	0	655,314

(Continued)

Exhibit L-6

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

		Special Revenue Funds			Debt Service Fund
	General	Drug Control	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service
Other Governments and Citizens Groups (Cont.)					
Citizens Groups					
Donations	$ 103,646	$ 0	$ 0	$ 0	$ 0
Other					
Other	0	0	0	0	126,901
Total Other Governments and Citizens Groups	$ 567,380	$ 0	$ 0	$ 24,587	$ 782,215
Total	$ 61,998,068	$ 18,464	$ 10,743	$ 7,687,596	$ 41,398,911

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 1,168,353	$ 66,819,518
Trustee's Collections - Prior Year	41,350	2,264,215
Interest and Penalty	11,624	663,828
Payments in-Lieu-of Taxes - T.V.A.	0	763
Payments in-Lieu-of Taxes - Local Utilities	0	1,063,828
Payments in-Lieu-of Taxes - Other	0	1,311,175
County Local Option Taxes		
Local Option Sales Tax	0	3,622,287
Hotel/Motel Tax	0	1,563,732
Litigation Tax - General	0	725,630
Litigation Tax - Special Purpose	0	71,424
Litigation Tax - Jail, Workhouse, or Courthouse	0	368,395
Business Tax	0	1,274,415
Mineral Severance Tax	0	215,913
Adequate Facilities/Development Tax	0	969,516
Statutory Local Taxes		
Bank Excise Tax	2,775	158,477
Wholesale Beer Tax	0	454,086
Interstate Telecommunications Tax	0	4,015
Total Local Taxes	$ 1,224,102	$ 81,551,217
Licenses and Permits		
Licenses		
Animal Registration	$ 0	$ 35,754
Animal Vaccination	0	4,620
Cable TV Franchise	0	192,471

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
Licenses and Permits (Cont.)		
Permits		
Building Permits	$ 0	$ 355,726
Plumbing Permits	0	14,200
Other Permits	0	93,027
Total Licenses and Permits	$ 0	$ 695,798
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	$ 0	$ 16,011
Officers Costs	0	23,629
Drug Court Fees	0	3,366
Jail Fees	0	27,989
Data Entry Fee - Circuit Court	0	9,292
Courtroom Security Fee	0	8,647
Victims Assistance Assessments	0	5,819
General Sessions Court		
Fines	0	119,530
Fines for Littering	0	1,092
Officers Costs	0	191,478
Game and Fish Fines	0	477
Drug Court Fees	0	33,199
Jail Fees	0	309,575
DUI Treatment Fines	0	28,343
Data Entry Fee - General Sessions Court	0	47,803
Victims Assistance Assessments	0	72,064

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)		
Juvenile Court		
Fines	$ 0	$ 962
Officers Costs	0	1,207
Jail Fees	0	50,710
Data Entry Fee - Juvenile Court	0	6,661
Courtroom Security Fee	0	4
Chancery Court		
Officers Costs	0	30,474
Data Entry Fee - Chancery Court	0	4,550
Other Courts - In-county		
Fines	0	1,084
Drug Control Fines	0	18,464
Drug Court Fees	0	22,087
Other Fines, Forfeitures, and Penalties		
Other Fines, Forfeitures, and Penalties	0	4,098
Total Fines, Forfeitures, and Penalties	$ 0	$ 1,038,615
Charges for Current Services		
General Service Charges		
Patient Charges	$ 0	$ 4,744,813
Zoning Studies	0	3,750
Other General Service Charges	0	58,105
Fees		
Recreation Fees	0	11,020
Copy Fees	0	9,264
Archives and Records Management Fee - County Clerk	0	404,169

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
Charges for Current Services (Cont.)		
Fees (Cont.)		
Greenbelt Late Application Fee	$ 0	$ 350
Telephone Commissions	0	137,240
Vending Machine Collections	0	66,023
Special Commissioner Fees/Special Master Fees	0	10,743
Data Processing Fee - Register	0	72,644
Probation Fees	0	12,725
Data Processing Fee - Sheriff	0	29,088
Sexual Offender Registration Fee - Sheriff	0	12,650
Data Processing Fee - County Clerk	0	16,405
Other Charges for Services		
Other Charges for Services	0	3,958
Total Charges for Current Services	$ 0	$ 5,592,947
Other Local Revenues		
Recurring Items		
Investment Income	$ 5,143	$ 851,984
Lease/Rentals	0	710,504
Sale of Gasoline	0	51,974
Sale of Maps	0	1,392
Sale of Recycled Materials	0	715
Miscellaneous Refunds	17,815	247,804
Nonrecurring Items		
Sale of Equipment	29,530	61,563
Contributions and Gifts	0	11,000

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
Other Local Revenues (Cont.)		
Other Local Revenues		
Other Local Revenues	$ 0	$ 698,205
Total Other Local Revenues	$ 52,488	$ 2,635,141
Fees Received from County Officials		
Fees in-Lieu-of Salary		
County Clerk	$ 0	$ 1,592,433
Circuit Court Clerk	0	693,318
General Sessions Court Clerk	0	1,355,582
Clerk and Master	0	386,213
Juvenile Court Clerk	0	254,852
Register	0	1,020,019
Sheriff	0	38,836
Trustee	0	3,162,043
Total Fees Received from County Officials	$ 0	$ 8,503,296
State of Tennessee		
General Government Grants		
Juvenile Services Program	$ 0	$ 572,812
Public Safety Grants		
Law Enforcement Training Programs	0	47,400
Public Works Grants		
State Aid Program	0	349,753
Litter Program	0	70,700
Other State Revenues		
Beer Tax	0	17,806

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
Vehicle Certificate of Title Fees	$ 0	$ 19,176
Alcoholic Beverage Tax	0	215,470
State Revenue Sharing - T.V.A.	0	1,595,111
Prisoner Transportation	0	18,575
Contracted Prisoner Boarding	0	1,556,664
Gasoline and Motor Fuel Tax	0	2,846,129
Petroleum Special Tax	0	124,345
Registrar's Salary Supplement	0	15,164
Other State Grants	0	2,539,260
Other State Revenues	300,000	406,665
Total State of Tennessee	$ 300,000	$ 10,395,030
Federal Government		
Federal Through State		
Homeland Security Grants	$ 0	$ 400,823
Other Federal through State	700,547	1,056,547
Direct Federal Revenue		
Tax Credit Bond Rebate	0	89,303
Other Direct Federal Revenue	0	58,020
Total Federal Government	$ 700,547	$ 1,604,693
Other Governments and Citizens Groups		
Other Governments		
Prisoner Board	$ 0	$ 209
Paving and Maintenance	0	24,587
Contributions	0	1,118,839

(Continued)

Exhibit L-6

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

	Capital Projects Fund	
	General Capital Projects	Total
Other Governments and Citizens Groups (Cont.)		
Citizens Groups		
Donations	$ 0	$ 103,646
Other		
Other	0	126,901
Total Other Governments and Citizens Groups	$ 0	$ 1,374,182
Total	$ 2,277,137	$ 113,390,919

Exhibit L-7

Montgomery County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
Local Taxes					
County Property Taxes					
Current Property Tax	$ 29,878,351	$ 0	$ 0	$ 1,821,098	$ 0
Trustee's Collections - Prior Year	959,346	0	0	58,472	0
Trustee's Collections - Bankruptcy	63,412	0	0	3,865	0
Circuit/Clerk and Master Collections - Prior Years	3,158	0	0	192	0
Interest and Penalty	304,110	0	0	18,535	0
Payments in-Lieu-of Taxes - Local Utilities	740,572	0	0	45,138	0
County Local Option Taxes					
Local Option Sales Tax	39,033,395	0	0	0	0
Wheel Tax	4,027,229	0	0	0	0
Business Tax	619,458	0	0	0	0
Mixed Drink Tax	394,424	0	0	0	0
Statutory Local Taxes					
Bank Excise Tax	72,601	0	0	4,425	0
Interstate Telecommunications Tax	18,584	0	0	0	0
Total Local Taxes	$ 76,114,640	$ 0	$ 0	$ 1,951,725	$ 0
Charges for Current Services					
Fees					
Archives and Records Management Fee - County Clerk	$ 7,738	$ 0	$ 0	$ 0	$ 0
Education Charges					
Tuition - Regular Day Students	27,406	0	0	0	0
Tuition - Summer School	0	0	0	0	150,350
Lunch Payments - Children	0	0	2,739,007	0	0
Lunch Payments - Adults	0	0	192,341	0	0

(Continued)

Exhibit L-7

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Income from Breakfast	$ 0	$ 0	$ 119,848	$ 0	$ 0
A la carte Sales	0	0	1,623,147	0	0
School Based Health Services - FFS	12,093	0	0	0	0
TBI Criminal Background Fee	25,202	0	0	0	0
Other Charges for Services					
Other Charges for Services	0	0	81,805	0	0
Total Charges for Current Services	$ 72,439	$ 0	$ 4,756,148	$ 0	$ 150,350
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 8,653	$ 0	$ 0
Lease/Rentals	186,857	0	0	0	0
Sale of Materials and Supplies	1,450	0	56,844	3,945	0
Sale of Recycled Materials	6,105	0	0	6,588	0
E-Rate Funding	235,585	0	0	0	0
Miscellaneous Refunds	66,616	0	51,695	23,593	0
Nonrecurring Items					
Sale of Equipment	146,808	0	16,313	82,226	0
Sale of Property	2,850	0	0	0	0
Damages Recovered from Individuals	3,971	0	0	1,470	0
Contributions and Gifts	137,859	0	0	0	0
Total Other Local Revenues	$ 788,101	$ 0	$ 133,505	$ 117,822	$ 0

(Continued)

Exhibit L-7

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 96,894	$ 0	$ 0	$ 0	$ 0
Health and Welfare Grants					
Other Health and Welfare Grants	69,934	0	0	0	0
State Education Funds					
Basic Education Program	122,740,879	0	0	7,519,124	0
Early Childhood Education	1,833,517	0	0	0	0
School Food Service	0	0	137,479	0	0
Energy Efficient School Initiative	12,349	0	0	0	0
Other State Education Funds	1,984,796	673,939	0	0	0
Career Ladder Program	613,386	0	0	0	0
Career Ladder - Extended Contract	112,195	0	0	0	0
Other State Revenues					
Income Tax	157,612	0	0	0	0
Total State of Tennessee	$ 127,621,562	$ 673,939	$ 137,479	$ 7,519,124	$ 0
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 6,376,799	$ 0	$ 0
USDA - Commodities	0	0	966,754	0	0
Breakfast	0	0	3,156,043	0	0
Adult Education State Grant Program	0	165,410	0	0	0
Vocational Education - Basic Grants to States	0	399,096	0	0	0
Title I Grants to Local Education Agencies	0	7,882,063	0	0	0
Special Education - Grants to States	81,018	5,133,507	0	0	0

(Continued)

Exhibit L-7

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
Federal Government (Cont.)					
Federal Through State (Cont.)					
Special Education Preschool Grants	$ 19,482	$ 43,333	$ 0	$ 0	$ 0
English Language Acquisition Grants	0	101,788	0	0	0
Safe and Drug-free Schools - State Grants	0	930,000	0	0	0
Eisenhower Professional Development State Grants	0	775,610	0	0	0
Race-to-the-Top - ARRA	0	2,405,548	0	0	0
Direct Federal Revenue					
Public Law 874 - Maintenance and Operation	3,065,181	0	0	0	0
ROTC Reimbursement	573,650	0	0	0	0
Other Direct Federal Revenue	0	2,430,400	0	0	0
Total Federal Government	$ 3,739,331	$ 20,266,755	$ 10,499,596	$ 0	$ 0
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Services	28,755	0	0	0	0
Total Other Governments and Citizens Groups	$ 28,755	$ 0	$ 0	$ 0	$ 0
Total	$ 208,364,828	$ 20,940,694	$ 15,526,728	$ 9,588,671	$ 150,350

(Continued)

Exhibit L-7

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

	Capital Projects Fund	
	Education Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 0	$ 31,699,449
Trustee's Collections - Prior Year	0	1,017,818
Trustee's Collections - Bankruptcy	0	67,277
Circuit/Clerk and Master Collections - Prior Years	0	3,350
Interest and Penalty	0	322,645
Payments in-Lieu-of Taxes - Local Utilities	0	785,710
County Local Option Taxes		
Local Option Sales Tax	0	39,033,395
Wheel Tax	0	4,027,229
Business Tax	0	619,458
Mixed Drink Tax	0	394,424
Statutory Local Taxes		
Bank Excise Tax	0	77,026
Interstate Telecommunications Tax	0	18,584
Total Local Taxes	$ 0	$ 78,066,365
Charges for Current Services		
Fees		
Archives and Records Management Fee - County Clerk	$ 0	$ 7,738
Education Charges		
Tuition - Regular Day Students	0	27,406
Tuition - Summer School	0	150,350
Lunch Payments - Children	0	2,739,007
Lunch Payments - Adults	0	192,341

(Continued)

Exhibit L-7

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

	Capital Projects Fund	
	Education Capital Projects	Total
Charges for Current Services (Cont.)		
Education Charges (Cont.)		
Income from Breakfast	$ 0	$ 119,848
A la carte Sales	0	1,623,147
School Based Health Services - FFS	0	12,093
TBI Criminal Background Fee	0	25,202
Other Charges for Services		
Other Charges for Services	0	81,805
Total Charges for Current Services	$ 0	$ 4,978,937
Other Local Revenues		
Recurring Items		
Investment Income	$ 0	$ 8,654
Lease/Rentals	0	186,856
Sale of Materials and Supplies	0	62,239
Sale of Recycled Materials	0	12,693
E-Rate Funding	0	235,585
Miscellaneous Refunds	625	142,529
Nonrecurring Items		
Sale of Equipment	0	245,347
Sale of Property	0	2,850
Damages Recovered from Individuals	0	5,441
Contributions and Gifts	12,325	150,184
Total Other Local Revenues	$ 12,950	$ 1,052,378

(Continued)

Exhibit L-7

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

	Capital Projects Fund	
	Education Capital Projects	Total
State of Tennessee		
General Government Grants		
On-behalf Contributions for OPEB	$ 0	$ 96,894
Health and Welfare Grants		
Other Health and Welfare Grants	0	69,934
State Education Funds		
Basic Education Program	0	130,260,003
Early Childhood Education	0	1,833,517
School Food Service	0	137,479
Energy Efficient School Initiative	0	12,349
Other State Education Funds	0	2,658,735
Career Ladder Program	0	613,386
Career Ladder - Extended Contract	0	112,195
Other State Revenues		
Income Tax	0	157,612
Total State of Tennessee	$ 0	$ 135,952,104
Federal Government		
Federal Through State		
USDA School Lunch Program	$ 0	$ 6,376,799
USDA - Commodities	0	966,754
Breakfast	0	3,156,043
Adult Education State Grant Program	0	165,410
Vocational Education - Basic Grants to States	0	399,096
Title I Grants to Local Education Agencies	0	7,882,063
Special Education - Grants to States	0	5,214,525

(Continued)

Exhibit L-7

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

	Capital Projects Fund	
	Education Capital Projects	Total
Federal Government (Cont.)		
Federal Through State (Cont.)		
Special Education Preschool Grants	$ 0	$ 62,815
English Language Acquisition Grants	0	101,788
Safe and Drug-free Schools - State Grants	0	930,000
Eisenhower Professional Development State Grants	0	775,610
Race-to-the-Top - ARRA	0	2,405,548
Direct Federal Revenue		
Public Law 874 - Maintenance and Operation	0	3,065,181
ROTC Reimbursement	0	573,650
Other Direct Federal Revenue	0	2,430,400
Total Federal Government	$ 0	$ 34,505,682
Other Governments and Citizens Groups		
Other Governments		
Contributions	$ 14,650,624	$ 14,650,624
Contracted Services	0	28,755
Total Other Governments and Citizens Groups	$ 14,650,624	$ 14,679,379
Total	$ 14,663,574	$ 269,234,845

Exhibit L-8

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund		
General Government		
County Commission		
Secretary(ies)	$ 39,709	
Board and Committee Members Fees	182,112	
Social Security	13,407	
State Retirement	5,688	
Life Insurance	29	
Medical Insurance	12,741	
Employer Medicare	3,135	
Advertising	413	
Audit Services	51,699	
Legal Notices, Recording, and Court Costs	1,384	
Printing, Stationery, and Forms	65	
Travel	7,735	
Tuition	1,375	
Other Contracted Services	7,322	
Food Supplies	115	
Office Supplies	353	
Other Supplies and Materials	228	
Total County Commission		$ 327,510
Board of Equalization		
Board and Committee Members Fees	$ 1,680	
Social Security	104	
Employer Medicare	24	
Total Board of Equalization		1,808
Beer Board		
Board and Committee Members Fees	$ 6,200	
Social Security	383	
Employer Medicare	90	
Total Beer Board		6,673
Other Boards and Committees		
Board and Committee Members Fees	$ 9,975	
Social Security	618	
Employer Medicare	145	
Total Other Boards and Committees		10,738
County Mayor/Executive		
County Official/Administrative Officer	$ 143,232	
Supervisor/Director	91,887	
Secretary(ies)	50,901	
Clerical Personnel	30,077	
Social Security	17,554	
State Retirement	45,375	
Life Insurance	115	
Medical Insurance	31,922	
Employer Medicare	4,447	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Mayor/Executive (Cont.)		
Advertising	$ 99	
Communication	3,233	
Dues and Memberships	230	
Licenses	13	
Maintenance and Repair Services - Vehicles	139	
Postal Charges	847	
Printing, Stationery, and Forms	98	
Rentals	2,500	
Travel	7,768	
Tuition	1,225	
Other Contracted Services	4,510	
Custodial Supplies	102	
Food Supplies	839	
Gasoline	3,199	
Library Books/Media	344	
Office Supplies	3,050	
Periodicals	242	
Tires and Tubes	492	
Other Supplies and Materials	1,091	
Premiums on Corporate Surety Bonds	167	
Communication Equipment	300	
Total County Mayor/Executive		$ 445,998
Personnel Office		
Supervisor/Director	$ 83,141	
Accountants/Bookkeepers	48,348	
Clerical Personnel	65,229	
Overtime Pay	356	
Social Security	11,555	
State Retirement	23,890	
Life Insurance	115	
Medical Insurance	39,017	
Unemployment Compensation	275	
Employer Medicare	2,702	
Communication	1,504	
Dues and Memberships	564	
Evaluation and Testing	9,658	
Legal Services	210	
Postal Charges	1,040	
Printing, Stationery, and Forms	170	
Rentals	2,692	
Travel	480	
Tuition	1,715	
Other Contracted Services	23,916	
Data Processing Supplies	920	
Duplicating Supplies	403	
Instructional Supplies and Materials	22	
Office Supplies	3,026	
Total Personnel Office		320,948

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Attorney		
Legal Services	$ 29,305	
Total County Attorney		$ 29,305
Election Commission		
Supervisor/Director	$ 83,184	
Clerical Personnel	135,954	
Temporary Personnel	10,156	
Overtime Pay	559	
Election Commission	6,244	
Social Security	13,930	
State Retirement	31,560	
Life Insurance	144	
Medical Insurance	41,550	
Employer Medicare	3,258	
Communication	1,350	
Legal Notices, Recording, and Court Costs	1,391	
Maintenance and Repair Services - Office Equipment	15,661	
Postal Charges	14,000	
Printing, Stationery, and Forms	3,603	
Rentals	5,273	
Travel	3,201	
Tuition	1,850	
Other Contracted Services	1,926	
Equipment and Machinery Parts	4,624	
Office Supplies	4,506	
Other Supplies and Materials	3,936	
Data Processing Equipment	36,021	
Voting Machines	195,825	
Total Election Commission		619,706
Register of Deeds		
County Official/Administrative Officer	$ 90,418	
Deputy(ies)	178,356	
Social Security	15,967	
State Retirement	38,505	
Life Insurance	173	
Medical Insurance	52,213	
Employer Medicare	3,734	
Communication	751	
Data Processing Services	42,540	
Postal Charges	394	
Rentals	2,984	
Other Contracted Services	1,702	
Data Processing Supplies	1,545	
Duplicating Supplies	788	
Other Supplies and Materials	1,038	
Premiums on Corporate Surety Bonds	98	
Total Register of Deeds		431,206

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
General Government (Cont.)		
Planning		
Contributions	$ 303,364	
Total Planning		$ 303,364
Building		
Assistant(s)	$ 39,407	
Supervisor/Director	82,086	
Social Security	7,065	
State Retirement	17,075	
Life Insurance	57	
Medical Insurance	23,141	
Employer Medicare	1,652	
Communication	657	
Dues and Memberships	258	
Licenses	753	
Maintenance and Repair Services - Vehicles	194	
Postal Charges	60	
Printing, Stationery, and Forms	75	
Rentals	1,925	
Travel	256	
Tuition	920	
Gasoline	1,492	
Office Supplies	533	
Total Building		177,606
Codes Compliance		
Assistant(s)	$ 251,503	
Supervisor/Director	69,503	
Clerical Personnel	86,308	
Social Security	23,759	
State Retirement	58,432	
Life Insurance	286	
Medical Insurance	83,829	
Employer Medicare	5,556	
Communication	6,954	
Contracts with Private Agencies	5,975	
Dues and Memberships	1,324	
Legal Services	1,562	
Legal Notices, Recording, and Court Costs	1,324	
Maintenance and Repair Services - Office Equipment	1,344	
Maintenance and Repair Services - Vehicles	2,107	
Postal Charges	942	
Rentals	6,804	
Travel	416	
Tuition	1,842	
Permits	3,460	
Other Contracted Services	486	
Data Processing Supplies	232	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
General Government (Cont.)		
Codes Compliance (Cont.)		
Gasoline	$ 16,799	
Library Books/Media	216	
Office Supplies	912	
Uniforms	1,014	
Other Supplies and Materials	1,139	
Indirect Cost	2,500	
Total Codes Compliance		$ 636,528
Geographical Information Systems		
Contracts with Government Agencies	$ 188,142	
Total Geographical Information Systems		188,142
County Buildings		
Assistant(s)	$ 36,504	
Supervisor/Director	162,129	
Secretary(ies)	39,709	
Custodial Personnel	153,365	
Maintenance Personnel	351,647	
Overtime Pay	5,918	
Social Security	43,704	
State Retirement	104,019	
Life Insurance	630	
Medical Insurance	167,306	
Employer Medicare	10,221	
Communication	14,418	
Licenses	90	
Maintenance Agreements	56,940	
Maintenance and Repair Services - Buildings	7,955	
Maintenance and Repair Services - Equipment	24,136	
Maintenance and Repair Services - Vehicles	4,664	
Pest Control	4,020	
Rentals	3,800	
Travel	84	
Tuition	100	
Disposal Fees	5,520	
Other Contracted Services	29,297	
Custodial Supplies	30,556	
Data Processing Supplies	47	
Drugs and Medical Supplies	227	
Electricity	263,340	
Gasoline	19,389	
General Construction Materials	322	
Natural Gas	44,628	
Office Supplies	917	
Propane Gas	5,610	
Salt	628	
Small Tools	3,474	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Uniforms	$ 2,661	
Water and Sewer	15,953	
Other Supplies and Materials	39,830	
Boiler Insurance	1,130	
Indirect Cost	2,500	
Furniture and Fixtures	1,598	
Maintenance Equipment	9,942	
Other Capital Outlay	2,729	
Total County Buildings		$ 1,671,657
Other Facilities		
Secretary(ies)	$ 39,709	
Custodial Personnel	141,474	
Maintenance Personnel	129,574	
Overtime Pay	2,316	
Social Security	17,934	
State Retirement	44,812	
Life Insurance	293	
Medical Insurance	89,009	
Employer Medicare	4,194	
Communication	5,715	
Maintenance and Repair Services - Buildings	3,046	
Maintenance and Repair Services - Equipment	71,458	
Pest Control	1,400	
Rentals	2,371	
Disposal Fees	1,710	
Other Contracted Services	13,484	
Custodial Supplies	15,170	
Electricity	290,898	
Food Supplies	783	
Gasoline	610	
Natural Gas	65,979	
Uniforms	1,307	
Water and Sewer	33,137	
Other Supplies and Materials	23,635	
Building and Contents Insurance	2,834	
Indirect Cost	2,500	
Building Improvements	9,541	
Other Equipment	1,280	
Other Capital Outlay	41,127	
Total Other Facilities		1,057,300
Other General Administration		
Supervisor/Director	$ 53,561	
Social Security	3,170	
State Retirement	7,760	
Life Insurance	29	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
General Government (Cont.)		
Other General Administration (Cont.)		
Medical Insurance	$ 12,741	
Employer Medicare	741	
Communication	682	
Contracts with Other Public Agencies	444,995	
Legal Services	10,000	
Travel	1,951	
Tuition	205	
Other Contracted Services	9,068	
Other Supplies and Materials	1,841	
Total Other General Administration		$ 546,744
Preservation of Records		
Supervisor/Director	$ 44,199	
Clerical Personnel	26,707	
Part-time Personnel	10,650	
Board and Committee Members Fees	1,475	
Social Security	4,972	
State Retirement	10,157	
Life Insurance	70	
Medical Insurance	3,483	
Employer Medicare	1,163	
Communication	749	
Data Processing Services	18,800	
Dues and Memberships	220	
Maintenance and Repair Services - Office Equipment	1,900	
Rentals	3,319	
Travel	2,554	
Other Contracted Services	408	
Duplicating Supplies	78	
Library Books/Media	1,407	
Office Supplies	4,511	
Other Supplies and Materials	107	
Data Processing Equipment	339	
Other Equipment	45,915	
Total Preservation of Records		183,183
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 83,471	
Accountants/Bookkeepers	260,166	
Clerical Personnel	34,486	
Temporary Personnel	8,808	
Overtime Pay	386	
Social Security	23,824	
State Retirement	56,053	
Life Insurance	220	
Medical Insurance	56,264	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
Employer Medicare	$ 5,557	
Communication	3,247	
Data Processing Services	9,142	
Dues and Memberships	1,014	
Legal Services	52	
Postal Charges	5,785	
Printing, Stationery, and Forms	32	
Rentals	484	
Travel	1,626	
Tuition	2,483	
Other Contracted Services	15,507	
Data Processing Supplies	3,509	
Duplicating Supplies	559	
Food Supplies	741	
Office Supplies	4,226	
Periodicals	256	
Other Supplies and Materials	2,717	
Premiums on Corporate Surety Bonds	1,598	
Other Charges	2	
Furniture and Fixtures	5,286	
Total Accounting and Budgeting		$ 587,501
Purchasing		
County Official/Administrative Officer	$ 69,503	
Purchasing Personnel	45,427	
Clerical Personnel	35,207	
Other Salaries and Wages	27,789	
Social Security	10,425	
State Retirement	25,574	
Life Insurance	115	
Medical Insurance	37,349	
Employer Medicare	2,448	
Communication	3,012	
Dues and Memberships	440	
Maintenance and Repair Services - Equipment	8,253	
Maintenance and Repair Services - Vehicles	1,851	
Postal Charges	519	
Rentals	7,060	
Travel	618	
Other Contracted Services	722	
Custodial Supplies	325	
Duplicating Supplies	3,052	
Food Supplies	192	
Gasoline	2,008	
Office Supplies	2,533	
Periodicals	212	
Tires and Tubes	350	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Finance (Cont.)		
Purchasing (Cont.)		
Other Supplies and Materials	$ 1,328	
Premiums on Corporate Surety Bonds	100	
Total Purchasing		$ 286,412
Property Assessor's Office		
County Official/Administrative Officer	$ 88,157	
Deputy(ies)	448,979	
Temporary Personnel	12,283	
Educational Incentive - Official/Admin Officer	1,000	
Overtime Pay	7,355	
Social Security	32,692	
State Retirement	76,328	
Life Insurance	372	
Medical Insurance	116,848	
Employer Medicare	7,650	
Audit Services	41,205	
Communication	3,752	
Data Processing Services	56,460	
Dues and Memberships	4,281	
Operating Lease Payments	7,436	
Legal Notices, Recording, and Court Costs	240	
Maintenance and Repair Services - Vehicles	1,405	
Postal Charges	1,819	
Printing, Stationery, and Forms	36,421	
Rentals	440	
Travel	4,019	
Tuition	1,094	
Other Contracted Services	731	
Data Processing Supplies	2,450	
Duplicating Supplies	357	
Food Supplies	1,452	
Gasoline	5,305	
Office Supplies	3,514	
Other Supplies and Materials	1,309	
Premiums on Corporate Surety Bonds	175	
Communication Equipment	400	
Data Processing Equipment	4,363	
Total Property Assessor's Office		970,292
County Trustee's Office		
County Official/Administrative Officer	$ 90,418	
Supervisor/Director	53,562	
Deputy(ies)	133,154	
Accountants/Bookkeepers	47,462	
Part-time Personnel	21,050	
Overtime Pay	4,704	
Board and Committee Members Fees	1,025	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Social Security	$ 20,623	
State Retirement	47,825	
Life Insurance	233	
Medical Insurance	63,045	
Employer Medicare	4,823	
Bank Charges	2,447	
Communication	4,570	
Data Processing Services	22,232	
Dues and Memberships	969	
Legal Notices, Recording, and Court Costs	3,159	
Postal Charges	26,404	
Printing, Stationery, and Forms	2,328	
Rentals	3,200	
Travel	922	
Other Contracted Services	27	
Food Supplies	177	
Office Supplies	4,607	
Periodicals	499	
Premiums on Corporate Surety Bonds	5,534	
Communication Equipment	260	
Total County Trustee's Office		$ 565,259
County Clerk's Office		
County Official/Administrative Officer	$ 90,418	
Supervisor/Director	53,561	
Deputy(ies)	1,019,470	
Part-time Personnel	47,605	
Overtime Pay	127	
Social Security	69,651	
State Retirement	161,886	
Life Insurance	1,042	
Medical Insurance	289,041	
Employer Medicare	16,289	
Communication	2,868	
Maintenance and Repair Services - Equipment	19,518	
Postal Charges	47,608	
Printing, Stationery, and Forms	2,938	
Rentals	20,506	
Travel	1,452	
Other Contracted Services	1,613	
Data Processing Supplies	5,806	
Duplicating Supplies	368	
Food Supplies	453	
Office Supplies	8,315	
Other Supplies and Materials	3,892	
Premiums on Corporate Surety Bonds	198	
Data Processing Equipment	1,858	
Office Equipment	1,389	
Total County Clerk's Office		1,867,872

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Finance (Cont.)		
Data Processing		
Supervisor/Director	$ 90,387	
Computer Programmer(s)	328,157	
Data Processing Personnel	212,581	
Secretary(ies)	39,507	
Part-time Personnel	18,691	
Social Security	41,161	
State Retirement	92,311	
Life Insurance	343	
Medical Insurance	97,730	
Employer Medicare	9,626	
Communication	59,057	
Data Processing Services	534,675	
Freight Expenses	9	
Maintenance and Repair Services - Vehicles	346	
Rentals	480	
Travel	4,055	
Tuition	3,840	
Other Contracted Services	118	
Custodial Supplies	125	
Data Processing Supplies	5,231	
Food Supplies	209	
Gasoline	1,972	
Office Supplies	436	
Communication Equipment	526	
Total Data Processing		$ 1,541,573
Other Finance		
Legal Notices, Recording, and Court Costs	$ 33,701	
Postal Charges	15,759	
Data Processing Supplies	258	
Total Other Finance		49,718
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 90,418	
Assistant(s)	107,073	
Supervisor/Director	79,548	
Deputy(ies)	949,496	
Accountants/Bookkeepers	84,860	
Overtime Pay	4,283	
Jury and Witness Expense	52,274	
Social Security	75,715	
State Retirement	179,543	
Life Insurance	1,161	
Medical Insurance	328,205	
Employer Medicare	17,708	
Communication	6,238	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Circuit Court (Cont.)		
Data Processing Services	$ 10,544	
Dues and Memberships	814	
Legal Notices, Recording, and Court Costs	2,002	
Maintenance and Repair Services - Office Equipment	750	
Postal Charges	13,989	
Printing, Stationery, and Forms	12,247	
Rentals	8,691	
Travel	905	
Other Contracted Services	92	
Custodial Supplies	345	
Data Processing Supplies	7,687	
Drugs and Medical Supplies	73	
Duplicating Supplies	6,845	
Food Supplies	1,632	
Library Books/Media	1,553	
Office Supplies	7,941	
Other Supplies and Materials	163	
Premiums on Corporate Surety Bonds	265	
Building Improvements	702	
Data Processing Equipment	67,767	
Total Circuit Court		$ 2,121,529
General Sessions Court		
Judge(s)	$ 468,909	
Secretary(ies)	35,173	
Social Security	23,380	
State Retirement	72,233	
Life Insurance	115	
Medical Insurance	50,964	
Employer Medicare	7,087	
Total General Sessions Court		657,861
Drug Court		
Probation Officer(s)	$ 38,771	
Social Security	2,369	
State Retirement	5,554	
Life Insurance	29	
Employer Medicare	554	
Communication	594	
Travel	3,295	
Other Contracted Services	11,125	
Office Supplies	181	
Other Supplies and Materials	7,368	
Total Drug Court		69,840
Chancery Court		
County Official/Administrative Officer	$ 90,418	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Chancery Court (Cont.)		
Deputy(ies)	$ 250,317	
Social Security	19,750	
State Retirement	47,702	
Life Insurance	235	
Medical Insurance	56,231	
Employer Medicare	4,619	
Communication	700	
Dues and Memberships	624	
Legal Notices, Recording, and Court Costs	1,264	
Maintenance and Repair Services - Office Equipment	400	
Postal Charges	3,318	
Rentals	5,536	
Travel	879	
Data Processing Supplies	1,253	
Duplicating Supplies	867	
Library Books/Media	769	
Office Supplies	2,046	
Data Processing Equipment	6,389	
Total Chancery Court		$ 493,317
Juvenile Court		
Judge(s)	$ 99,232	
Supervisor/Director	72,974	
Probation Officer(s)	75,901	
Youth Service Officer(s)	216,522	
Social Security	27,623	
State Retirement	67,058	
Life Insurance	259	
Medical Insurance	88,909	
Employer Medicare	6,460	
Communication	3,869	
Dues and Memberships	3,087	
Operating Lease Payments	2,340	
Legal Services	158	
Maintenance and Repair Services - Office Equipment	109	
Postal Charges	473	
Travel	7,807	
Tuition	3,793	
Other Contracted Services	223,930	
Drugs and Medical Supplies	75	
Library Books/Media	2,620	
Office Supplies	6,642	
Furniture and Fixtures	850	
Total Juvenile Court		910,691
Juvenile Court Clerk		
Supervisor/Director	$ 39,709	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court Clerk (Cont.)		
Deputy(ies)	$ 216,755	
Part-time Personnel	20,111	
Overtime Pay	140	
Social Security	16,336	
State Retirement	34,001	
Life Insurance	246	
Medical Insurance	49,379	
Employer Medicare	3,802	
Operating Lease Payments	480	
Postal Charges	983	
Printing, Stationery, and Forms	6,360	
Custodial Supplies	46	
Data Processing Supplies	3,559	
Duplicating Supplies	66	
Food Supplies	308	
Library Books/Media	66	
Office Supplies	3,471	
Other Supplies and Materials	176	
Data Processing Equipment	11,463	
Total Juvenile Court Clerk		$ 407,457
District Attorney General		
Communication	$ 387	
Dues and Memberships	300	
Legal Notices, Recording, and Court Costs	59	
Travel	61,705	
Other Contracted Services	493	
Custodial Supplies	1,457	
Duplicating Supplies	1,139	
Food Supplies	1,305	
Library Books/Media	1,824	
Office Supplies	1,595	
Other Supplies and Materials	528	
Total District Attorney General		70,792
Office of Public Defender		
Data Processing Services	$ 1,212	
Travel	3,950	
Tuition	1,388	
Other Contracted Services	1,175	
Total Office of Public Defender		7,725
Judicial Commissioners		
Part-time Personnel	$ 53,726	
Overtime Pay	2,655	
Other Salaries and Wages	101,956	
Social Security	9,204	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Judicial Commissioners (Cont.)		
State Retirement	$ 13,727	
Life Insurance	130	
Medical Insurance	23,869	
Employer Medicare	2,153	
Communication	2,996	
Rentals	2,540	
Travel	368	
Other Contracted Services	958	
Office Supplies	125	
Total Judicial Commissioners		$ 214,407
Other Administration of Justice		
Supervisor/Director	$ 62,554	
Social Security	3,798	
State Retirement	8,960	
Life Insurance	29	
Medical Insurance	5,427	
Employer Medicare	888	
Communication	1,302	
Contracts with Private Agencies	422,082	
Dues and Memberships	950	
Postal Charges	374	
Printing, Stationery, and Forms	985	
Tuition	400	
Duplicating Supplies	312	
Instructional Supplies and Materials	4,022	
Office Supplies	65	
Total Other Administration of Justice		512,148
Probation Services		
Assistant(s)	$ 23,810	
Supervisor/Director	69,503	
Probation Officer(s)	206,598	
Clerical Personnel	21,772	
Overtime Pay	63	
Other Salaries and Wages	190,413	
Social Security	30,283	
State Retirement	65,939	
Life Insurance	397	
Medical Insurance	91,371	
Unemployment Compensation	4,446	
Employer Medicare	7,082	
Communication	1,353	
Dues and Memberships	450	
Evaluation and Testing	44,355	
Licenses	829	
Postal Charges	657	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Probation Services (Cont.)		
Printing, Stationery, and Forms	$ 1,437	
Rentals	1,752	
Travel	4,774	
Tuition	1,378	
Other Contracted Services	20,589	
Duplicating Supplies	1,184	
Instructional Supplies and Materials	19,920	
Office Supplies	5,320	
Other Supplies and Materials	1,622	
Indirect Cost	13,650	
Total Probation Services		$ 830,947
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 99,805	
Assistant(s)	160,239	
Deputy(ies)	2,723,061	
Investigator(s)	647,808	
Captain(s)	208,394	
Lieutenant(s)	335,368	
Sergeant(s)	652,120	
Secretary(ies)	38,002	
Clerical Personnel	396,979	
Part-time Personnel	35,872	
Overtime Pay	330,411	
In-service Training	46,800	
Social Security	336,814	
State Retirement	813,357	
Life Insurance	3,473	
Medical Insurance	1,053,025	
Employer Medicare	78,771	
Communication	63,908	
Contracts with Government Agencies	120	
Dues and Memberships	3,760	
Evaluation and Testing	3,150	
Legal Services	2,268	
Licenses	537	
Maintenance Agreements	3,384	
Maintenance and Repair Services - Equipment	11,083	
Maintenance and Repair Services - Vehicles	86,040	
Medical and Dental Services	52	
Pest Control	128	
Postal Charges	5,043	
Printing, Stationery, and Forms	2,147	
Rentals	13,237	
Transportation - Other than Students	16,776	
Travel	19,539	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Tuition	$ 26,175	
Veterinary Services	1,269	
Other Contracted Services	65,929	
Animal Food and Supplies	475	
Custodial Supplies	671	
Data Processing Supplies	3,487	
Drugs and Medical Supplies	878	
Duplicating Supplies	1,981	
Electricity	5,625	
Food Supplies	1,079	
Gasoline	299,149	
Law Enforcement Supplies	13,045	
Natural Gas	1,521	
Office Supplies	5,873	
Periodicals	1,317	
Tires and Tubes	31,462	
Uniforms	32,355	
Vehicle Parts	2,563	
Water and Sewer	371	
Other Supplies and Materials	5,070	
Premiums on Corporate Surety Bonds	100	
Workers' Compensation Insurance	9,818	
Communication Equipment	113,032	
Data Processing Equipment	105,581	
Furniture and Fixtures	180	
Law Enforcement Equipment	71,033	
Other Capital Outlay	37,313	
Total Sheriff's Department		$ 9,028,823
Special Patrols		
Supervisor/Director	$ 63,521	
Deputy(ies)	1,139,165	
Sergeant(s)	56,711	
Overtime Pay	544	
Social Security	75,887	
State Retirement	169,079	
Life Insurance	744	
Medical Insurance	126,459	
Employer Medicare	17,748	
Communication	716	
Maintenance and Repair Services - Vehicles	10,483	
Travel	3,936	
Tuition	6,565	
Other Contracted Services	112	
Gasoline	38,655	
Law Enforcement Supplies	6,819	
Tires and Tubes	2,601	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Special Patrols (Cont.)		
Uniforms	$ 4,355	
Other Supplies and Materials	1,956	
Law Enforcement Equipment	6,600	
Total Special Patrols		$ 1,732,656
Administration of the Sexual Offender Registry		
Overtime Pay	$ 7,099	
Communication	1,018	
Travel	707	
Tuition	275	
Law Enforcement Supplies	48	
Other Supplies and Materials	241	
Data Processing Equipment	1,532	
Total Administration of the Sexual Offender Registry		10,920
Jail		
Assistant(s)	$ 77,366	
Supervisor/Director	53,765	
Deputy(ies)	4,103,143	
Lieutenant(s)	161,446	
Sergeant(s)	492,074	
Clerical Personnel	656,870	
Maintenance Personnel	178,575	
Temporary Personnel	8,564	
Overtime Pay	245,952	
Board and Committee Members Fees	6,825	
Social Security	352,097	
State Retirement	779,971	
Life Insurance	4,504	
Medical Insurance	1,099,622	
Unemployment Compensation	765	
Employer Medicare	82,345	
Communication	7,759	
Evaluation and Testing	11,951	
Laundry Service	4,072	
Operating Lease Payments	600	
Licenses	1,310	
Maintenance Agreements	80,866	
Maintenance and Repair Services - Buildings	14,185	
Maintenance and Repair Services - Equipment	41,678	
Maintenance and Repair Services - Vehicles	1,176	
Medical and Dental Services	2,518,473	
Pest Control	3,240	
Printing, Stationery, and Forms	2,277	
Rentals	8,624	
Travel	969	
Tuition	5,157	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Disposal Fees	$ 9,279	
Other Contracted Services	589,086	
Custodial Supplies	32,793	
Data Processing Supplies	6,284	
Duplicating Supplies	3,837	
Electricity	364,002	
Equipment and Machinery Parts	3,240	
Food Preparation Supplies	159	
Gasoline	19,400	
Law Enforcement Supplies	22,172	
Library Books/Media	336	
Natural Gas	65,533	
Office Supplies	2,020	
Prisoners Clothing	5,679	
Tires and Tubes	1,063	
Uniforms	23,663	
Water and Sewer	145,295	
Other Supplies and Materials	85,969	
Boiler Insurance	848	
Building and Contents Insurance	157,657	
Indirect Cost	40,716	
Liability Insurance	151,798	
Data Processing Equipment	1,707	
Food Service Equipment	46,452	
Other Equipment	1,275	
Total Jail		$ 12,786,484
Workhouse		
County Official/Administrative Officer	$ 7,500	
Deputy(ies)	652,821	
Lieutenant(s)	33,739	
Sergeant(s)	52,032	
Overtime Pay	20,407	
Social Security	44,806	
State Retirement	108,532	
Life Insurance	530	
Medical Insurance	118,725	
Employer Medicare	10,479	
Communication	2,989	
Laundry Service	1,845	
Maintenance Agreements	2,726	
Maintenance and Repair Services - Equipment	2,227	
Maintenance and Repair Services - Vehicles	1,557	
Medical and Dental Services	382,918	
Pest Control	360	
Rentals	1,919	
Other Contracted Services	79,847	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Workhouse (Cont.)		
Custodial Supplies	$ 8,463	
Diesel Fuel	5,876	
Electricity	20,827	
Equipment and Machinery Parts	355	
Gasoline	3,865	
Law Enforcement Supplies	2,367	
Natural Gas	6,277	
Prisoners Clothing	2,502	
Tires and Tubes	1,138	
Uniforms	2,216	
Water and Sewer	20,276	
Other Supplies and Materials	4,353	
Building and Contents Insurance	15,161	
Liability Insurance	11,500	
Total Workhouse		$ 1,631,135
Correctional Incentive Program Improvements		
Supervisor/Director	$ 59,969	
Probation Officer(s)	195,724	
Secretary(ies)	20,181	
Social Security	16,573	
State Retirement	33,398	
Life Insurance	252	
Medical Insurance	22,085	
Employer Medicare	3,876	
Accounting Services	12,000	
Communication	5,646	
Maintenance and Repair Services - Office Equipment	2,237	
Maintenance and Repair Services - Vehicles	291	
Postal Charges	138	
Printing, Stationery, and Forms	500	
Rentals	32,760	
Travel	2,862	
Tuition	890	
Other Contracted Services	11,462	
Custodial Supplies	623	
Data Processing Supplies	4	
Duplicating Supplies	239	
Electricity	1,478	
Food Supplies	426	
Gasoline	2,058	
Office Supplies	2,007	
Periodicals	141	
Other Supplies and Materials	4,226	
Liability Insurance	1,361	
Vehicle and Equipment Insurance	1,700	
Total Correctional Incentive Program Improvements		435,107

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Juvenile Services		
Supervisor/Director	$ 48,393	
Probation Officer(s)	3,516	
Medical Personnel	38,459	
Clerical Personnel	24,702	
Social Security	6,084	
State Retirement	14,849	
Life Insurance	86	
Medical Insurance	23,382	
Employer Medicare	1,441	
Communication	2,601	
Contracts with Private Agencies	8,450	
Dues and Memberships	750	
Evaluation and Testing	4,247	
Operating Lease Payments	2,256	
Travel	3,724	
Tuition	730	
Other Contracted Services	5,687	
Food Supplies	69	
Riprap	2,089	
Office Supplies	3,329	
Other Supplies and Materials	848	
Other Equipment	9,861	
Total Juvenile Services		$ 205,553
Fire Prevention and Control		
Board and Committee Members Fees	$ 10,775	
Social Security	639	
Employer Medicare	149	
Communication	15,175	
Contributions	8,875	
Licenses	358	
Maintenance and Repair Services - Buildings	2,650	
Maintenance and Repair Services - Equipment	5,474	
Maintenance and Repair Services - Vehicles	28,676	
Medical and Dental Services	208	
Postal Charges	57	
Travel	3,181	
Other Contracted Services	4,280	
Diesel Fuel	24,615	
Equipment and Machinery Parts	892	
Food Preparation Supplies	59	
Food Supplies	264	
Gasoline	13,936	
Instructional Supplies and Materials	462	
Uniforms	6,723	
Utilities	27,737	
Chemicals	1,176	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control (Cont.)		
Other Supplies and Materials	$ 15,393	
Liability Insurance	6,998	
Communication Equipment	159,708	
Other Equipment	67,540	
Total Fire Prevention and Control		$ 406,000
Civil Defense		
Assistant(s)	$ 51,093	
Supervisor/Director	75,056	
Secretary(ies)	44,199	
Other Salaries and Wages	37,819	
Social Security	12,576	
State Retirement	26,128	
Life Insurance	98	
Medical Insurance	18,168	
Employer Medicare	2,941	
Communication	5,723	
Contracts with Private Agencies	1,176	
Maintenance and Repair Services - Vehicles	955	
Rentals	80,329	
Travel	50	
Other Contracted Services	2,531	
Gasoline	2,020	
Utilities	44,531	
Other Supplies and Materials	3,152	
Total Civil Defense		408,545
Other Emergency Management		
Other Contracted Services	$ 1,950	
Other Supplies and Materials	3,319	
Communication Equipment	126,037	
Other Equipment	202,117	
Total Other Emergency Management		333,423
County Coroner/Medical Examiner		
Medical and Dental Services	$ 198,630	
Other Contracted Services	13,050	
Total County Coroner/Medical Examiner		211,680
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 46,917	
Social Security	2,713	
State Retirement	6,539	
Life Insurance	29	
Medical Insurance	12,741	
Employer Medicare	635	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Communication	$ 37,409	
Dues and Memberships	200	
Laundry Service	343	
Licenses	175	
Maintenance Agreements	3,499	
Maintenance and Repair Services - Buildings	2,676	
Maintenance and Repair Services - Equipment	719	
Travel	42	
Other Contracted Services	1,618	
Custodial Supplies	5,426	
Electricity	62,106	
Instructional Supplies and Materials	346	
Natural Gas	12,418	
Office Supplies	235	
Water and Sewer	4,356	
Other Supplies and Materials	30,989	
Boiler Insurance	283	
Premiums on Corporate Surety Bonds	69	
Total Local Health Center		$ 232,483
Rabies and Animal Control		
Supervisor/Director	$ 64,075	
Clerical Personnel	33,155	
Part-time Personnel	14,711	
Overtime Pay	18,588	
Other Salaries and Wages	209,805	
Board and Committee Members Fees	3,850	
Social Security	20,233	
State Retirement	45,617	
Life Insurance	266	
Medical Insurance	64,778	
Employer Medicare	4,732	
Communication	5,724	
Legal Services	35	
Maintenance and Repair Services - Buildings	395	
Maintenance and Repair Services - Equipment	1,030	
Maintenance and Repair Services - Vehicles	2,176	
Printing, Stationery, and Forms	650	
Travel	3,552	
Tuition	1,645	
Veterinary Services	6,961	
Other Contracted Services	15,707	
Animal Food and Supplies	4,225	
Custodial Supplies	6,079	
Drugs and Medical Supplies	12,343	
Electricity	21,491	
Gasoline	20,397	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control (Cont.)		
Natural Gas	$ 5,063	
Office Supplies	1,150	
Tires and Tubes	1,155	
Uniforms	3,787	
Water and Sewer	3,525	
Other Supplies and Materials	5,286	
Communication Equipment	5,258	
Motor Vehicles	38,514	
Total Rabies and Animal Control		$ 645,958
Ambulance/Emergency Medical Services		
Assistant(s)	$ 83,622	
Supervisor/Director	90,387	
Captain(s)	310,227	
Lieutenant(s)	319,453	
Accountants/Bookkeepers	142,820	
Medical Personnel	3,656,265	
Part-time Personnel	322,790	
Overtime Pay	27,661	
Board and Committee Members Fees	12,425	
Social Security	291,090	
State Retirement	640,048	
Life Insurance	2,848	
Medical Insurance	898,208	
Unemployment Compensation	80	
Employer Medicare	68,078	
Communication	42,087	
Contracts with Private Agencies	151,556	
Contributions	26,140	
Data Processing Services	8,455	
Debt Collection Services	28,616	
Dues and Memberships	730	
Janitorial Services	5,098	
Laundry Service	10,036	
Legal Services	595	
Licenses	7,094	
Maintenance and Repair Services - Buildings	5,063	
Maintenance and Repair Services - Equipment	82,676	
Maintenance and Repair Services - Vehicles	112,980	
Medical and Dental Services	2,208	
Pest Control	2,212	
Postal Charges	7,896	
Printing, Stationery, and Forms	1,108	
Rentals	5,695	
Travel	1,380	
Tuition	15,641	
Disposal Fees	4,311	

(Continued)

Exhibit L-8

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

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

Other Contracted Services	$ 6,935	
Custodial Supplies	7,250	
Diesel Fuel	197,526	
Drugs and Medical Supplies	318,570	
Duplicating Supplies	758	
Electricity	46,892	
Food Supplies	15	
Gasoline	25,161	
Instructional Supplies and Materials	7,959	
Natural Gas	16,533	
Office Supplies	1,840	
Propane Gas	8,176	
Tires and Tubes	28,858	
Uniforms	21,712	
Vehicle Parts	11,542	
Water and Sewer	6,660	
Other Supplies and Materials	4,482	
Indirect Cost	2,500	
Premiums on Corporate Surety Bonds	50	
Other Charges	506	
Building Improvements	5,512	
Communication Equipment	45,015	
Furniture and Fixtures	1,809	
Heating and Air Conditioning Equipment	1,480	
Health Equipment	86,793	
Other Equipment	4,324	
Total Ambulance/Emergency Medical Services		$ 8,246,437

Other Local Health Services

Social Workers	$ 270,364	
Medical Personnel	563,136	
Clerical Personnel	513,206	
Educational Assistants	26,052	
Part-time Personnel	49,705	
Social Security	83,228	
State Retirement	183,086	
Life Insurance	1,147	
Medical Insurance	291,789	
Unemployment Compensation	1,124	
Employer Medicare	19,464	
Communication	5,647	
Maintenance and Repair Services - Buildings	970	
Pest Control	300	
Travel	12,609	
Custodial Supplies	721	
Electricity	15,526	
Natural Gas	2,671	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Local Health Services (Cont.)		
Office Supplies	$ 347	
Water and Sewer	978	
Other Supplies and Materials	301	
Liability Insurance	30,822	
Total Other Local Health Services		$ 2,073,193
Regional Mental Health Center		
Contributions	$ 7,000	
Total Regional Mental Health Center		7,000
Appropriation to State		
Contributions	$ 197,269	
Total Appropriation to State		197,269
Other Local Welfare Services		
Contributions	$ 42,000	
Pauper Burials	15,750	
Other Contracted Services	50	
Total Other Local Welfare Services		57,800
Other Public Health and Welfare		
Contributions	$ 10,000	
Medical and Dental Services	3,800	
Total Other Public Health and Welfare		13,800
Social, Cultural, and Recreational Services		
Libraries		
Contributions	$ 1,861,983	
Total Libraries		1,861,983
Parks and Fair Boards		
Assistant(s)	$ 25,470	
Supervisor/Director	64,075	
Maintenance Personnel	80,730	
Temporary Personnel	57,086	
Social Security	13,821	
State Retirement	22,993	
Life Insurance	115	
Medical Insurance	23,560	
Unemployment Compensation	887	
Employer Medicare	3,232	
Communication	8,231	
Dues and Memberships	190	
Maintenance and Repair Services - Vehicles	856	
Pest Control	190	
Postal Charges	20	
Rentals	255	

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Parks and Fair Boards (Cont.)		
Travel	$ 2,520	
Tuition	1,145	
Disposal Fees	2,372	
Other Contracted Services	5,317	
Custodial Supplies	2,870	
Electricity	44,511	
Fertilizer, Lime, and Seed	15,378	
Gasoline	15,765	
Office Supplies	493	
Sand	2,695	
Uniforms	786	
Water and Sewer	11,718	
Other Supplies and Materials	26,363	
Furniture and Fixtures	10,282	
Maintenance Equipment	83,108	
Motor Vehicles	22,257	
Other Equipment	2,870	
Other Capital Outlay	16,205	
Total Parks and Fair Boards		$ 568,366
Other Social, Cultural, and Recreational		
Postal Charges	$ 47	
Gasoline	7,126	
Office Supplies	73	
Vehicle and Equipment Insurance	1,700	
Total Other Social, Cultural, and Recreational		8,946
Agriculture and Natural Resources		
Agricultural Extension Service		
Assistant(s)	$ 34,604	
Salary Supplements	221,525	
Board and Committee Members Fees	3,100	
Social Security	8,009	
State Retirement	24,154	
Life Insurance	29	
Medical Insurance	34,890	
Unemployment Compensation	193	
Employer Medicare	2,747	
Other Fringe Benefits	3,048	
Communication	2,317	
Rentals	3,709	
Other Contracted Services	18,000	
Office Supplies	1,502	
Workers' Compensation Insurance	166	
Total Agricultural Extension Service		357,993

(Continued)

Exhibit L-8

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Forest Service		
Contributions	$ 2,000	
Total Forest Service		$ 2,000
Soil Conservation		
Secretary(ies)	$ 25,426	
Social Security	1,577	
State Retirement	3,642	
Life Insurance	29	
Employer Medicare	369	
Other Contracted Services	1,269	
Other Supplies and Materials	517	
Total Soil Conservation		32,829
Other Operations		
Tourism		
Contracts with Government Agencies	$ 309,619	
Contracts with Other Public Agencies	928,857	
Total Tourism		1,238,476
Industrial Development		
Contributions	$ 600,403	
Total Industrial Development		600,403
Airport		
Contributions	$ 216,633	
Total Airport		216,633
Veterans' Services		
Assistant(s)	$ 141,301	
Supervisor/Director	62,629	
Secretary(ies)	60,042	
Temporary Personnel	13,271	
Board and Committee Members Fees	5,650	
Social Security	16,804	
State Retirement	31,764	
Life Insurance	197	
Medical Insurance	41,007	
Employer Medicare	3,930	
Communication	1,684	
Postal Charges	2,360	
Printing, Stationery, and Forms	585	
Rentals	2,712	
Travel	6,173	
Other Contracted Services	4,392	
Food Supplies	503	
Library Books/Media	678	
Other Supplies and Materials	3,601	
Total Veterans' Services		399,283

(Continued)

Exhibit L-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
Other Charges			
Consultants	$ 3,740		
Contributions	77,025		
Legal Services	530		
Boiler Insurance	11,866		
Building and Contents Insurance	355,400		
Liability Insurance	27,875		
Trustee's Commission	771,875		
Total Other Charges		$ 1,248,311	
Contributions to Other Agencies			
Contributions	$ 139,907		
Dues and Memberships	30,037		
Total Contributions to Other Agencies		169,944	
Employee Benefits			
Handling Charges and Administrative Costs	$ 1,200		
Medical Insurance	160,962		
Disability Insurance	167,714		
Other Fringe Benefits	24,100		
Total Employee Benefits		353,976	
Miscellaneous			
Advertising	$ 1,153		
Other Contracted Services	6,900		
Other Supplies and Materials	3,980		
Total Miscellaneous		12,033	
Highways			
Litter and Trash Collection			
Deputy(ies)	$ 83,759		
Social Security	5,019		
State Retirement	11,998		
Life Insurance	58		
Medical Insurance	12,741		
Unemployment Compensation	54		
Employer Medicare	1,174		
Other Supplies and Materials	17,600		
Total Litter and Trash Collection		132,403	
Total General Fund			$ 64,991,602
Drug Control Fund			
Public Safety			
Sheriff's Department			
Contributions	$ 1,000		
Dues and Memberships	30		
Travel	4,480		

(Continued)

Exhibit L-8

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Sheriff's Department (Cont.)			
Tuition	$ 25		
Veterinary Services	1,278		
Animal Food and Supplies	682		
Trustee's Commission	176		
Other Equipment	29,685		
Total Sheriff's Department		$ 37,356	
Total Drug Control Fund			$ 37,356
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 10,743		
Total Chancery Court		$ 10,743	
Total Constitutional Officers - Fees Fund			10,743
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 99,460		
Assistant(s)	62,349		
Accountants/Bookkeepers	41,954		
Secretary(ies)	35,235		
Clerical Personnel	35,173		
Overtime Pay	654		
Board and Committee Members Fees	3,300		
Social Security	16,298		
State Retirement	39,352		
Life Insurance	140		
Medical Insurance	47,990		
Employer Medicare	3,812		
Dues and Memberships	4,139		
Legal Services	4,200		
Printing, Stationery, and Forms	667		
Rentals	3,506		
Travel	451		
Other Contracted Services	4,911		
Drugs and Medical Supplies	2,339		
Office Supplies	4,181		
Other Supplies and Materials	1,679		
Total Administration		$ 411,790	
Highway and Bridge Maintenance			
Foremen	$ 406,546		
Mechanic(s)	127,055		
Equipment Operators - Heavy	508,915		

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Equipment Operators - Light	$ 184,453	
Truck Drivers	457,895	
Laborers	103,848	
Temporary Personnel	30,288	
Overtime Pay	80,981	
Social Security	110,856	
State Retirement	254,031	
Life Insurance	1,404	
Medical Insurance	438,265	
Employer Medicare	25,926	
Rentals	14,471	
Other Contracted Services	4,260	
Asphalt - Hot Mix	1,138,301	
Asphalt - Liquid	52,141	
Concrete	2,033	
Crushed Stone	80,778	
Fertilizer, Lime, and Seed	4,250	
Pipe - Metal	31,201	
Salt	188,620	
Sand	887	
Structural Steel	2,100	
Other Supplies and Materials	2,812	
Total Highway and Bridge Maintenance		$ 4,252,317
Operation and Maintenance of Equipment		
Foremen	$ 50,086	
Mechanic(s)	175,360	
Truck Drivers	29,848	
Clerical Personnel	32,947	
Overtime Pay	10,965	
Social Security	17,254	
State Retirement	42,824	
Life Insurance	211	
Medical Insurance	74,105	
Employer Medicare	4,035	
Operating Lease Payments	880	
Maintenance and Repair Services - Equipment	18,224	
Maintenance and Repair Services - Vehicles	17,838	
Other Contracted Services	5,571	
Diesel Fuel	231,794	
Equipment and Machinery Parts	153,299	
Garage Supplies	1,121	
Gasoline	147,263	
Lubricants	23,291	
Small Tools	8,688	
Tires and Tubes	58,604	
Vehicle Parts	74,239	
Other Supplies and Materials	30,195	
Total Operation and Maintenance of Equipment		1,208,642

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Traffic Control		
Foremen	$ 46,966	
Equipment Operators - Heavy	69,197	
Laborers	52,423	
Overtime Pay	9,685	
Social Security	10,644	
State Retirement	24,765	
Life Insurance	133	
Medical Insurance	29,178	
Employer Medicare	2,489	
Operating Lease Payments	395	
Maintenance and Repair Services - Equipment	96	
Other Contracted Services	15,004	
Electricity	28,475	
Road Signs	48,266	
Small Tools	568	
Uniforms	2,256	
Other Supplies and Materials	56,686	
Total Traffic Control		$ 397,226
Other Charges		
Communication	$ 8,652	
Licenses	318	
Other Contracted Services	1,435	
Electricity	25,507	
Natural Gas	4,280	
Water and Sewer	3,057	
Building and Contents Insurance	228,617	
Indirect Cost	7,984	
Trustee's Commission	112,295	
Total Other Charges		392,145
Employee Benefits		
Medical Insurance	$ 51,937	
Unemployment Compensation	3,973	
Total Employee Benefits		55,910
Capital Outlay		
Engineering Services	$ 3,000	
Bridge Construction	7,504	
Building Construction	29,985	
Building Improvements	4,759	
Communication Equipment	1,404	
Data Processing Equipment	395	
Furniture and Fixtures	2,725	
Highway Construction	3,700	
Highway Equipment	134,500	
Motor Vehicles	72,588	

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Capital Outlay (Cont.)			
State Aid Projects	$ 436,687		
Other Equipment	63,000		
Total Capital Outlay		$ 760,247	
Total Highway/Public Works Fund			$ 7,478,277
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 7,373,736		
Principal on Notes	43,180		
Total General Government		$ 7,416,916	
Education			
Principal on Bonds	$ 14,531,264		
Principal on Other Loans	1,684,050		
Total Education		16,215,314	
Interest on Debt			
General Government			
Interest on Bonds	$ 3,473,140		
Interest on Notes	1,727		
Total General Government		3,474,867	
Education			
Interest on Bonds	$ 9,689,510		
Interest on Other Loans	303,000		
Total Education		9,992,510	
Other Debt Service			
General Government			
Trustee's Commission	$ 191,405		
Underwriter's Discount	6,567		
Other Debt Issuance Charges	210,373		
Other Debt Service	1,730		
Total General Government		410,075	
Education			
Trustee's Commission	$ 542,307		
Underwriter's Discount	37,213		
Other Debt Issuance Charges	10,384		
Other Debt Service	25,728		
Total Education		615,632	
Total General Debt Service Fund			38,125,314

(Continued)

Exhibit L-8

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

General Capital Projects Fund		
Other Debt Service		
General Government		
Underwriter's Discount	$ 9,877	
Total General Government		$ 9,877
Education		
Underwriter's Discount	$ 2,023	
Total Education		2,023
Capital Projects		
General Administration Projects		
Architects	$ 37,535	
Contracts with Private Agencies	18,550	
Trustee's Commission	24,549	
Building Construction	129,661	
Building Improvements	63,586	
Communication Equipment	248,403	
Data Processing Equipment	255,801	
Heating and Air Conditioning Equipment	924,660	
Highway Construction	336,783	
Maintenance Equipment	36,969	
Other Construction	4,375,361	
Total General Administration Projects		6,451,858
Public Safety Projects		
Building Improvements	$ 23,975	
Heating and Air Conditioning Equipment	48,748	
Motor Vehicles	695,499	
Other Equipment	19,483	
Other Capital Outlay	7,365	
Total Public Safety Projects		795,070
Public Health and Welfare Projects		
Architects	$ 4,954	
Building Construction	673,537	
Building Improvements	8,575	
Furniture and Fixtures	50,000	
Heating and Air Conditioning Equipment	468	
Land	60,017	
Motor Vehicles	685,099	
Health Equipment	79,979	
Other Construction	16,300	
Total Public Health and Welfare Projects		1,578,929
Social, Cultural, and Recreation Projects		
Architects	$ 68,564	
Building Construction	2,565,040	
Land	32,000	
Site Development	34,768	

(Continued)

Exhibit L-8

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

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Social, Cultural, and Recreation Projects (Cont.)			
Other Construction	$ 934,117		
Other Capital Outlay	27,763		
Total Social, Cultural, and Recreation Projects		$ 3,662,252	
Other General Government Projects			
Airport Improvement	$ 10,000		
Building Improvements	111,193		
Other Capital Outlay	18,440		
Total Other General Government Projects		139,633	
Highway and Street Capital Projects			
Engineering Services	$ 75,105		
Total Highway and Street Capital Projects		75,105	
Education Capital Projects			
Contributions	$ 14,650,624		
Total Education Capital Projects		14,650,624	
Total General Capital Projects Fund			$ 27,365,371
Total Governmental Funds - Primary Government			$ 138,008,663

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2014

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 71,904,241	
Career Ladder Program	323,134	
Career Ladder Extended Contracts	68,090	
Homebound Teachers	155,943	
Educational Assistants	1,210,704	
Overtime Pay	3	
Social Security	4,383,922	
State Retirement	6,618,739	
Life Insurance	96,797	
Medical Insurance	11,444,991	
Employer Medicare	1,025,499	
Maintenance and Repair Services - Equipment	12,600	
Travel	23,069	
Tuition	281,951	
Contracts for Substitute Teachers - Certified	1,193,373	
Contracts for Substitute Teachers - Non-certified	649,903	
Other Contracted Services	208,765	
Basic Skills Materials	24,809	
Instructional Supplies and Materials	780,622	
Textbooks	484,081	
Fee Waivers	407,395	
Regular Instruction Equipment	22,319	
Total Regular Instruction Program		$ 101,320,950
Alternative Instruction Program		
Teachers	$ 759,580	
Career Ladder Program	4,325	
Educational Assistants	10,062	
Social Security	46,388	
State Retirement	69,416	
Life Insurance	842	
Medical Insurance	98,590	
Employer Medicare	10,849	
Rentals	4,023	
Contracts for Substitute Teachers - Certified	26,804	
Contracts for Substitute Teachers - Non-certified	13,348	
Instructional Supplies and Materials	3,185	
Total Alternative Instruction Program		1,047,412
Special Education Program		
Teachers	$ 12,163,493	
Career Ladder Program	58,154	
Career Ladder Extended Contracts	630	
Homebound Teachers	128,895	
Educational Assistants	2,589,703	
Speech Pathologist	1,324,966	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Overtime Pay	$ 11	
Social Security	963,759	
State Retirement	1,551,180	
Life Insurance	23,546	
Medical Insurance	2,683,469	
Employer Medicare	225,334	
Contracts with Private Agencies	858,059	
Contracts for Substitute Teachers - Certified	188,587	
Contracts for Substitute Teachers - Non-certified	119,600	
Other Contracted Services	296,487	
Instructional Supplies and Materials	27,934	
Special Education Equipment	32,707	
Total Special Education Program		$ 23,236,514
Vocational Education Program		
Teachers	$ 3,331,552	
Career Ladder Program	8,982	
Salary Supplements	31,401	
Social Security	201,099	
State Retirement	300,312	
Life Insurance	4,193	
Medical Insurance	513,135	
Employer Medicare	47,031	
Maintenance and Repair Services - Equipment	270	
Travel	75	
Contracts for Substitute Teachers - Certified	40,320	
Contracts for Substitute Teachers - Non-certified	34,057	
Instructional Supplies and Materials	170,966	
T&I Construction Materials	20,000	
Vocational Instruction Equipment	2,705	
Total Vocational Education Program		4,706,098
Support Services		
Attendance		
Supervisor/Director	$ 122,926	
Career Ladder Program	5,408	
Career Ladder Extended Contracts	600	
Pupil Personnel	374,282	
Secretary(ies)	64,597	
Social Security	33,427	
State Retirement	54,036	
Life Insurance	600	
Medical Insurance	85,596	
Employer Medicare	7,818	
Dues and Memberships	85	
Travel	6,126	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Attendance (Cont.)		
Office Supplies	$ 3,518	
In Service/Staff Development	5,925	
Total Attendance		$ 764,944
Health Services		
Medical Personnel	$ 803,437	
Temporary Personnel	44,316	
Overtime Pay	52	
Social Security	48,669	
State Retirement	105,165	
Life Insurance	1,387	
Medical Insurance	167,193	
Employer Medicare	11,382	
Other Contracted Services	645	
Office Supplies	104	
Other Supplies and Materials	16,987	
Health Equipment	12,326	
Total Health Services		1,211,663
Other Student Support		
Career Ladder Program	$ 18,995	
Guidance Personnel	3,486,279	
Career Ladder Extended Contracts	3,150	
Social Workers	195,568	
Salary Supplements	1,264,725	
Clerical Personnel	273,623	
Educational Assistants	138,214	
Overtime Pay	327	
Other Salaries and Wages	14,824	
Social Security	321,740	
State Retirement	484,772	
Life Insurance	5,385	
Medical Insurance	734,431	
Employer Medicare	75,274	
Contributions	330,000	
Evaluation and Testing	1,179,384	
Other Contracted Services	488	
Instructional Supplies and Materials	1,094	
Total Other Student Support		8,528,273
Regular Instruction Program		
Supervisor/Director	$ 1,280,013	
Career Ladder Program	50,857	
Career Ladder Extended Contracts	2,400	
Librarians	2,319,050	
Instructional Computer Personnel	1,410,347	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
Salary Supplements	$ 146,576	
Secretary(ies)	133,703	
Clerical Personnel	30,330	
Educational Assistants	662,724	
Temporary Personnel	453	
Other Salaries and Wages	1,324,531	
In-service Training	6,840	
Social Security	435,773	
State Retirement	754,962	
Life Insurance	7,657	
Medical Insurance	1,049,996	
Employer Medicare	102,182	
Dues and Memberships	26,547	
Travel	14,758	
Other Contracted Services	44,029	
Gasoline	2,115	
Library Books/Media	155,740	
Office Supplies	17,411	
Periodicals	33,346	
Other Supplies and Materials	309,719	
In Service/Staff Development	155,373	
Other Charges	17,986	
Total Regular Instruction Program		$ 10,495,418
Alternative Instruction Program		
Clerical Personnel	$ 20,742	
Social Security	1,196	
State Retirement	2,972	
Life Insurance	38	
Medical Insurance	5,329	
Employer Medicare	280	
Total Alternative Instruction Program		30,557
Special Education Program		
Supervisor/Director	$ 128,584	
Career Ladder Program	7,833	
Psychological Personnel	735,480	
Secretary(ies)	51,525	
Clerical Personnel	47,871	
Other Salaries and Wages	583,962	
Social Security	93,089	
State Retirement	146,750	
Life Insurance	1,433	
Medical Insurance	198,057	
Employer Medicare	21,771	
Dues and Memberships	1,546	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Travel	$ 18,626	
Other Contracted Services	3,042	
Office Supplies	8,498	
Other Supplies and Materials	59,889	
In Service/Staff Development	12,587	
Total Special Education Program		$ 2,120,543
Vocational Education Program		
Supervisor/Director	$ 66,144	
Secretary(ies)	15,104	
Social Security	4,875	
State Retirement	8,038	
Life Insurance	82	
Medical Insurance	10,447	
Employer Medicare	1,140	
Office Supplies	198	
Total Vocational Education Program		106,028
Adult Programs		
Supervisor/Director	$ 36,577	
Career Ladder Program	1,000	
Guidance Personnel	26,712	
Other Salaries and Wages	53,698	
Social Security	7,292	
State Retirement	8,119	
Life Insurance	202	
Employer Medicare	1,705	
In Service/Staff Development	73	
Total Adult Programs		135,378
Other Programs		
On-behalf Payments to OPEB	$ 96,894	
Total Other Programs		96,894
Board of Education		
Secretary to Board	$ 26,398	
Board and Committee Members Fees	47,875	
Social Security	4,519	
State Retirement	3,783	
Life Insurance	31	
Medical Insurance	5,224	
Disability Insurance	450,424	
Unemployment Compensation	57,754	
Employer Medicare	1,057	
Other Fringe Benefits	466,768	
Audit Services	66,000	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Dues and Memberships	$ 31,880	
Legal Services	94,043	
Liability Insurance	420,840	
Premiums on Corporate Surety Bonds	1,927	
Trustee's Commission	1,242,863	
Workers' Compensation Insurance	120,717	
Liability Claims	585,649	
Other Self-insured Claims	74,362	
In Service/Staff Development	20,780	
Criminal Investigation of Applicants - TBI	38,118	
Other Charges	13,851	
Total Board of Education		$ 3,774,863
Director of Schools		
County Official/Administrative Officer	$ 169,248	
Education Media Personnel	87,332	
Secretary(ies)	26,398	
Clerical Personnel	158,705	
Other Salaries and Wages	159,702	
Social Security	32,799	
State Retirement	75,652	
Life Insurance	497	
Medical Insurance	78,997	
Employer Medicare	8,347	
Advertising	500	
Dues and Memberships	8,962	
Postal Charges	48,431	
Travel	671	
Other Contracted Services	59,123	
Duplicating Supplies	37,762	
Food Supplies	2,143	
Office Supplies	9,713	
Periodicals	482	
Other Supplies and Materials	5,144	
In Service/Staff Development	22,694	
Other Equipment	5,958	
Total Director of Schools		999,260
Office of the Principal		
Principals	$ 3,320,857	
Career Ladder Program	42,383	
Accountants/Bookkeepers	1,361,294	
Career Ladder Extended Contracts	20,250	
Assistant Principals	4,314,711	
Clerical Personnel	2,048,854	
Temporary Personnel	2,312	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Overtime Pay	$ 206	
Social Security	660,195	
State Retirement	1,161,892	
Life Insurance	11,501	
Medical Insurance	1,905,008	
Employer Medicare	154,400	
Dues and Memberships	6,000	
Other Contracted Services	8,091	
In Service/Staff Development	7,602	
Total Office of the Principal		$ 15,025,556
Fiscal Services		
Supervisor/Director	$ 437,633	
Accountants/Bookkeepers	576,125	
Temporary Personnel	11,708	
Overtime Pay	885	
Other Salaries and Wages	384,940	
Social Security	82,949	
State Retirement	199,777	
Life Insurance	1,247	
Medical Insurance	210,829	
Employer Medicare	19,454	
Bank Charges	7,958	
Dues and Memberships	1,101	
Laundry Service	1,763	
Travel	969	
Other Contracted Services	125,288	
Gasoline	12,181	
Office Supplies	20,345	
Other Supplies and Materials	1,443	
Liability Claims	5,700	
In Service/Staff Development	11,546	
Administration Equipment	2,407	
Other Equipment	107,962	
Total Fiscal Services		2,224,210
Human Services/Personnel		
Supervisor/Director	$ 399,045	
Secretary(ies)	440,836	
Overtime Pay	3,203	
Other Salaries and Wages	42,278	
Social Security	52,535	
State Retirement	111,346	
Life Insurance	681	
Medical Insurance	146,421	
Employer Medicare	12,286	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Human Services/Personnel (Cont.)		
Advertising	$ 3,304	
Dues and Memberships	1,354	
Travel	16,170	
Other Contracted Services	51,267	
Office Supplies	11,703	
Other Supplies and Materials	19,846	
In Service/Staff Development	12,727	
Administration Equipment	7,978	
Total Human Services/Personnel		$ 1,332,980
Operation of Plant		
Supervisor/Director	$ 271,993	
Salary Supplements	29,000	
Foremen	30,957	
Secretary(ies)	26,728	
Custodial Personnel	4,338,307	
Overtime Pay	9,329	
Social Security	274,158	
State Retirement	648,206	
Life Insurance	6,885	
Medical Insurance	1,272,236	
Employer Medicare	64,117	
Evaluation and Testing	8,435	
Laundry Service	58,522	
Licenses	12,468	
Other Contracted Services	255,461	
Custodial Supplies	348,219	
Electricity	5,568,290	
Fertilizer, Lime, and Seed	35,000	
Fuel Oil	17,215	
Natural Gas	596,981	
Office Supplies	2,199	
Water and Sewer	699,945	
Gravel and Chert	14,604	
Other Supplies and Materials	32,863	
Building and Contents Insurance	463,762	
In Service/Staff Development	5,433	
Furniture and Fixtures	56,986	
Plant Operation Equipment	8,661	
Total Operation of Plant		15,156,960
Maintenance of Plant		
Supervisor/Director	$ 90,594	
Foremen	55,986	
Secretary(ies)	64,228	
Maintenance Personnel	2,103,826	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Overtime Pay	$ 958	
Social Security	136,590	
State Retirement	322,942	
Life Insurance	2,292	
Medical Insurance	490,781	
Employer Medicare	31,944	
Communication	753,748	
Dues and Memberships	100	
Laundry Service	11,507	
Maintenance and Repair Services - Equipment	275,836	
Maintenance and Repair Services - Vehicles	5,310	
Rentals	4,316	
Other Contracted Services	155,415	
Gasoline	215,533	
Lubricants	4,549	
Office Supplies	2,000	
Tires and Tubes	10,874	
Vehicle Parts	57,620	
Chemicals	43,348	
Other Supplies and Materials	819,532	
Vehicle and Equipment Insurance	19,554	
In Service/Staff Development	8,537	
Maintenance Equipment	4,704	
Total Maintenance of Plant		$ 5,692,624
Central and Other		
Supervisor/Director	$ 300,418	
Computer Programmer(s)	251,167	
Salary Supplements	7,525	
Secretary(ies)	25,637	
Other Salaries and Wages	131,477	
Social Security	42,957	
State Retirement	97,797	
Life Insurance	636	
Medical Insurance	83,188	
Employer Medicare	10,046	
Communication	38,690	
Dues and Memberships	199	
Travel	31,390	
Other Contracted Services	1,619,945	
Data Processing Supplies	1,614,071	
Office Supplies	1,427	
Other Supplies and Materials	25,868	
In Service/Staff Development	12,025	
Data Processing Equipment	226,217	
Other Equipment	440,667	
Total Central and Other		4,961,347

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)			
Operation of Non-instructional Services			
Early Childhood Education			
Teachers	$ 1,022,128		
Educational Assistants	338,329		
Overtime Pay	31		
Other Salaries and Wages	94,454		
Social Security	84,421		
State Retirement	146,724		
Life Insurance	2,163		
Medical Insurance	314,626		
Employer Medicare	19,903		
Travel	763		
Contracts for Substitute Teachers - Certified	14,164		
Contracts for Substitute Teachers - Non-certified	11,872		
Other Contracted Services	13,593		
Instructional Supplies and Materials	7,586		
In Service/Staff Development	5,395		
Total Early Childhood Education		$ 2,076,152	
Interest on Debt			
Education			
Interest on Notes	$ 23,240		
Total Education		23,240	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 487,564		
Total Education		487,564	
Total General Purpose School Fund			$ 205,555,428
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 2,700,080		
Salary Supplements	2,213,463		
Educational Assistants	549,715		
Other Salaries and Wages	43,832		
Social Security	332,256		
State Retirement	516,676		
Life Insurance	4,808		
Medical Insurance	494,665		
Employer Medicare	77,705		
Tuition	29,908		
Contracts for Substitute Teachers - Certified	185,195		
Contracts for Substitute Teachers - Non-certified	162,169		
Other Contracted Services	384,886		
Instructional Supplies and Materials	1,024,630		

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Regular Instruction Program (Cont.)		
Textbooks	$ 52,389	
Other Supplies and Materials	59,994	
Other Charges	2,306	
Regular Instruction Equipment	990,960	
Total Regular Instruction Program		$ 9,825,637
Special Education Program		
Teachers	$ 230,527	
Educational Assistants	1,688,569	
Speech Pathologist	3,986	
Other Salaries and Wages	2,000	
Social Security	109,721	
State Retirement	245,777	
Life Insurance	4,172	
Medical Insurance	430,551	
Employer Medicare	25,661	
Other Contracted Services	42,486	
Instructional Supplies and Materials	17,166	
Other Supplies and Materials	88,977	
Special Education Equipment	60,279	
Total Special Education Program		2,949,872
Vocational Education Program		
Teachers	$ 50,449	
Social Security	3,040	
State Retirement	4,493	
Life Insurance	62	
Medical Insurance	5,329	
Employer Medicare	711	
Maintenance and Repair Services - Equipment	455	
Instructional Supplies and Materials	24,085	
Other Charges	8,797	
Vocational Instruction Equipment	182,252	
Total Vocational Education Program		279,673
Adult Education Program		
Teachers	$ 66,568	
Social Security	3,064	
State Retirement	1,078	
Employer Medicare	963	
Other Contracted Services	1,426	
Instructional Supplies and Materials	9,027	
Total Adult Education Program		82,126

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)		
Support Services		
Other Student Support		
Guidance Personnel	$ 46,941	
Social Workers	40,183	
Other Salaries and Wages	143,851	
Social Security	9,870	
State Retirement	15,954	
Life Insurance	237	
Medical Insurance	26,223	
Employer Medicare	3,181	
Travel	63,372	
Other Contracted Services	18,810	
Other Supplies and Materials	71,079	
In Service/Staff Development	50,361	
Other Charges	77,851	
Other Equipment	9,995	
Total Other Student Support		$ 577,908
Regular Instruction Program		
Supervisor/Director	$ 202,448	
Secretary(ies)	16,764	
Clerical Personnel	21,481	
Temporary Personnel	2,400	
Other Salaries and Wages	1,937,172	
Social Security	129,968	
State Retirement	195,707	
Life Insurance	1,759	
Medical Insurance	251,286	
Employer Medicare	30,729	
Communication	1,503	
Consultants	1,212	
Contributions	635,305	
Dues and Memberships	1,199	
Travel	11,821	
Other Contracted Services	839,291	
Library Books/Media	33,086	
Other Supplies and Materials	82,583	
In Service/Staff Development	221,889	
Other Charges	77,440	
Other Equipment	284,440	
Total Regular Instruction Program		4,979,483
Special Education Program		
Psychological Personnel	$ 140,254	
Secretary(ies)	36,317	
Other Salaries and Wages	550,527	
Social Security	43,351	
State Retirement	66,584	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Life Insurance	$ 670	
Medical Insurance	88,083	
Employer Medicare	10,139	
Travel	11,798	
Other Contracted Services	18,000	
Other Supplies and Materials	5,244	
In Service/Staff Development	19,841	
Total Special Education Program		$ 990,808
Vocational Education Program		
Travel	$ 200	
In Service/Staff Development	2,233	
Total Vocational Education Program		2,433
Adult Programs		
Supervisor/Director	$ 36,577	
Clerical Personnel	28,662	
Other Salaries and Wages	31,658	
Social Security	5,694	
State Retirement	11,892	
Medical Insurance	15,776	
Employer Medicare	1,332	
Office Supplies	1,606	
In Service/Staff Development	5,227	
Total Adult Programs		138,424
Office of the Principal		
Assistant Principals	$ 75,307	
Social Security	4,420	
State Retirement	6,687	
Life Insurance	62	
Medical Insurance	12,509	
Employer Medicare	1,034	
Total Office of the Principal		100,019
Operation of Plant		
Communication	$ 14,000	
Other Contracted Services	1,500	
Furniture and Fixtures	3,235	
Other Equipment	180,151	
Total Operation of Plant		198,886
Transportation		
Bus Drivers	$ 110,045	
Social Security	6,582	
State Retirement	14,944	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Life Insurance	$ 64		
Medical Insurance	4,169		
Employer Medicare	1,539		
Contracts with Parents	56		
Gasoline	26,603		
Lubricants	950		
Vehicle Parts	2,800		
Other Charges	18,421		
Total Transportation		$ 186,173	
Total School Federal Projects Fund			$ 20,311,442
Central Cafeteria Fund			
Operation of Non-instructional Services			
Food Service			
Supervisor/Director	$ 175,528		
Salary Supplements	47,000		
Truck Drivers	72,726		
Secretary(ies)	73,549		
Cafeteria Personnel	3,065,170		
Custodial Personnel	216,979		
Overtime Pay	156,710		
Other Salaries and Wages	297,354		
Social Security	239,136		
State Retirement	567,519		
Life Insurance	8,061		
Medical Insurance	1,000,887		
Employer Medicare	55,927		
Bank Charges	6,532		
Dues and Memberships	8,161		
Laundry Service	57,993		
Licenses	2,960		
Printing, Stationery, and Forms	5,584		
Travel	6,207		
Other Contracted Services	588,010		
Equipment and Machinery Parts	97,827		
Food Supplies	6,126,829		
Gasoline	20,723		
Lubricants	347		
Office Supplies	22,817		
Uniforms	9,862		
Utilities	258,000		
Vehicle Parts	924		
USDA - Commodities	966,754		
Other Supplies and Materials	437,931		
Workers' Compensation Insurance	9,107		

(Continued)

Exhibit L-9

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

Central Cafeteria Fund (Cont.)			
Operation of Non-instructional Services (Cont.)			
Food Service (Cont.)			
In Service/Staff Development	$ 23,937		
Administration Equipment	953		
Food Service Equipment	211,000		
Total Food Service		$ 14,839,004	
Total Central Cafeteria Fund			$ 14,839,004
School Transportation Fund			
Support Services			
Board of Education			
Trustee's Commission	$ 39,102		
Total Board of Education		$ 39,102	
Transportation			
Supervisor/Director	$ 201,703		
Salary Supplements	14,300		
Mechanic(s)	628,871		
Bus Drivers	4,052,940		
Dispatchers/Radio Operators	168,827		
Secretary(ies)	119,046		
Temporary Personnel	121,750		
Overtime Pay	10,201		
Other Salaries and Wages	915,411		
Social Security	365,399		
State Retirement	838,465		
Life Insurance	13,469		
Medical Insurance	1,578,040		
Employer Medicare	85,606		
Laundry Service	5,760		
Licenses	2,194		
Maintenance and Repair Services - Equipment	17,607		
Maintenance and Repair Services - Vehicles	8,970		
Medical and Dental Services	47,474		
Transportation - Other than Students	134,800		
Other Contracted Services	65,904		
Garage Supplies	5,002		
Gasoline	1,302,670		
Lubricants	8,730		
Office Supplies	16,124		
Tires and Tubes	96,378		
Vehicle Parts	308,423		
Other Supplies and Materials	6,636		
Vehicle and Equipment Insurance	45,742		
In Service/Staff Development	12,167		
Communication Equipment	33,152		
Transportation Equipment	21,170		
Total Transportation		11,252,931	
Total School Transportation Fund			11,292,033

(Continued)

Exhibit L-9

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

Extended School Program Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 52,763		
Educational Assistants	8,833		
Social Security	3,819		
State Retirement	5,973		
Employer Medicare	893		
Other Contracted Services	3,488		
Instructional Supplies and Materials	794		
Total Regular Instruction Program		$ 76,563	
Support Services			
Board of Education			
Trustee's Commission	$ 1,494		
Total Board of Education		1,494	
Office of the Principal			
Assistant Principals	$ 23,600		
Social Security	1,463		
State Retirement	2,096		
Employer Medicare	342		
Total Office of the Principal		27,501	
Operation of Plant			
Custodial Personnel	$ 5,558		
Social Security	345		
State Retirement	796		
Employer Medicare	81		
Total Operation of Plant		6,780	
Total Extended School Program Fund			$ 112,338
Education Capital Projects Fund			
Support Services			
Transportation			
Transportation Equipment	$ 1,741,179		
Total Transportation		$ 1,741,179	
Capital Projects			
Education Capital Projects			
Architects	$ 89,881		
Engineering Services	2,925		
Building Construction	8,542,028		
Building Improvements	1,631,381		
Data Processing Equipment	650,912		
Plant Operation Equipment	762,922		
Regular Instruction Equipment	216,070		
Site Development	689,910		
Total Education Capital Projects		12,586,029	
Total Education Capital Projects Fund			14,327,208
Total Governmental Funds - Clarksville-Montgomery County School System			$ 266,437,453

Exhibit L-10

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds
For the Year Ended June 30, 2014

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Revenues				
Operating Revenues				
Charges for Current Services				
Self-Insurance Premiums/Contributions	$ 39,698,232	$ 0	$ 70,802	$ 39,769,034
Other Employee Benefit Charges	2,904,978	0	0	2,904,978
Other Charges for Services	55,951	0	0	55,951
Retirees' Insurance Payments	1,487,683	0	0	1,487,683
Total Operating Revenues	$ 44,146,844	$ 0	$ 70,802	$ 44,217,646
Nonoperating Revenues				
Investment Income	$ 78,588	$ 0	$ 0	$ 78,588
Miscellaneous Refunds	1,516,688	46	0	1,516,734
Contributions and Gifts	500	0	0	500
Total Nonoperating Revenues	$ 1,595,776	$ 46	$ 0	$ 1,595,822
Total Revenues	$ 45,742,620	$ 46	$ 70,802	$ 45,813,468
Expenses				
Operating Expenses				
Personnel Office				
Unemployment Compensation	$ 0	$ 0	$ 275	$ 275
Total Other Facilities	$ 0	$ 0	$ 275	$ 275
Risk Management				
Supervisor/Director	$ 0	$ 53,522	$ 0	$ 53,522
Clerical Personnel	0	18,781	0	18,781
Social Security	0	3,994	0	3,994
State Retirement	0	10,357	0	10,357
Life Insurance	0	46	0	46
Medical Insurance	0	22,358	0	22,358
Employer Medicare	0	934	0	934
Communication	0	405	0	405
Contracts with Private Agencies	0	63,259	0	63,259
Dues and Memberships	0	95	0	95
Medical and Dental Services	0	267,716	0	267,716
Printing, Stationery, and Forms	0	211	0	211
Travel	0	3,203	0	3,203
Tuition	0	2,489	0	2,489
Drug and Medical Supplies	0	12,435	0	12,435
Instructional Supplies and Materials	0	796	0	796
Other Supplies and Materials	0	1,341	0	1,341
Total Risk Management	$ 0	$ 461,942	$ 0	$ 461,942

(Continued)

Exhibit L-10

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Expenses (Cont.)				
Probation Services				
Unemployment Compensation	$ 0	$ 0	$ 4,446	$ 4,446
Total Probation Services	$ 0	$ 0	$ 4,446	$ 4,446
Jail				
Unemployment Compensation	$ 0	$ 0	$ 765	$ 765
Total Jail	$ 0	$ 0	$ 765	$ 765
Other Local Health Services				
Unemployment Compensation	$ 0	$ 0	$ 620	$ 620
Total Other Local Health Services	$ 0	$ 0	$ 620	$ 620
Landfill Operation and Maintenance				
Unemployment Compensation	$ 0	$ 0	$ 9,112	$ 9,112
Total Landfill Operation and Maintenance	$ 0	$ 0	$ 9,112	$ 9,112
Parks and Fair Boards				
Unemployment Compensation	$ 0	$ 0	$ 887	$ 887
Total Parks and Fair Boards	$ 0	$ 0	$ 887	$ 887
Other Charges				
Medical Personnel	$ 492,881	$ 0	$ 0	$ 492,881
Clerical Personnel	81,726	0	0	81,726
Overtime Pay	792	0	0	792
Social Security	34,476	0	0	34,476
State Retirement	35,197	0	0	35,197
Life Insurance	422	0	0	422
Medical Insurance	69,955	0	0	69,955
Employer Medicare	8,063	0	0	8,063
Dues and Memberships	4,496	0	0	4,496
Travel	2,059	0	0	2,059
Other Contracted Services	240,872	0	0	240,872
Other Supplies and Materials	168,398	0	0	168,398
Liability Insurance	15,925	0	0	15,925
Depreciation	991	0	0	991
In-Service/Staff Development	6,767	0	0	6,767
Other Charges	33,227	0	0	33,227
Data Processing Equipment	15,089	0	0	15,089
Furniture and Fixtures	16,701	0	0	16,701
Health Equipment	995	0	0	995
Total Other Charges	$ 1,229,032	$ 0	$ 0	$ 1,229,032

(Continued)

Exhibit L-10

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

	Internal Service Funds			
	Self-Insurance	Workers' Compensation	Unemployment Compensation	Total
Expenses (Cont.)				
Employee Benefits				
Life Insurance	$ 267,530	$ 0	$ 0	$ 267,530
Medical and Dental Services	2,046,351	0	0	2,046,351
Excess Risk Insurance	654,715	0	0	654,715
Medical Claims	38,232,006	0	0	38,232,006
Unemployment Compensation	0	0	1,098	1,098
Contracts with Private Agencies	1,816,056	0	0	1,816,056
Legal Services	621	0	0	621
Other Contracted Services	566,266	0	0	566,266
Other Charges	190,705	0	0	190,705
Other Self-Insured Claims	887	0	0	887
Total Employee Benefits	$ 43,775,137	$ 0	$ 1,098	$ 43,776,235
Highway and Bridge Maintenance				
Unemployment Compensation	$ 0	$ 0	$ 3,973	$ 3,973
Total Highway and Bridge Maintenance	$ 0	$ 0	$ 3,973	$ 3,973
Other				
Unemployment Compensation	$ 0	$ 0	$ 49,626	$ 49,626
Total Other	$ 0	$ 0	$ 49,626	$ 49,626
Total Expenses	$ 45,004,169	$ 461,942	$ 70,802	$ 45,536,913

Exhibit L-11

Montgomery County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 13,814,066
Total Cash Receipts	$ 13,814,066
Cash Disbursements	
Remittance of Revenues Collected	$ 13,675,925
Trustee's Commission	138,141
Total Cash Disbursements	$ 13,814,066
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2013	0
Cash Balance, June 30, 2014	$ 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

Montgomery County Mayor and
Board of County Commissioners
Montgomery 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements, and have issued our report thereon dated December 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, the Clarksville-Montgomery County Public Library, and the Clarksville-Montgomery County Tourism Commission as described in our report on Montgomery County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery 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 Montgomery County's internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery 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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

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 significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2014-002.

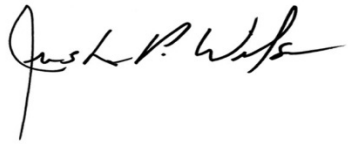
Montgomery County's Responses to Findings

Montgomery County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Montgomery 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 Montgomery 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

December 18, 2014

JPW/sb

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Montgomery 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 Montgomery County's major federal programs for the year ended June 30, 2014. Montgomery County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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 Montgomery 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 Montgomery County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Montgomery 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, 2014.

Report on Internal Control Over Compliance

Management of Montgomery 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 Montgomery 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 Montgomery County's internal control over compliance.

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

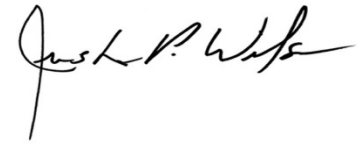
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements. We issued our report thereon dated December 18, 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 basic 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 basic 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 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. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2014

JPW/sb

Montgomery County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

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)	$ 966,754	(3)
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(2)	3,156,043	
National School Lunch Program	10.555	(2)	6,376,799	(3)
Total U.S. Department of Agriculture			$ 10,499,596	
U.S. Department of Defense:				
Direct Program:				
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	$ 1,275,924	
Passed-through the Army Morale Welfare and Recreation Fund:				
Army Youth Programs in Your Neighborhood	12.XXX	(2)	2,201,171	
Total U.S. Department of Defense			$ 3,477,095	
U.S. Department of Housing and Urban Development:				
Passed-through Tennessee Housing Development Agency:				
Home Investment Partnerships Program	14.239	(2)	$ 136,096	
Total U.S. Department of Housing and Urban Development			$ 136,096	
U.S. Department of Justice:				
Direct Program:				
State Criminal Alien Assistance Program	16.606	N/A	$ 33,921	
Bulletproof Vest Partnership Program	16.607	N/A	2,359	
Passed-through State Commission on Children and Youth:				
Juvenile Accountability Block Grants	16.523	(2)	11,321	
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	11,000	
Passed-through the City of Clarksville:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	30,193	
Total U.S. Department of Justice			$ 88,794	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Highway Planning and Construction	20.205	(2)	$ 472,978	
Alcohol Open Container Requirements	20.607	(2)	115,989	
Passed-through State Department of Environment and Conservation:				
Recreational Trails Program	20.219	(2)	91,473	
Total U.S. Department of Transportation			$ 680,440	
U.S. Department of Education:				
Direct Program:				
Impact Aid	84.041	N/A	$ 3,065,181	
Passed-through State Department of Education:				
Adult Education - Basic Grants to States	84.002	(2)	165,410	
Title I Grants to Local Educational Agencies	84.010	N/A	7,882,063	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont):			
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	$ 5,222,927
Special Education - Preschool Grants	84.173	N/A	62,815
Career and Technical Education - Basic Grants to States	84.048	N/A	399,096
Twenty-first Century Community Learning Centers	84.287	(2)	930,000
English Language Acquisition State Grants	84.365	N/A	101,788
Improving Teacher Quality State Grants	84.367	N/A	790,649
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	2,307,351
Total U.S. Department of Education			$ 20,927,280
U.S. Election Assistance Commission			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	$ 187,496
Total U.S. Election Assistance Commission			$ 187,496
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	$ 69,350
Homeland Security Grant Program	97.067	(2)	331,473
Total U.S. Department of Homeland Security			$ 400,823
Total Federal Awards			$ 36,397,620

State Grants		Contract Number	
Early Childhood Education - State Department of Education	N/A	(2)	$ 1,833,517
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	262,500
Juvenile Justice States Supplemental Funds - State Commission on Children and Youth	N/A	(2)	4,500
Day Treatment - State Department of Children's Services	N/A	(2)	422,082
Energy Efficient Schools Initiative	N/A	(2)	12,349
Coordinated School Health - State Department of Education	N/A	(2)	147,704
Safe Schools Act - State Department of Education	N/A	(2)	201,301
Adult Education - State Department of Education	N/A	(2)	55,138
Connect Tenn - State Department of Education	N/A	(2)	87,348
Child Advocacy Center - State Department of Children's Services	N/A	(2)	86,103
Juvenile Court Prevention - State Department of Children's Services	N/A	(2)	55,627
Litter Program - State Department of Transportation	N/A	(2)	70,700
Rural Local Health Services - State Department of Health	N/A	(2)	2,073,195
Help America Vote - Tennessee Secretary of State	N/A	(2)	9,868
Community Correction Grant - State Department of Correction	N/A	(2)	381,857
School to Work Transition Grant - State Department of Human Services	N/A	(2)	69,934
Adult Drug Court - State Office of Criminal Justice Programs	N/A	(2)	69,840
Total State Grants			$ 5,843,563

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 $7,343,452.

Montgomery County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Annual Financial Report of Montgomery County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

MONTGOMERY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

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

2. The audit of the financial statements of Montgomery County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.

3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Montgomery 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 and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Competitive Grants: Promoting K-12 Student Achievement at Military Connected Schools (CFDA No. 12.556), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and State Fiscal Stabilization Fund – Race-to-the-Top Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.

8. A $1,091,928 threshold was used to distinguish between Type A and Type B federal programs.

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2014-001 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION** (Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2014, certain general ledger account balances of the General Capital Projects Fund were not materially correct. Audit adjustments totaling $1,718,047 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Montgomery County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Montgomery County should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. It has been a past practice to pay invoices for purchase orders issued at the end of a fiscal year in the year the purchase order was issued due to limitations of our software. We have contacted our software vendor and have new procedures in place to correct this issue in the future.

FINDING 2014-002 **BOND ANTICIPATION NOTES WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUTES**

Noncompliance Under *Government Auditing Standards*)

During the year, the General Debt Service Fund loaned $500,000 for building projects to the General Capital Projects Fund and $1,073,820 for equipment purchases to the discretely presented Bi-County Solid Waste Management System without the approval of the state Comptroller's Office as required by Section 9-21-505, *Tennessee Code Annotated* (*TCA*). Also, county officials did not file a Report on Debt Obligation with the state Comptroller's Office for the bond anticipation notes. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt was issued, a description of the debt obligation, and an itemized description of the costs of issuance. These deficiencies are the result of management's oversight.

RECOMMENDATION

Bond anticipation notes should be issued in compliance with state statutes.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. We are in the process of correcting these issues with the state Comptroller's Office and have filed the necessary Report on Debt Obligation.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Montgomery County.

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

Montgomery County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Montgomery County. Therefore, 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.

MONTGOMERY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014

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