

# **ANNUAL FINANCIAL REPORT**

## **MAURY COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2017**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT**  
**MAURY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

***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***  
***Auditor 4***

***MARK HARVILL, CFE***  
***KINSLEY HAYES***  
***EDUARDO SEBASTIAN, Jr.***  
***CHRIS HUGHES***  
***BETHANY GRAVES***  
***State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## MAURY COUNTY, TENNESSEE

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## ***Summary of Audit Findings***

Annual Financial Report  
Maury County, Tennessee  
For the Year Ended June 30, 2017

### ***Scope***

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2017.

### ***Results***

Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information is unmodified.

Our audit resulted in 13 findings and recommendations, which we have reviewed with Maury County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

### ***Findings***

The following are summaries of the audit findings:

#### **OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ The office had deficiencies in budget operations.

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#### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The office did not reconcile general ledger payroll liability accounts with payroll reports and payments and did not provide documentation supporting those account balances, resulting in a qualified opinion.
- ◆ Material audit adjustments were required.
- ◆ The office had deficiencies in budget operations.
- ◆ The School Department overpaid several former employees.
- ◆ The office failed to pay employee insurance premiums in a timely manner.
- ◆ Cash on deposit with the trustee was not reconciled properly.
- ◆ The office had weaknesses in posting financial transactions.
- ◆ The office failed to comply with state statutes when entering into lease-purchase agreements.
- ◆ The School Department had deficiencies in a contract for commercial driver's license testing.
- ◆ The department had deficiencies in the maintenance of capital asset records.
- ◆ Accrued leave records were not maintained adequately.

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**OFFICE OF TRUSTEE**

- ◆ Investment earnings were not posted to the general ledger.

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# INTRODUCTORY SECTION

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## Maury County Officials

### June 30, 2017

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#### **Officials**

Charlie Norman, County Mayor  
Van Boshers, Road Superintendent  
Christopher Marczak, Director of Schools  
Steve Konz, Trustee  
Bobby Daniels, Assessor of Property  
Joey Allen, County Clerk  
Sandy McLain, Circuit and General Sessions Courts Clerk  
Larry Roe, Jr., Clerk and Master  
John Fleming, Register of Deeds  
Bucky Rowland, Sheriff  
Buddy Harlan, Purchasing Agent/Interim Director of Accounts and Budgets  
Dana Gibson, Director of Human Resources

#### **Board of County Commissioners**

|                             |                   |
|-----------------------------|-------------------|
| Michael Fulbright, Chairman | Terry Potts       |
| Gerald Adkison              | Eric Previti      |
| Talvin Barner               | William Roddy     |
| Davis Burkhalter            | Sonny Shackelford |
| Donna Cook                  | Ricky Sims        |
| Daniel Cooper               | Sue Stephenson    |
| Gwynne Evans                | Gary Stovall      |
| Craig Harris                | Scott Sumners     |
| Patricia Hawkins            | Debbie Turner     |
| Don Morrow                  | Linda Whiteside   |
| Stewart Parker              | Tommy Wolaver     |

#### **Board of Education**

|                             |                |
|-----------------------------|----------------|
| Kristin Parker, Chairperson | Jyuana Martin  |
| Nathan Adkison              | David Moore    |
| David Bates                 | Donna Morency  |
| Howard Beaver               | James Pennings |
| Tommy Dudley                | Carey Powers   |
| Bettye Kinser               |                |

#### **Budget Committee**

|                         |                   |
|-------------------------|-------------------|
| Scott Sumners, Chairman | Stewart Parker    |
| Davis Burkhalter        | Sonny Shackelford |
| Gwynn Evans             | Ricky Sims        |

#### **Audit Committee**

|                            |               |
|----------------------------|---------------|
| Kelley McCall, Chairperson |               |
| Karynda Barner             | Eric Previti  |
| Craig Harris               | Debbie Turner |

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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

## Independent Auditor's Report

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

To the County Mayor and County Commissioners:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Maury Regional Hospital (major proprietary fund), which represent 98 percent, 98 percent, and 99 percent, respectively, of the assets, net position, and revenues of the business-type activities; or the Maury County Board of Public Utilities Water System, a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Maury Regional Hospital and the Maury County Board of Public Utilities Water System, is based solely on the reports of the other auditors. We were unable to determine Maury County Board of Public Utilities Water System's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Maury County Emergency Communications District and the Industrial Development Board of Maury County, component units requiring discrete presentation, were not included in the county's financial statements. 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.

### ***Summary of Opinions***

| <b><u>Opinion Unit</u></b>                     | <b><u>Type of Opinion</u></b> |
|--|-------------------------------|
| Governmental Activities                        | Unmodified                    |
| Business-Type Activities                       | Unmodified                    |
| Aggregate Discretely Presented Component Units | Qualified                     |
| General Fund                                   | Unmodified                    |
| General Debt Service Fund                      | Unmodified                    |
| Maury Regional Hospital Fund                   | Unmodified                    |
| Aggregate Remaining Fund Information           | Unmodified                    |

### ***Basis for Qualified Opinion on Aggregate Discretely Presented Component Units***

Management was unable to provide documentation to support the valuation of several general ledger payroll liabilities in the General Purpose School and School Federal Projects funds. The effects on the aggregate discretely presented component units' financial statements are not determinable since these liabilities did not have supporting documentation. Because of this omission, we have qualified our opinion on the aggregate discretely presented component units.

### ***Qualified Opinion***

In our opinion, except for the matter described in the "Basis for Qualified Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Maury County, Tennessee, as of June 30, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2017, 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.

## ***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 schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 129-136 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Maury County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

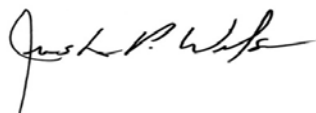
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards 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, except for the effect on the supplementary information of management being unable to provide documentation to support the valuation of several general ledger payroll liabilities in the General Purpose School and School Federal Projects funds as described in the “Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units” paragraph, the combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), miscellaneous schedules related to the School Department, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole. Also, in our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, and the remaining miscellaneous schedules are fairly stated in all material respects in relation to the financial statements as a whole

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2018, on our consideration of Maury County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maury County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maury County’s internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 14, 2018  
JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Maury County, Tennessee  
Statement of Net Position  
June 30, 2017

|   | Primary Government         |                                 |                | Component Units                         |   |
|---|----------------------------|---------------------------------|----------------|---|---|
|   | Governmental<br>Activities | Business-<br>type<br>Activities | Total          | Maury<br>County<br>School<br>Department | Board of<br>Public Utilities<br>Water<br>System |
| <u>ASSETS</u>                               |                            |                                 |                |   |   |
| Cash  | \$ 170,118                 | \$ 54,151,809                   | \$ 54,321,927  | \$ 278,508                              | \$ 4,886,282                                    |
| Equity in Pooled Cash and Investments       | 38,374,924                 | 3,470,684                       | 41,845,608     | 32,745,446                              | 0   |
| Certificates of Deposit                     | 0                          | 325,388                         | 325,388        | 0                                       | 0   |
| Investments                                 | 0                          | 2,385,017                       | 2,385,017      | 0                                       | 3,041,967                                       |
| Accounts Receivable                         | 948,633                    | 68,730,495                      | 69,679,128     | 70,755                                  | 254,875   |
| Other Receivable                            | 0                          | 5,595,434                       | 5,595,434      | 0                                       | 0   |
| Allowance for Uncollectibles                | 0                          | (32,000,000)                    | (32,000,000)   | 0                                       | 0   |
| Property Taxes Receivable                   | 28,938,606                 | 1,901,690                       | 30,840,296     | 20,837,586                              | 0   |
| Allowance for Uncollectible Property Taxes  | (540,860)                  | 18,820                          | (522,040)      | (474,775)                               | 0   |
| Accrued Interest Receivable                 | 0                          | 0                               | 0              | 0                                       | 14,137  |
| Due from Other Governments                  | 1,873,132                  | 0                               | 1,873,132      | 5,932,770                               | 0   |
| Due from Affiliates                         | 0                          | 447,172                         | 447,172        | 0                                       | 0   |
| Due from Component Units                    | 1,879,501                  | 0                               | 1,879,501      | 0                                       | 0   |
| Prepaid Items                               | 42,642                     | 3,006,815                       | 3,049,457      | 155,740                                 | 0   |
| Inventories                                 | 0                          | 5,586,060                       | 5,586,060      | 197,170                                 | 51,371  |
| Other Current Assets                        | 219                        | 0                               | 219            | 0                                       | 0   |
| Net Pension Asset - Agent Plan              | 792,087                    | 34,726                          | 826,813        | 570,782                                 | 31,147  |
| Net Pension Asset - Teacher Retirement Plan | 0                          | 0                               | 0              | 103,525                                 | 0   |
| Assets Limited as to Use                    | 0                          | 55,811,701                      | 55,811,701     | 0                                       | 0   |
| Interest in Joint Ventures                  | 0                          | 548,589                         | 548,589        | 0                                       | 0   |
| Restricted Assets:                          |                            |                                 |                |   |   |
| Customer Deposits                           | 0                          | 0                               | 0              | 0                                       | 31,530  |
| Capital Assets:                             |                            |                                 |                |   |   |
| Assets Not Depreciated:                     |                            |                                 |                |   |   |
| Land  | 7,501,092                  | 8,473,039                       | 15,974,131     | 5,848,445                               | 589,205   |
| Intangibles                                 | 1,098,294                  | 0                               | 1,098,294      | 0                                       | 0   |
| Construction in Progress                    | 1,215,092                  | 15,366,640                      | 16,581,732     | 50,815,959                              | 194,753   |
| Assets Net of Accumulated Depreciation:     |                            |                                 |                |   |   |
| Buildings and Improvements                  | 27,632,550                 | 71,412,420                      | 99,044,970     | 100,500,977                             | 1,742,173                                       |
| Infrastructure                              | 43,818,972                 | 849,684                         | 44,668,656     | 0                                       | 22,442,400                                      |
| Other Capital Assets                        | 1,872,417                  | 41,713,355                      | 43,585,772     | 6,639,774                               | 285,928   |
| Total Assets                                | \$ 155,617,419             | \$ 307,829,538                  | \$ 463,446,957 | \$ 224,222,662                          | \$ 33,565,768                                   |

(Continued)



Exhibit A

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

|   | Primary Government         |                                 |                | Component Units                         |   |
|---|----------------------------|---------------------------------|----------------|---|---|
|   | Governmental<br>Activities | Business-<br>type<br>Activities | Total          | Maury<br>County<br>School<br>Department | Board of<br>Public Utilities<br>Water<br>System |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>                   |                            |                                 |                |   |   |
| Pension Changes in Experience                           | \$ 150,879                 | \$ 6,615                        | \$ 157,494     | \$ 428,122                              | \$ 5,933  |
| Pension Changes in Investment Earnings                  | 1,186,738                  | 1,218,560                       | 2,405,298      | 9,079,886                               | 46,665  |
| Pension Changes in Contributions After Measurement Date | 717,432                    | 31,453                          | 748,885        | 4,296,090                               | 30,060  |
| Pension Changes in Proportionate Share of NPL           | 0                          | 0                               | 0              | 122,183                                 | 0   |
| Deferred Amount on Refunding                            | 1,587,244                  | 162,765                         | 1,750,009      | 0                                       | 0   |
| Total Deferred Outflows of Resources                    | \$ 3,642,293               | \$ 1,419,393                    | \$ 5,061,686   | \$ 13,926,281                           | \$ 82,658                                       |
| <u>LIABILITIES</u>                                      |                            |                                 |                |   |   |
| Accounts Payable  | \$ 356,544                 | \$ 19,375,749                   | \$ 19,732,293  | \$ 15,974                               | \$ 148,939                                      |
| Accrued Payroll   | 16,066                     | 8,907,639                       | 8,923,705      | 0                                       | 23,245  |
| Payroll Deductions Payable                              | 405,408                    | 17,137                          | 422,545        | 2,949,514                               | 0   |
| Compensated Absences Payable                            | 0                          | 5,574,907                       | 5,574,907      | 0                                       | 18,137  |
| Accrued Interest Payable                                | 1,056,216                  | 305,285                         | 1,361,501      | 0                                       | 0   |
| Contracts Payable                                       | 0                          | 0                               | 0              | 3,195,314                               | 0   |
| Retainage Payable                                       | 0                          | 0                               | 0              | 41,375                                  | 0   |
| Due to Litigants, Heirs, and Others                     | 586                        | 0                               | 586            | 0                                       | 0   |
| Customer Deposits Payable                               | 30,000                     | 0                               | 30,000         | 0                                       | 31,530  |
| Due to Primary Government                               | 0                          | 0                               | 0              | 1,879,501                               | 0   |
| Due to State of Tennessee                               | 542                        | 104                             | 646            | 2,507                                   | 0   |
| Other Current Liabilities                               | 1,098,050                  | 0                               | 1,098,050      | 0                                       | 0   |
| Current Liabilities Payable from Restricted Assets      | 989                        | 0                               | 989            | 0                                       | 0   |
| Other Long-term Liabilities                             | 7,744                      | 0                               | 7,744          | 0                                       | 0   |
| Noncurrent Liabilities:                                 |                            |                                 |                |   |   |
| Due Within One Year                                     | 8,535,972                  | 3,923,490                       | 12,459,462     | 1,262,833                               | 331,977   |
| Due in More Than One Year                               | 112,592,984                | 40,074,962                      | 152,667,946    | 24,093,776                              | 5,598,232                                       |
| Total Liabilities                                       | \$ 124,101,101             | \$ 78,179,273                   | \$ 202,280,374 | \$ 33,440,794                           | \$ 6,152,060                                    |

(Continued)

Exhibit A

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

|   | Primary Government         |                                 |                       | Component Units                         |   |
|---|----------------------------|---------------------------------|-----------------------|---|---|
|   | Governmental<br>Activities | Business-<br>type<br>Activities | Total                 | Maury<br>County<br>School<br>Department | Board of<br>Public Utilities<br>Water<br>System |
| <u>DEFERRED INFLOWS OF RESOURCES</u>          |                            |                                 |                       |   |   |
| Deferred Current Property Taxes               | \$ 27,736,920              | \$ 1,896,304                    | \$ 29,633,224         | \$ 19,823,655                           | \$ 0  |
| Pension Changes in Experience                 | 663,258                    | 289,097                         | 952,355               | 9,389,807                               | 26,080  |
| Pension Changes in Proportionate Share of NPL | 0                          | 188,668                         | 188,668               | 59,677                                  | 0   |
| Total Deferred Inflows of Resources           | <u>\$ 28,400,178</u>       | <u>\$ 2,374,069</u>             | <u>\$ 30,774,247</u>  | <u>\$ 29,273,139</u>                    | <u>\$ 26,080</u>                                |
| <u>NET POSITION</u>                           |                            |                                 |                       |   |   |
| Net Investment in Capital Assets              | \$ 77,862,993              | \$ 107,131,131                  | \$ 184,994,124        | \$ 163,805,155                          | \$ 19,324,250                                   |
| Restricted for:                               |                            |                                 |                       |   |   |
| Capital Projects                              | 4,170,177                  | 0                               | 4,170,177             | 0                                       | 0   |
| Debt Service                                  | 11,663,519                 | 0                               | 11,663,519            | 0                                       | 1,650,000                                       |
| Highway/Public Works                          | 4,184,938                  | 0                               | 4,184,938             | 0                                       | 0   |
| Central Maintenance Garage                    | 903,658                    | 0                               | 903,658               | 0                                       | 0   |
| General Government                            | 284,477                    | 0                               | 284,477               | 0                                       | 0   |
| Finance                                       | 65,989                     | 0                               | 65,989                | 0                                       | 0   |
| Administration of Justice                     | 283,254                    | 0                               | 283,254               | 0                                       | 0   |
| Public Safety                                 | 3,873,500                  | 0                               | 3,873,500             | 0                                       | 0   |
| Public Health and Welfare                     | 30,635                     | 0                               | 30,635                | 0                                       | 0   |
| Education                                     | 0                          | 0                               | 0                     | 22,862,774                              | 0   |
| Pension                                       | 792,087                    | 34,726                          | 826,813               | 674,307                                 | 31,147  |
| Unrestricted                                  | <u>(97,356,794)</u>        | <u>121,529,732</u>              | <u>24,172,938</u>     | <u>(11,907,226)</u>                     | <u>6,464,889</u>                                |
| Total Net Position                            | <u>\$ 6,758,433</u>        | <u>\$ 228,695,589</u>           | <u>\$ 235,454,022</u> | <u>\$ 175,435,010</u>                   | <u>\$ 27,470,286</u>                            |

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

Exhibit B

Maury County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2017

| Functions/Programs                          |    | Program Revenues           |   |   | Net (Expense) Revenue and Changes in Net Position |                             |       | Component Units                         |   |              |    |             |    |              |
|---|----|----------------------------|---|---|---|-----------------------------|-------|---|---|--------------|----|-------------|----|--------------|
|   |    | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Primary Government                                |                             |       | Maury<br>County<br>School<br>Department | Board of<br>Public Utilities<br>Water<br>System |              |    |             |    |              |
|   |    |                            |   |   | Governmental<br>Activities                        | Business-type<br>Activities | Total |   |   |              |    |             |    |              |
|   |    | Expenses                   |   |   |   |                             |       |   |   |              |    |             |    |              |
| Primary Government:                         |    |                            |   |   |   |                             |       |   |   |              |    |             |    |              |
| Governmental Activities:                    |    |                            |   |   |   |                             |       |   |   |              |    |             |    |              |
| General Government                          | \$ | 5,690,496                  | \$  | 1,396,076                                 | \$  | 40,090                      | \$    | 0                                       | \$  | (4,254,330)  | \$ | 0           | \$ | 0            |
| Finance                                     |    | 3,069,316                  |   | 2,663,181                                 |   | 3,170                       |       | 0                                       |   | (402,965)    |    | 0           |    | 0            |
| Administration of Justice                   |    | 2,545,841                  |   | 1,983,781                                 |   | 33,251                      |       | 0                                       |   | (528,809)    |    | 0           |    | 0            |
| Public Safety                               |    | 14,087,390                 |   | 2,741,841                                 |   | 228,897                     |       | 0                                       |   | (11,116,652) |    | 0           |    | 0            |
| Public Health and Welfare                   |    | 1,399,696                  |   | 76,224                                    |   | 901,855                     |       | 0                                       |   | (421,617)    |    | 0           |    | 0            |
| Social, Cultural, and Recreational Services |    | 1,618,735                  |   | 44,969                                    |   | 26,171                      |       | 0                                       |   | (1,547,595)  |    | 0           |    | 0            |
| Agriculture and Natural Resources           |    | 202,332                    |   | 0   |   | 0                           |       | 0                                       |   | (202,332)    |    | 0           |    | 0            |
| Highway/Public Works                        |    | 6,443,828                  |   | 15,405                                    |   | 2,500,630                   |       | 724,326                                 |   | (3,203,467)  |    | 0           |    | 0            |
| Education                                   |    | 24,457,832                 |   | 899,414                                   |   | 1,159,605                   |       | 0                                       |   | (22,398,813) |    | 0           |    | 0            |
| Interest on Long-term Debt                  |    | 4,734,412                  |   | 0   |   | 878,794                     |       | 0                                       |   | (3,855,618)  |    | 0           |    | 0            |
| Other Debt Service                          |    | 0                          |   | 0   |   | 0                           |       | 0                                       |   | 0            |    | 0           |    | 0            |
| Total Governmental Activities               | \$ | 64,249,878                 | \$  | 9,820,891                                 | \$  | 5,772,463                   | \$    | 724,326                                 | \$  | (47,932,198) | \$ | 0           | \$ | 0            |
| Business-type Activities:                   |    |                            |   |   |   |                             |       |   |   |              |    |             |    |              |
| Maury Regional Hospital                     | \$ | 326,571,141                | \$  | 334,488,418                               | \$  | 2,264,221                   | \$    | 0                                       | \$  | 10,181,498   | \$ | 10,181,498  | \$ | 0            |
| Solid Waste Disposal                        |    | 4,009,304                  |   | 2,515,332                                 |   | 0                           |       | 0                                       |   | (1,493,972)  |    | (1,493,972) |    | 0            |
| Total Business-type Activities              | \$ | 330,580,445                | \$  | 337,003,750                               | \$  | 2,264,221                   | \$    | 0                                       | \$  | 8,687,526    | \$ | 8,687,526   | \$ | 0            |
| Total Primary Government                    | \$ | 394,830,323                | \$  | 346,824,641                               | \$  | 8,036,684                   | \$    | 724,326                                 | \$  | (47,932,198) | \$ | 8,687,526   | \$ | (39,244,672) |
| Component Units:                            |    |                            |   |   |   |                             |       |   |   |              |    |             |    |              |
| Maury County School Department              | \$ | 112,535,932                | \$  | 1,879,083                                 | \$  | 11,455,765                  | \$    | 23,347,565                              | \$  | 0            | \$ | 0           | \$ | 0            |
| Board of Public Utilities Water System      |    | 3,695,207                  |   | 4,679,476                                 |   | 45,395                      |       | 0                                       |   | 0            |    | 0           |    | 1,029,664    |
| Total Component Units                       | \$ | 116,231,139                | \$  | 6,558,559                                 | \$  | 11,501,160                  | \$    | 23,347,565                              | \$  | 0            | \$ | 0           | \$ | 0            |

(Continued)

Exhibit B

Maury County, Tennessee  
Statement of Activities (Cont.)

|  |          |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                |                                |  |
|--|----------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|--------------------------------|--|
| Program Revenues   |          |                      |                                    |                                  |   |                          |                | Component Units                |  |
|  |          |                      |                                    |                                  | Primary Government                                |                          |                | Maury County School Department | Board of Public Utilities Water System |
| Functions/Programs   | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total          |                                |  |
| General Revenues:  |          |                      |                                    |                                  |   |                          |                |                                |  |
| Taxes:   |          |                      |                                    |                                  |   |                          |                |                                |  |
| Property Taxes Levied for General Purposes                   |          |                      |                                    |                                  | \$ 17,146,155                                     | \$ 1,950,863             | \$ 19,097,018  | \$ 23,127,970                  | \$ 0                                   |
| Property Taxes Levied for Debt Service                       |          |                      |                                    |                                  | 9,759,233   | 0                        | 9,759,233      | 0                              | 0                                      |
| Local Option Sales Tax                                       |          |                      |                                    |                                  | 512,866   | 0                        | 512,866        | 15,664,398                     | 0                                      |
| Hotel/Motel Tax  |          |                      |                                    |                                  | 845,854   | 0                        | 845,854        | 0                              | 0                                      |
| Wheel Tax  |          |                      |                                    |                                  | 2,174,157   | 0                        | 2,174,157      | 0                              | 0                                      |
| Litigation Tax - General                                     |          |                      |                                    |                                  | 550,392   | 0                        | 550,392        | 0                              | 0                                      |
| Litigation Tax - Jail  |          |                      |                                    |                                  | 529,776   | 0                        | 529,776        | 0                              | 0                                      |
| Business Tax   |          |                      |                                    |                                  | 1,217,906   | 0                        | 1,217,906      | 0                              | 0                                      |
| Mixed Drink Tax  |          |                      |                                    |                                  | 0   | 0                        | 0              | 136,727                        | 0                                      |
| Mineral Severance Tax  |          |                      |                                    |                                  | 128,240   | 0                        | 128,240        | 0                              | 0                                      |
| Adequate Facilities/Development Tax                          |          |                      |                                    |                                  | 1,536,337   | 0                        | 1,536,337      | 0                              | 0                                      |
| Wholesale Beer Tax   |          |                      |                                    |                                  | 379,316   | 0                        | 379,316        | 0                              | 0                                      |
| Interstate Telecommunications Tax                            |          |                      |                                    |                                  | 0   | 0                        | 0              | 8,493                          | 0                                      |
| Other Local Taxes  |          |                      |                                    |                                  | 86,164  | 0                        | 86,164         | 0                              | 0                                      |
| Grants and Contributions Not Restricted to Specific Programs |          |                      |                                    |                                  | 4,556,726   | 50,521                   | 4,607,247      | 55,468,904                     | 0                                      |
| Unrestricted Investment Earnings                             |          |                      |                                    |                                  | 867,724   | 5,265,147                | 6,132,871      | 11,950                         | 31,825                                 |
| Insurance Recoveries   |          |                      |                                    |                                  | 0   | 0                        | 0              | 74,629                         | 0                                      |
| Miscellaneous  |          |                      |                                    |                                  | 329,219   | 94,132                   | 423,351        | 211,145                        | 0                                      |
| Total General Revenues                                       |          |                      |                                    |                                  | \$ 40,620,065                                     | \$ 7,360,663             | \$ 47,980,728  | \$ 94,704,216                  | \$ 31,825                              |
| Change in Net Position                                       |          |                      |                                    |                                  |   |                          |                |                                |  |
| Net Position, July 1, 2016                                   |          |                      |                                    |                                  | \$ (7,312,133)                                    | \$ 16,048,189            | \$ 8,736,056   | \$ 18,850,697                  | \$ 1,061,489                           |
| Net Position, June 30, 2017                                  |          |                      |                                    |                                  |   |                          |                |                                |  |
|  |          |                      |                                    |                                  | \$ 6,758,433                                      | \$ 228,695,589           | \$ 235,454,022 | \$ 175,435,010                 | \$ 27,470,286                          |

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

Exhibit C-1

Maury County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2017

|  | Major Funds          |                            | Nonmajor<br>Funds                   |                                |
|--|----------------------|----------------------------|-------------------------------------|--------------------------------|
|  | General              | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>ASSETS</u>                                      |                      |                            |                                     |                                |
| Cash   | \$ 100,438           | \$ 0                       | \$ 69,680                           | \$ 170,118                     |
| Equity in Pooled Cash and Investments              | 17,640,460           | 10,786,845                 | 9,235,642                           | 37,662,947                     |
| Accounts Receivable                                | 632,386              | 104,698                    | 143,476                             | 880,560                        |
| Due from Other Governments                         | 996,718              | 1,063                      | 875,351                             | 1,873,132                      |
| Property Taxes Receivable                          | 8,883,184            | 15,408,702                 | 4,646,720                           | 28,938,606                     |
| Allowance for Uncollectible Property Taxes         | (209,370)            | (244,767)                  | (86,723)                            | (540,860)                      |
| Prepaid Items                                      | 0                    | 42,642                     | 0                                   | 42,642                         |
| Other Current Assets                               | 219                  | 0                          | 0                                   | 219                            |
| Total Assets                                       | <u>\$ 28,044,035</u> | <u>\$ 26,099,183</u>       | <u>\$ 14,884,146</u>                | <u>\$ 69,027,364</u>           |
| <u>LIABILITIES</u>                                 |                      |                            |                                     |                                |
| Accounts Payable                                   | \$ 90,249            | \$ 0                       | \$ 262,244                          | \$ 352,493                     |
| Accrued Payroll                                    | 16,066               | 0                          | 0                                   | 16,066                         |
| Payroll Deductions Payable                         | 347,498              | 0                          | 49,496                              | 396,994                        |
| Due to State of Tennessee                          | 542                  | 0                          | 0                                   | 542                            |
| Due to Litigants, Heirs, and Others                | 0                    | 0                          | 586                                 | 586                            |
| Other Current Liabilities                          | 0                    | 0                          | 1,098,050                           | 1,098,050                      |
| Current Liabilities Payable From Restricted Assets | 989                  | 0                          | 0                                   | 989                            |
| Deposits   | 30,000               | 0                          | 0                                   | 30,000                         |
| Other Long-term Liabilities                        | 7,744                | 0                          | 0                                   | 7,744                          |
| Total Liabilities                                  | <u>\$ 493,088</u>    | <u>\$ 0</u>                | <u>\$ 1,410,376</u>                 | <u>\$ 1,903,464</u>            |

(Continued)

## Exhibit C-1

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

|   | Major Funds         |                            | Nonmajor<br>Funds                   |                                |
|---|---------------------|----------------------------|-------------------------------------|--------------------------------|
|   | General             | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                      |                     |                            |                                     |                                |
| Deferred Current Property Taxes                           | \$ 8,358,663        | \$ 14,924,050              | \$ 4,454,207                        | \$ 27,736,920                  |
| Deferred Delinquent Property Taxes                        | 277,677             | 214,955                    | 93,102                              | 585,734                        |
| Other Deferred/Unavailable Revenue                        | 309,036             | 0                          | 224,687                             | 533,723                        |
| Total Deferred Inflows of Resources                       | <u>\$ 8,945,376</u> | <u>\$ 15,139,005</u>       | <u>\$ 4,771,996</u>                 | <u>\$ 28,856,377</u>           |
| <u>FUND BALANCES</u>                                      |                     |                            |                                     |                                |
| Nonspendable:   |                     |                            |                                     |                                |
| Prepaid Items   | \$ 0                | \$ 42,642                  | \$ 0                                | \$ 42,642                      |
| Restricted:   |                     |                            |                                     |                                |
| Restricted for General Government                         | 284,477             | 0                          | 2,979,890                           | 3,264,367                      |
| Restricted for Finance                                    | 65,989              | 0                          | 0                                   | 65,989                         |
| Restricted for Administration of Justice                  | 283,254             | 2,555,401                  | 0                                   | 2,838,655                      |
| Restricted for Public Safety                              | 3,518,276           | 0                          | 355,224                             | 3,873,500                      |
| Restricted for Public Health and Welfare                  | 30,635              | 0                          | 0                                   | 30,635                         |
| Restricted for Highways/Public Works                      | 0                   | 0                          | 4,000,439                           | 4,000,439                      |
| Restricted for Capital Outlay                             | 0                   | 0                          | 990,081                             | 990,081                        |
| Restricted for Debt Service                               | 0                   | 8,362,135                  | 0                                   | 8,362,135                      |
| Committed:  |                     |                            |                                     |                                |
| Committed for General Government                          | 90,329              | 0                          | 212,706                             | 303,035                        |
| Committed for Finance                                     | 39,864              | 0                          | 0                                   | 39,864                         |
| Committed for Public Safety                               | 32,959              | 0                          | 38,785                              | 71,744                         |
| Committed for Public Health and Welfare                   | 56,428              | 0                          | 0                                   | 56,428                         |
| Committed for Social, Cultural, and Recreational Services | 0                   | 0                          | 124,649                             | 124,649                        |
| Assigned:   |                     |                            |                                     |                                |
| Assigned for General Government                           | 8,283               | 0                          | 0                                   | 8,283                          |

(Continued)

Exhibit C-1

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

|   | <u>Major Funds</u>   |                            | <u>Nonmajor<br/>Funds</u>           |                                |
|---|----------------------|----------------------------|-------------------------------------|--------------------------------|
|   |                      | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>FUND BALANCES (Cont.)</u>  | <u>General</u>       |                            |                                     |                                |
| Assigned (Cont.):   |                      |                            |                                     |                                |
| Assigned for Administration of Justice                              | \$ 60                | \$ 0                       | \$ 0                                | \$ 60                          |
| Assigned for Public Safety  | 792,347              | 0                          | 0                                   | 792,347                        |
| Assigned for Public Health and Welfare                              | 25,628               | 0                          | 0                                   | 25,628                         |
| Assigned for Social, Cultural, and Recreational Services            | 47,954               | 0                          | 0                                   | 47,954                         |
| Unassigned  | 13,329,088           | 0                          | 0                                   | 13,329,088                     |
| Total Fund Balances   | <u>\$ 18,605,571</u> | <u>\$ 10,960,178</u>       | <u>\$ 8,701,774</u>                 | <u>\$ 38,267,523</u>           |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 28,044,035</u> | <u>\$ 26,099,183</u>       | <u>\$ 14,884,146</u>                | <u>\$ 69,027,364</u>           |

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

Exhibit C-2

Maury County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
June 30, 2017

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)  |    | \$            | 38,267,523       |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |    |               |                  |
| Add: land   | \$ | 7,501,092     |                  |
| Add: intangibles  |    | 1,098,294     |                  |
| Add: construction in progress   |    | 1,215,092     |                  |
| Add: buildings and improvements net of accumulated depreciation   |    | 27,632,550    |                  |
| Add: infrastructure net of accumulated depreciation   |    | 43,818,972    |                  |
| Add: other capital assets net of accumulated depreciation   |    | 1,872,417     |                  |
| Less: capital assets of the internal service fund that are also included in item (2) below  |    | (109,433)     | 83,028,984       |
| (2) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. |    |               | 903,658          |
| (3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |    |               |                  |
| Less: notes payable   | \$ | (268,766)     |                  |
| Less: other loans payable   |    | (2,803,530)   |                  |
| Less: bonds payable   |    | (106,115,000) |                  |
| Less: capital leases payable  |    | (1,879,501)   |                  |
| Add: debt to be contributed by the School Department  |    | 1,879,501     |                  |
| Add: deferred amount on refunding   |    | 1,587,244     |                  |
| Less: compensated absences payable  |    | (1,411,764)   |                  |
| Add: compensated absences payable of the internal service fund included in item (2) above   |    | 21,232        |                  |
| Less: accrued interest on bonds and notes   |    | (1,056,216)   |                  |
| Less: unamortized premium on debt   |    | (8,650,395)   | (118,697,195)    |
| (4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:   |    |               |                  |
| Add: deferred outflows of resources related to pensions   | \$ | 2,055,049     |                  |
| Less: deferred outflows of internal service fund  |    | (45,048)      |                  |
| Less: deferred inflows of resources related to pensions   |    | (663,258)     |                  |
| Add: deferred inflows of internal service fund  |    | 14,539        | 1,361,282        |
| (5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.  |    |               |                  |
| Add: net pension assets of governmental activities  | \$ | 792,087       |                  |
| Less: net pension position of internal service fund   |    | (17,363)      | 774,724          |
| (6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.   |    |               | 1,119,457        |
| Net position of governmental activities (Exhibit A)   |    | \$            | <u>6,758,433</u> |

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



Exhibit C-3

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

|   | Major Funds   |                            | Nonmajor<br>Funds                   |                                |
|---|---------------|----------------------------|-------------------------------------|--------------------------------|
|   | General       | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>Revenues</u>                             |               |                            |                                     |                                |
| Local Taxes                                 | \$ 19,419,837 | \$ 11,709,867              | \$ 7,048,053                        | \$ 38,177,757                  |
| Licenses and Permits                        | 499,126       | 0                          | 0                                   | 499,126                        |
| Fines, Forfeitures, and Penalties           | 480,215       | 0                          | 111,879                             | 592,094                        |
| Charges for Current Services                | 443,560       | 0                          | 102,461                             | 546,021                        |
| Other Local Revenues                        | 907,288       | 867,724                    | 26,643                              | 1,801,655                      |
| Fees Received From County Officials         | 4,626,546     | 0                          | 0                                   | 4,626,546                      |
| State of Tennessee                          | 3,520,189     | 1,180,826                  | 3,231,171                           | 7,932,186                      |
| Federal Government                          | 751,832       | 379                        | 0                                   | 752,211                        |
| Other Governments and Citizens Groups       | 33,463        | 1,159,605                  | 40,000                              | 1,233,068                      |
| Total Revenues                              | \$ 30,682,056 | \$ 14,918,401              | \$ 10,560,207                       | \$ 56,160,664                  |
| <u>Expenditures</u>                         |               |                            |                                     |                                |
| Current:                                    |               |                            |                                     |                                |
| General Government                          | \$ 3,741,410  | \$ 0                       | \$ 0                                | \$ 3,741,410                   |
| Finance                                     | 3,008,270     | 0                          | 53,717                              | 3,061,987                      |
| Administration of Justice                   | 2,518,198     | 0                          | 10,162                              | 2,528,360                      |
| Public Safety                               | 12,556,058    | 0                          | 552,337                             | 13,108,395                     |
| Public Health and Welfare                   | 1,400,626     | 0                          | 0                                   | 1,400,626                      |
| Social, Cultural, and Recreational Services | 1,478,325     | 0                          | 82,725                              | 1,561,050                      |
| Agriculture and Natural Resources           | 199,448       | 0                          | 0                                   | 199,448                        |
| Other Operations                            | 1,746,281     | 0                          | 101,911                             | 1,848,192                      |
| Highways                                    | 0             | 0                          | 5,327,393                           | 5,327,393                      |
| Debt Service:                               |               |                            |                                     |                                |
| Principal on Debt                           | 0             | 8,528,066                  | 0                                   | 8,528,066                      |
| Interest on Debt                            | 0             | 4,351,191                  | 0                                   | 4,351,191                      |
| Other Debt Service                          | 0             | 22,991,971                 | 0                                   | 22,991,971                     |

(Continued)

Exhibit C-3

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

|  | Major Funds   |                            | Nonmajor<br>Funds                   |                                |
|--|---------------|----------------------------|-------------------------------------|--------------------------------|
|  | General       | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>Expenditures (Cont.)</u>                          |               |                            |                                     |                                |
| Capital Projects                                     | \$ 200        | \$ 0                       | \$ 2,942,654                        | \$ 2,942,854                   |
| Capital Projects - Donated                           | 0             | 0                          | 3,310,258                           | 3,310,258                      |
| Total Expenditures                                   | \$ 26,648,816 | \$ 35,871,228              | \$ 12,381,157                       | \$ 74,901,201                  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 4,033,240  | \$ (20,952,827)            | \$ (1,820,950)                      | \$ (18,740,537)                |
| <u>Other Financing Sources (Uses)</u>                |               |                            |                                     |                                |
| Bonds Issued   | \$ 0          | \$ 21,300,000              | \$ 0                                | \$ 21,300,000                  |
| Capital Leases Issued                                | 0             | 0                          | 2,665,288                           | 2,665,288                      |
| Premiums on Debt Sold                                | 0             | 1,455,186                  | 0                                   | 1,455,186                      |
| Insurance Recovery                                   | 26,810        | 0                          | 16,338                              | 43,148                         |
| Transfers In   | 3,380,121     | 99,584                     | 1,584,753                           | 5,064,458                      |
| Transfers Out  | (1,212,002)   | (3,380,121)                | (472,335)                           | (5,064,458)                    |
| Total Other Financing Sources (Uses)                 | \$ 2,194,929  | \$ 19,474,649              | \$ 3,794,044                        | \$ 25,463,622                  |
| Net Change in Fund Balances                          | \$ 6,228,169  | \$ (1,478,178)             | \$ 1,973,094                        | \$ 6,723,085                   |
| Fund Balance, July 1, 2016                           | 12,377,402    | 12,438,356                 | 6,728,680                           | 31,544,438                     |
| Fund Balance, June 30, 2017                          | \$ 18,605,571 | \$ 10,960,178              | \$ 8,701,774                        | \$ 38,267,523                  |

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

## Exhibit C-4

Maury County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2017

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)  |                    | \$ 6,723,085 |
| (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   | \$ 7,853,245       |              |
| Less: current-year depreciation expense   | (6,814,499)        |              |
| Add: current-year depreciation expense of the internal service fund that is also included in item (6) below   | <u>13,346</u>      | 1,052,092    |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.  |                    |              |
| Less: book value of capital assets disposed   |                    | (70,850)     |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                    |              |
| Add: deferred delinquent property taxes and other deferred June 30, 2017  | \$ 1,119,457       |              |
| Less: deferred delinquent property taxes and other deferred June 30, 2016   | <u>(1,435,030)</u> | (315,573)    |
| (4) The issuance of long-term debt (e.g., bonds, notes, other loans, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items: |                    |              |
| Less: bond proceeds   | \$ (21,300,000)    |              |
| Less: capital lease proceeds  | (2,665,288)        |              |
| Add: capital lease proceeds contributed to School Department  | 2,665,288          |              |
| Less: change in premium on debt issuances   | (576,392)          |              |
| Add: principal payments on bonds  | 5,050,000          |              |
| Add: principal payments on notes  | 2,417,227          |              |
| Add: principal payments on other loans  | 275,052            |              |
| Add: principal payments on capital leases   | 785,787            |              |
| Less: change in deferred amount on refunding debt   | (408,174)          |              |
| Less: contributions from the School Department for capital leases   | <u>(785,787)</u>   | (14,542,287) |

(Continued)

## Exhibit C-4

### Maury County, Tennessee

#### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Cont.)

|   |              |                              |
|---|--------------|------------------------------|
| (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  | \$ (383,221) |                              |
| Change in net pension asset   | (839,020)    |                              |
| Change in deferred outflows related to pensions   | 1,184,452    |                              |
| Change in deferred inflows related to pensions  | (92,984)     |                              |
| Change in compensated absences payable  | (108,991)    |                              |
| Changes from the internal service fund included in item (6) below:  |              |                              |
| Change in deferred outflows related to pensions   | (25,297)     |                              |
| Change in deferred inflows related to pensions  | 1,601        |                              |
| Change in net pension asset   | 19,642       |                              |
| Change in compensated absences payable  | <u>1,683</u> | (242,135)                    |
| (6) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities. |              |                              |
|   |              | <u>83,535</u>                |
| Change in net position of governmental activities (Exhibit B)   |              | <u><u>\$ (7,312,133)</u></u> |

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

Exhibit C-5

Maury County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2017

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|                                       |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                       |                           |                                   |                                   |   |                  |               |  |
| Local Taxes                           | \$ 19,419,837             | \$ 0                              | \$ 0                              | \$ 19,419,837   | \$ 17,893,753    | \$ 17,893,753 | \$ 1,526,084   |
| Licenses and Permits                  | 499,126                   | 0                                 | 0                                 | 499,126   | 342,500          | 342,500       | 156,626  |
| Fines, Forfeitures, and Penalties     | 480,215                   | 0                                 | 0                                 | 480,215   | 419,610          | 419,610       | 60,605   |
| Charges for Current Services          | 443,560                   | 0                                 | 0                                 | 443,560   | 292,440          | 292,440       | 151,120  |
| Other Local Revenues                  | 907,288                   | 0                                 | 0                                 | 907,288   | 487,900          | 787,786       | 119,502  |
| Fees Received From County Officials   | 4,626,546                 | 0                                 | 0                                 | 4,626,546   | 4,050,000        | 4,050,000     | 576,546  |
| State of Tennessee                    | 3,520,189                 | 0                                 | 0                                 | 3,520,189   | 3,345,135        | 3,449,914     | 70,275   |
| Federal Government                    | 751,832                   | 0                                 | 0                                 | 751,832   | 10,000           | 351,122       | 400,710  |
| Other Governments and Citizens Groups | 33,463                    | 0                                 | 0                                 | 33,463  | 0                | 9,261         | 24,202   |
| Total Revenues                        | \$ 30,682,056             | \$ 0                              | \$ 0                              | \$ 30,682,056   | \$ 26,841,338    | \$ 27,596,386 | \$ 3,085,670   |
| <u>Expenditures</u>                   |                           |                                   |                                   |   |                  |               |  |
| <u>General Government</u>             |                           |                                   |                                   |   |                  |               |  |
| County Commission                     | \$ 82,149                 | \$ (310)                          | \$ 200                            | \$ 82,039   | \$ 96,416        | \$ 95,516     | \$ 13,477  |
| Board of Equalization                 | 595                       | 0                                 | 0                                 | 595   | 3,330            | 3,330         | 2,735  |
| Other Boards and Committees           | 6,249                     | (554)                             | 0                                 | 5,695   | 9,080            | 9,079         | 3,384  |
| County Mayor/Executive                | 248,948                   | (2,834)                           | 338                               | 246,452   | 241,687          | 249,178       | 2,726  |
| Personnel Office                      | 223,983                   | 0                                 | 0                                 | 223,983   | 234,448          | 234,448       | 10,465   |
| County Attorney                       | 108,408                   | 0                                 | 0                                 | 108,408   | 108,248          | 108,770       | 362  |
| Election Commission                   | 405,556                   | (22,600)                          | 0                                 | 382,956   | 411,488          | 420,748       | 37,792   |
| Register of Deeds                     | 323,535                   | 0                                 | 0                                 | 323,535   | 306,682          | 330,682       | 7,147  |
| Development                           | 451,485                   | (1,532)                           | 350                               | 450,303   | 478,167          | 478,166       | 27,863   |
| County Buildings                      | 786,751                   | (25,361)                          | 0                                 | 761,390   | 842,832          | 842,309       | 80,919   |
| Other General Administration          | 935,416                   | (18,487)                          | 0                                 | 916,929   | 1,028,497        | 1,037,019     | 120,090  |
| Preservation of Records               | 168,335                   | 0                                 | 7,395                             | 175,730   | 159,817          | 179,282       | 3,552  |
| <u>Finance</u>                        |                           |                                   |                                   |   |                  |               |  |
| Accounting and Budgeting              | 456,945                   | (800)                             | 0                                 | 456,145   | 463,869          | 485,186       | 29,041   |
| Purchasing                            | 213,874                   | (81)                              | 0                                 | 213,793   | 222,130          | 216,881       | 3,088  |
| Property Assessor's Office            | 593,575                   | (1,413)                           | 0                                 | 592,162   | 612,870          | 612,870       | 20,708   |
| Reappraisal Program                   | 149,882                   | 0                                 | 0                                 | 149,882   | 157,009          | 157,009       | 7,127  |

(Continued)

Exhibit C-5

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |                                   |   | Original         | Final      |  |
| <u>Expenditures (Cont.)</u>                        |                           |                                   |                                   |   |                  |            |  |
| <u>Finance (Cont.)</u>                             |                           |                                   |                                   |   |                  |            |  |
| County Trustee's Office                            | \$ 321,790                | \$ 0                              | \$ 0                              | \$ 321,790  | \$ 324,699       | \$ 324,700 | \$ 2,910   |
| County Clerk's Office                              | 826,813                   | (1,737)                           | 0                                 | 825,076   | 801,663          | 826,163    | 1,087  |
| Data Processing                                    | 445,391                   | (9,707)                           | 0                                 | 435,684   | 454,313          | 454,313    | 18,629   |
| <u>Administration of Justice</u>                   |                           |                                   |                                   |   |                  |            |  |
| Circuit Court                                      | 1,034,945                 | (2,043)                           | 60                                | 1,032,962   | 1,139,252        | 1,139,252  | 106,290  |
| General Sessions Court                             | 993,851                   | (2,250)                           | 0                                 | 991,601   | 1,091,194        | 1,093,795  | 102,194  |
| Chancery Court                                     | 429,533                   | 0                                 | 0                                 | 429,533   | 437,067          | 437,067    | 7,534  |
| District Attorney General                          | 0                         | 0                                 | 0                                 | 0   | 1,200            | 65,650     | 65,650   |
| Victim Assistance Programs                         | 59,869                    | 0                                 | 0                                 | 59,869  | 60,000           | 98,696     | 38,827   |
| <u>Public Safety</u>                               |                           |                                   |                                   |   |                  |            |  |
| Sheriff's Department                               | 6,252,790                 | (8,552)                           | 9,246                             | 6,253,484   | 6,188,999        | 6,279,043  | 25,559   |
| Drug Enforcement                                   | 150                       | 0                                 | 0                                 | 150   | 0                | 0          | (150)  |
| Administration of the Sexual Offender Registry     | 2,200                     | 0                                 | 0                                 | 2,200   | 2,000            | 2,000      | (200)  |
| Jail   | 5,440,584                 | (137,802)                         | 1,601                             | 5,304,383   | 5,548,430        | 5,573,390  | 269,007  |
| Juvenile Services                                  | 180,424                   | (4,842)                           | 0                                 | 175,582   | 280,258          | 274,766    | 99,184   |
| Civil Defense                                      | 310,330                   | 0                                 | 760,000                           | 1,070,330   | 312,776          | 1,072,776  | 2,446  |
| Other Emergency Management                         | 340,138                   | (10,092)                          | 21,500                            | 351,546   | 317,523          | 495,329    | 143,783  |
| Public Safety Grants Program                       | 29,442                    | (1,876)                           | 0                                 | 27,566  | 0                | 27,603     | 37   |
| <u>Public Health and Welfare</u>                   |                           |                                   |                                   |   |                  |            |  |
| Local Health Center                                | 792,772                   | (19,950)                          | 25,627                            | 798,449   | 1,015,732        | 1,117,251  | 318,802  |
| Rabies and Animal Control                          | 537,608                   | (3,840)                           | 0                                 | 533,768   | 607,732          | 606,641    | 72,873   |
| Appropriation to State                             | 67,996                    | 0                                 | 0                                 | 67,996  | 69,900           | 67,996     | 0  |
| Other Public Health and Welfare                    | 2,250                     | 0                                 | 0                                 | 2,250   | 352,500          | 352,500    | 350,250  |
| <u>Social, Cultural, and Recreational Services</u> |                           |                                   |                                   |   |                  |            |  |
| Senior Citizens Assistance                         | 34,000                    | 0                                 | 0                                 | 34,000  | 34,000           | 34,000     | 0  |
| Libraries  | 627,001                   | (4,412)                           | 3,955                             | 626,544   | 666,488          | 666,489    | 39,945   |
| Parks and Fair Boards                              | 817,324                   | (117,580)                         | 44,000                            | 743,744   | 763,772          | 820,944    | 77,200   |
| <u>Agriculture and Natural Resources</u>           |                           |                                   |                                   |   |                  |            |  |
| Agricultural Extension Service                     | 159,838                   | 0                                 | 0                                 | 159,838   | 133,712          | 133,712    | (26,126)   |

(Continued)

Exhibit C-5

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |                                   |   | Original         | Final          |  |
| <u>Expenditures (Cont.)</u>                      |                           |                                   |                                   |   |                  |                |  |
| <u>Agriculture and Natural Resources (Cont.)</u> |                           |                                   |                                   |   |                  |                |  |
| Forest Service                                   | \$ 2,000                  | \$ 0                              | \$ 0                              | \$ 2,000  | \$ 2,000         | \$ 2,000       | \$ 0   |
| Soil Conservation                                | 37,610                    | 0                                 | 0                                 | 37,610  | 42,216           | 42,216         | 4,606  |
| <u>Other Operations</u>                          |                           |                                   |                                   |   |                  |                |  |
| Tourism  | 379,314                   | (2,307)                           | 0                                 | 377,007   | 374,649          | 384,852        | 7,845  |
| Industrial Development                           | 226,069                   | 0                                 | 0                                 | 226,069   | 227,500          | 227,500        | 1,431  |
| Other Economic and Community Development         | 291                       | 0                                 | 0                                 | 291   | 1,200            | 1,200          | 909  |
| Airport  | 40,000                    | 0                                 | 0                                 | 40,000  | 40,000           | 40,000         | 0  |
| Veterans' Services                               | 89,312                    | 0                                 | 0                                 | 89,312  | 89,209           | 90,303         | 991  |
| Contributions to Other Agencies                  | 84,520                    | 0                                 | 0                                 | 84,520  | 87,520           | 87,520         | 3,000  |
| Employee Benefits                                | 33,993                    | 0                                 | 0                                 | 33,993  | 32,500           | 32,500         | (1,493)  |
| Payments to Cities                               | 250,000                   | 0                                 | 0                                 | 250,000   | 250,000          | 250,000        | 0  |
| Miscellaneous                                    | 642,782                   | (5,600)                           | 0                                 | 637,182   | 645,528          | 645,528        | 8,346  |
| <u>Capital Projects</u>                          |                           |                                   |                                   |   |                  |                |  |
| Public Safety Projects                           | 200                       | (100)                             | 0                                 | 100   | 0                | 0              | (100)  |
| Total Expenditures                               | \$ 26,648,816             | \$ (406,662)                      | \$ 874,272                        | \$ 27,116,426   | \$ 27,772,102    | \$ 29,228,168  | \$ 2,111,742   |
| Excess (Deficiency) of Revenues                  |                           |                                   |                                   |   |                  |                |  |
| Over Expenditures                                | \$ 4,033,240              | \$ 406,662                        | \$ (874,272)                      | \$ 3,565,630  | \$ (930,764)     | \$ (1,631,782) | \$ 5,197,412   |
| <u>Other Financing Sources (Uses)</u>            |                           |                                   |                                   |   |                  |                |  |
| Insurance Recovery                               | \$ 26,810                 | \$ 0                              | \$ 0                              | \$ 26,810   | \$ 20,000        | \$ 43,787      | \$ (16,977)  |
| Transfers In                                     | 3,380,121                 | 0                                 | 0                                 | 3,380,121   | 900,000          | 3,380,121      | 0  |
| Transfers Out                                    | (1,212,002)               | 0                                 | 0                                 | (1,212,002)   | (635,000)        | (1,212,002)    | 0  |
| Total Other Financing Sources                    | \$ 2,194,929              | \$ 0                              | \$ 0                              | \$ 2,194,929  | \$ 285,000       | \$ 2,211,906   | \$ (16,977)  |

(Continued)

Exhibit C-5

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

|                             | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|-----------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
|                             |                           |                                   |                                   |   | Original             | Final                |  |
| Net Change in Fund Balance  | \$ 6,228,169              | \$ 406,662                        | \$ (874,272)                      | \$ 5,760,559  | \$ (645,764)         | \$ 580,124           | \$ 5,180,435   |
| Fund Balance, July 1, 2016  | 12,377,402                | (406,662)                         | 0                                 | 11,970,740  | 13,581,598           | 13,581,598           | (1,610,858)  |
| Fund Balance, June 30, 2017 | <u>\$ 18,605,571</u>      | <u>\$ 0</u>                       | <u>\$ (874,272)</u>               | <u>\$ 17,731,299</u>  | <u>\$ 12,935,834</u> | <u>\$ 14,161,722</u> | <u>\$ 3,569,577</u>  |

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



# Exhibit D-1

Maury County, Tennessee  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

|  | Business-type Activities |                      |                | Governmental Activities - Internal Service Fund |
|--|--------------------------|----------------------|----------------|---|
|  | Major Fund               | Nonmajor Fund        |                |   |
|  | Maury Regional Hospital  | Solid Waste Disposal | Total          | Central Maintenance/Garage                      |
| <u>ASSETS</u>  |                          |                      |                |   |
| Current Assets:  |                          |                      |                |   |
| Cash   | \$ 54,151,609            | \$ 200               | \$ 54,151,809  | \$ 0  |
| Certificates of Deposit  | 325,388                  | 0                    | 325,388        | 0   |
| Equity in Pooled Cash and Investments  | 0                        | 3,470,684            | 3,470,684      | 711,977   |
| Investments  | 2,385,017                | 0                    | 2,385,017      | 0   |
| Accounts Receivable  | 68,540,745               | 189,750              | 68,730,495     | 68,073  |
| Allowance for Uncollectible Accounts   | (32,000,000)             | 0                    | (32,000,000)   | 0   |
| Property Taxes Receivable<br>(Net of Allowance for Uncollected Property Taxes) | 0                        | 1,901,690            | 1,901,690      | 0   |
| Due from Other Governments   | 0                        | 18,820               | 18,820         | 0   |
| Due from Affiliates  | 447,172                  | 0                    | 447,172        | 0   |
| Inventories  | 5,586,060                | 0                    | 5,586,060      | 0   |
| Prepaid Items  | 3,006,815                | 0                    | 3,006,815      | 0   |
| Other Receivables  | 5,595,434                | 0                    | 5,595,434      | 0   |
| Total Current Assets   | \$ 108,038,240           | \$ 5,581,144         | \$ 113,619,384 | \$ 780,050                                      |
| Noncurrent Assets:   |                          |                      |                |   |
| Assets Limited as to Use   | \$ 55,811,701            | \$ 0                 | \$ 55,811,701  | \$ 0  |
| Interest in Joint Ventures   | 548,589                  | 0                    | 548,589        | 0   |
| Net Pension Asset - Agent Plan   | 0                        | 34,726               | 34,726         | 17,363  |
| Capital Assets:  |                          |                      |                |   |
| Assets Not Depreciated:  |                          |                      |                |   |
| Land   | 7,656,672                | 816,367              | 8,473,039      | 25,000  |
| Construction in Progress   | 15,366,640               | 0                    | 15,366,640     | 0   |
| Assets Net of Accumulated Depreciation:  |                          |                      |                |   |
| Buildings and Improvements   | 71,069,681               | 342,739              | 71,412,420     | 78,595  |
| Other Capital Assets   | 41,713,355               | 849,684              | 42,563,039     | 5,838   |
| Total Noncurrent Assets  | \$ 192,166,638           | \$ 2,043,516         | \$ 194,210,154 | \$ 126,796                                      |
| Total Assets   | \$ 300,204,878           | \$ 7,624,660         | \$ 307,829,538 | \$ 906,846                                      |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>  |                          |                      |                |   |
| Pension Changes in Experience  | \$ 0                     | \$ 6,615             | \$ 6,615       | \$ 3,307  |
| Pension Changes in Investment Earnings   | 1,166,532                | 52,028               | 1,218,560      | 26,014  |
| Pension Contributions After Measurement Date                                   | 0                        | 31,453               | 31,453         | 15,727  |
| Deferred Amounts from Debt Refunding   | 162,765                  | 0                    | 162,765        | 0   |
| Total Deferred Inflows of Resources  | \$ 1,329,297             | \$ 90,096            | \$ 1,419,393   | \$ 45,048                                       |
| <u>LIABILITIES</u>   |                          |                      |                |   |
| Current Liabilities:   |                          |                      |                |   |
| Accounts Payable   | \$ 19,353,966            | \$ 21,783            | \$ 19,375,749  | \$ 4,051  |
| Accrued Payroll  | 8,907,639                | 0                    | 8,907,639      | 0   |
| Payroll Deductions Payable   | 0                        | 17,137               | 17,137         | 8,414   |
| Due to State of Tennessee  | 0                        | 104                  | 104            | 0   |
| Compensated Absences Payable   | 5,574,907                | 34,573               | 5,609,480      | 17,114  |
| Accrued Liability for Landfill Postclosure Care Cost                           | 0                        | 12,000               | 12,000         | 0   |
| Accrued Interest Payable   | 305,285                  | 0                    | 305,285        | 0   |
| Current Portion of Long-term Debt  | 3,876,917                | 0                    | 3,876,917      | 0   |
| Total Current Liabilities  | \$ 38,018,714            | \$ 85,597            | \$ 38,104,311  | \$ 29,579                                       |
| Noncurrent Liabilities:  |                          |                      |                |   |
| Accrued Liability for Landfill Postclosure Care Cost                           | \$ 0                     | \$ 360,959           | \$ 360,959     | \$ 0  |
| Compensated Absences Payable   | 0                        | 11,606               | 11,606         | 4,118   |
| Other Long-term Liabilities  | 12,895,307               | 0                    | 12,895,307     | 0   |
| Bonds and Other Long-term Debt   | 26,807,090               | 0                    | 26,807,090     | 0   |
| Total Noncurrent Liabilities   | \$ 39,702,397            | \$ 372,565           | \$ 40,074,962  | \$ 4,118  |
| Total Liabilities  | \$ 77,721,111            | \$ 458,162           | \$ 78,179,273  | \$ 33,697                                       |

(Continued)

# Exhibit D-1

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

|   | Business-type Activities      |                            |                       | Governmental<br>Activities -<br>Internal<br>Service<br>Fund |
|---|-------------------------------|----------------------------|-----------------------|---|
|   | Major<br>Fund                 | Nonmajor<br>Fund           |                       |   |
|   | Maury<br>Regional<br>Hospital | Solid<br>Waste<br>Disposal | Total                 | Central<br>Maintenance/<br>Garage                           |
| <u>DEFERRED INFLOWS OF RESOURCES</u>          |                               |                            |                       |   |
| Deferred Current Property Taxes               | \$ 0                          | \$ 1,896,304               | \$ 1,896,304          | \$ 0  |
| Pension Changes in Experience                 | 260,019                       | 29,078                     | 289,097               | 14,539  |
| Pension Changes in Proportionate Share of NPL | 188,668                       | 0                          | 188,668               | 0   |
| Total Deferred Inflows of Resources           | <u>\$ 448,687</u>             | <u>\$ 1,925,382</u>        | <u>\$ 2,374,069</u>   | <u>\$ 14,539</u>  |
| <u>NET POSITION</u>                           |                               |                            |                       |   |
| Net Investment in Capital Assets              | \$ 105,122,341                | \$ 2,008,790               | \$ 107,131,131        | \$ 109,433  |
| Restricted for Other Purposes                 | 0                             | 34,726                     | 34,726                | 17,363  |
| Unrestricted                                  | 118,242,036                   | 3,287,696                  | 121,529,732           | 776,862   |
| Total Net Position                            | <u>\$ 223,364,377</u>         | <u>\$ 5,331,212</u>        | <u>\$ 228,695,589</u> | <u>\$ 903,658</u>   |

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

Exhibit D-2

Maury County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2017

|   | Business-type Activities      |                            |                       | Governmental<br>Activities -<br>Internal<br>Service<br>Fund |
|---|-------------------------------|----------------------------|-----------------------|---|
|   | Major<br>Fund                 | Nonmajor<br>Fund           |                       |   |
|   | Maury<br>Regional<br>Hospital | Solid<br>Waste<br>Disposal | Total                 | Central<br>Maintenance/<br>Garage                           |
| <u>Operating Revenues</u>               |                               |                            |                       |   |
| Charges for Current Services            | \$ 325,934,961                | \$ 2,288,669               | \$ 328,223,630        | \$ 1,857,958  |
| Other Local Revenues                    | 8,553,457                     | 226,663                    | 8,780,120             | 10,113  |
| Total Operating Revenues                | <u>\$ 334,488,418</u>         | <u>\$ 2,515,332</u>        | <u>\$ 337,003,750</u> | <u>\$ 1,868,071</u>   |
| <u>Operating Expenses</u>               |                               |                            |                       |   |
| Salaries and Employee Benefits          | \$ 189,908,512                | \$ 0                       | \$ 189,908,512        | \$ 0  |
| Other General Administration            | 10,323,764                    | 0                          | 10,323,764            | 1,771,190   |
| Fees and Professional Services          | 27,197,486                    | 0                          | 27,197,486            | 0   |
| Supplies and Other Expenses             | 80,632,935                    | 0                          | 80,632,935            | 0   |
| Waste Pickup                            | 0                             | 53,910                     | 53,910                | 0   |
| Convenience Centers                     | 0                             | 942,270                    | 942,270               | 0   |
| Landfill Operation and Maintenance      | 0                             | 2,703,327                  | 2,703,327             | 0   |
| Depreciation and Amortization Expense   | 17,406,862                    | 309,797                    | 17,716,659            | 13,346  |
| Total Operating Expenses                | <u>\$ 325,469,559</u>         | <u>\$ 4,009,304</u>        | <u>\$ 329,478,863</u> | <u>\$ 1,784,536</u>   |
| Operating Income (Loss)                 | <u>\$ 9,018,859</u>           | <u>\$ (1,493,972)</u>      | <u>\$ 7,524,887</u>   | <u>\$ 83,535</u>  |
| <u>Nonoperating Revenues (Expenses)</u> |                               |                            |                       |   |
| Local Taxes                             | \$ 0                          | \$ 1,950,863               | \$ 1,950,863          | \$ 0  |
| State Grants                            | 0                             | 50,521                     | 50,521                | 0   |
| Contributions                           | 2,264,221                     | 0                          | 2,264,221             | 0   |
| Interest Income                         | 5,265,147                     | 0                          | 5,265,147             | 0   |
| Interest Expense                        | (714,272)                     | 0                          | (714,272)             | 0   |
| Equity in Joint Venture Losses          | (387,310)                     | 0                          | (387,310)             | 0   |
| Other                                   | 54,437                        | 39,695                     | 94,132                | 0   |
| Total Nonoperating Revenues (Expenses)  | <u>\$ 6,482,223</u>           | <u>\$ 2,041,079</u>        | <u>\$ 8,523,302</u>   | <u>\$ 0</u>   |
| Change in Net Position                  | \$ 15,501,082                 | \$ 547,107                 | \$ 16,048,189         | \$ 83,535   |
| Net Position, July 1, 2016              | <u>207,863,295</u>            | <u>4,784,105</u>           | <u>212,647,400</u>    | <u>820,123</u>  |
| Net Position, June 30, 2017             | <u>\$ 223,364,377</u>         | <u>\$ 5,331,212</u>        | <u>\$ 228,695,589</u> | <u>\$ 903,658</u>   |

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

Exhibit D-3

Maury County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2017

|   | Business-type Activities      |                            |                 | Governmental<br>Activities -<br>Internal<br>Service<br>Fund |
|---|-------------------------------|----------------------------|-----------------|---|
|   | Major<br>Fund                 | Nonmajor<br>Fund           |                 |   |
|   | Maury<br>Regional<br>Hospital | Solid<br>Waste<br>Disposal | Total           | Central<br>Maintenance/<br>Garage                           |
| <u>Cash Flows from Operating Activities</u>                             |                               |                            |                 |   |
| Receipts from Customers and Users                                       | \$ 325,650,963                | \$ 2,299,480               | \$ 327,950,443  | \$ 1,873,422  |
| Other Cash Receipts (Payments)  | 9,775,308                     | 229,262                    | 10,004,570      | 10,113  |
| Payments to Suppliers   | (114,684,212)                 | 0                          | (114,684,212)   | 0   |
| Payments to Employees   | (187,174,362)                 | 0                          | (187,174,362)   | 0   |
| Central Maintenance Garage Activity - Uses                              | 0                             | 0                          | 0               | (1,764,265)   |
| Waste Collection and Disposal Activity - Uses                           | 0                             | (3,732,436)                | (3,732,436)     | 0   |
| Net Cash Provided By (Used In) Operating Activities                     | \$ 33,567,697                 | \$ (1,203,694)             | \$ 32,364,003   | \$ 119,270  |
| <u>Cash Flows from Capital and Related Financing Activities</u>         |                               |                            |                 |   |
| Acquisition of Capital Assets   | \$ (37,236,557)               | \$ (246,628)               | \$ (37,483,185) | \$ 0  |
| Proceeds from Sale of Equipment   | 601,521                       | 4,000                      | 605,521         | 6,108   |
| Principal Payments on Long-term Debt                                    | (4,088,255)                   | 0                          | (4,088,255)     | 0   |
| Interest Paid on Long-term Debt   | (1,052,596)                   | 0                          | (1,052,596)     | 0   |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | \$ (41,775,887)               | \$ (242,628)               | \$ (42,018,515) | \$ 6,108  |
| <u>Cash Flows from Noncapital Financing Activities</u>                  |                               |                            |                 |   |
| Grants Received   | \$ 2,264,221                  | \$ 90,216                  | \$ 2,354,437    | \$ 0  |
| Local Taxes   | 0                             | 1,951,760                  | 1,951,760       | 0   |
| Pension Contributions   | 0                             | (7,906)                    | (7,906)         | (4,054)   |
| Net Cash Provided By (Used In) Noncapital Financing Activities          | \$ 2,264,221                  | \$ 2,034,070               | \$ 4,298,291    | \$ (4,054)  |
| <u>Cash Flows from Investing Activities</u>                             |                               |                            |                 |   |
| Investment Income   | \$ 2,157,087                  | \$ 0                       | \$ 2,157,087    | \$ 0  |
| Proceeds from Maturities of Certificates of Deposit                     | 649,171                       | 0                          | 649,171         | 0   |
| Purchase of Certificates of Deposit                                     | (650,776)                     | 0                          | (650,776)       | 0   |
| Proceeds from Sale of Investments                                       | 10,023,354                    | 0                          | 10,023,354      | 0   |
| Investment in Joint Venture   | (676,700)                     | 0                          | (676,700)       | 0   |
| Issuance of Notes Receivable  | (365,294)                     | 0                          | (365,294)       | 0   |
| Net Cash Provided By (Used In) Investing Activities                     | \$ 11,136,842                 | \$ 0                       | \$ 11,136,842   | \$ 0  |
| Net Increase (Decrease) in Cash   | \$ 5,192,873                  | \$ 587,748                 | \$ 5,780,621    | \$ 121,324  |
| Cash, July 1, 2016  | 48,958,736                    | 2,883,136                  | 51,841,872      | 590,653   |
| Cash, June 30, 2017   | \$ 54,151,609                 | \$ 3,470,884               | \$ 57,622,493   | \$ 711,977  |

(Continued)

Exhibit D-3

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

|   | Business-type Activities      |                            |                      | Governmental<br>Activities -<br>Internal<br>Service<br>Fund |
|---|-------------------------------|----------------------------|----------------------|---|
|   | Major<br>Fund                 | Nonmajor<br>Fund           |                      |   |
|   | Maury<br>Regional<br>Hospital | Solid<br>Waste<br>Disposal | Total                | Central<br>Maintenance/<br>Garage                           |
| <u>Reconciliation of Net Operating Income (Loss)</u><br>to Net Cash Provided By (Used In) Operating Activities  |                               |                            |                      |   |
| Operating Income (Loss)   | \$ 9,018,859                  | \$ (1,493,972)             | \$ 7,524,887         | \$ 83,535   |
| Adjustments to Reconcile Net Operating Income (Loss) to<br>Net Cash Provided By (Used In) Operating Activities: |                               |                            |                      |   |
| Depreciation and Amortization Expense   | 17,406,862                    | 309,797                    | 17,716,659           | 13,346  |
| Provision for Uncollectible Accounts  | 25,105,738                    | 0                          | 25,105,738           | 0   |
| Amortization of Deferred Pension Adjustments  | 429,077                       | 0                          | 429,077              | 0   |
| (Increase) Decrease in Accounts Receivable  | (26,544,554)                  | 10,811                     | (26,533,743)         | 15,464  |
| (Increase) Decrease in Due from Other Governments   | 0                             | 2,599                      | 2,599                | 0   |
| (Increase) Decrease in Due from Affiliates  | 59,923                        | 0                          | 59,923               | 0   |
| (Increase) Decrease in Inventories  | (718,858)                     | 0                          | (718,858)            | 0   |
| (Increase) Decrease in Prepaid Items  | 877,848                       | 0                          | 877,848              | 0   |
| (Increase) Decrease in Other Assets   | 792,774                       | 0                          | 792,774              | 0   |
| Increase (Decrease) in Accounts Payable   | 5,216,677                     | 2,856                      | 5,219,533            | 3,870   |
| Increase (Decrease) in Accrued Payroll  | 3,538,294                     | (1,373)                    | 3,536,921            | 0   |
| Increase (Decrease) in Payroll Deductions Payable   | 0                             | 2,214                      | 2,214                | 1,421   |
| Increase (Decrease) in Postclosure Care Costs   | 0                             | (32,031)                   | (32,031)             | 0   |
| Increase (Decrease) in Due to State of Tennessee  | 0                             | (582)                      | (582)                | (49)  |
| Increase (Decrease) in Other Long-term Liabilities  | (1,623,068)                   | 0                          | (1,623,068)          | 0   |
| Increase (Decrease) in Accrued Leave  | 8,125                         | (4,013)                    | 4,112                | 1,683   |
| Net Cash Provided By (Used In) Operating Activities   | <u>\$ 33,567,697</u>          | <u>\$ (1,203,694)</u>      | <u>\$ 32,364,003</u> | <u>\$ 119,270</u>   |
| <u>Reconciliation of Cash With the Statement of Net Position</u>  |                               |                            |                      |   |
| Cash Per Net Position   | \$ 54,151,609                 | \$ 200                     | \$ 54,151,809        | \$ 0  |
| Equity in Pooled Cash and Investments Per Net Position  | <u>0</u>                      | <u>3,470,684</u>           | <u>3,470,684</u>     | <u>711,977</u>  |
| Cash, June 30, 2017   | <u>\$ 54,151,609</u>          | <u>\$ 3,470,884</u>        | <u>\$ 57,622,493</u> | <u>\$ 711,977</u>   |
| <u>Schedule of Noncash Capital and Related Financing Activities</u>   |                               |                            |                      |   |
| Equipment Acquired Through Capital Leases   | \$ 277,700                    | \$ 0                       | \$ 277,700           | \$ 0  |

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

Exhibit E

Maury County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2017

|                                     | <u>Agency<br/>Funds</u>    |
|-------------------------------------|----------------------------|
| <br><u>ASSETS</u>                   |                            |
| Cash                                | \$ 2,360,418               |
| Accounts Receivable                 | 580                        |
| Due from Other Governments          | <u>2,523,507</u>           |
| Total Assets                        | <u><u>\$ 4,884,505</u></u> |
| <br><u>LIABILITIES</u>              |                            |
| Due to Other Taxing Units           | \$ 2,523,507               |
| Due to Litigants, Heirs, and Others | <u>2,360,998</u>           |
| Total Liabilities                   | <u><u>\$ 4,884,505</u></u> |

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

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**MAURY COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

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**MAURY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

Maury County is a public municipal corporation governed by an elected 22-member board. As required by GAAP, these financial statements present Maury County (the primary government) and its component units. Although required by GAAP, the financial statements of the Maury County Emergency Communications District and the Industrial Development Board of Maury County, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

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

instruments, the district must obtain the county commission's approval. The financial statements of the Maury County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Industrial Development Board of Maury County promotes industrial development to provide additional job opportunities within Maury County. The Maury County Commission appoints the board members. The financial statements of the Industrial Development Board of Maury County were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Offices:

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

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

Industrial Development Board  
of Maury County  
816 South Garden Street  
Columbia, TN 38401

**B. Government-wide and Fund Financial Statements**

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

from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Maury County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Maury County issues all debt for the discretely presented Maury County School Department. Net debt issues totaling \$22,474,122 were contributed by the county to the School Department during the year ended June 30, 2017.

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

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

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

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

Maury County reports three proprietary funds (one internal service fund and two enterprise funds).

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

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

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

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

Maury County reports the following major governmental funds:

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

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

Maury County reports the following major proprietary fund:

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

Additionally, Maury County reports the following fund types:

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

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

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

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

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

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

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

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

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

**1. Deposits and Investments**

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by several of the county's funds. Maury County (excluding the Maury Regional Hospital) and the School Department have adopted a policy of reporting U.S.

Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Maury County for animal control spay/neuter vouchers. Other Current Liabilities of \$1,098,050 in the nonmajor governmental funds represent seized funds held in the county's Drug Fund that have not yet been awarded to the county.

Retainage payable in the Maury County School Department's Education Capital Projects Fund and nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in these funds.

**3. Prepaid Items**

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

**4. Capital Assets**

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

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

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

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



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

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

##### **5. 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 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 items are for deferred amount on refunding, pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of net pension liability, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) 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 items are from the following sources: current property taxes, pension changes in experience, and pension changes in proportionate share of net pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

**Primary Government**

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

**Discretely Presented Maury County School Department**

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

**7. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

#### **8. Net Position and Fund Balance**

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

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

As of June 30, 2017, Maury County had \$106,421,872 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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

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

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Maury County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Maury County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Maury County School Department**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Maury County School Department**

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

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

**Primary Government**

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

**Discretely Presented Maury County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The

difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2017, Maury County reported the following significant encumbrances:

| Fund                   | Description | Amount     |
|------------------------|-------------|------------|
| Primary Government:    |             |            |
| Nonmajor Fund:         |             |            |
| General Fund           | Fire Trucks | \$ 760,000 |
| Highway/Public Works   | Equipment   | 646,865    |
| Other Capital Projects | Patrol Cars | 267,487    |

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded the total appropriations approved by the county commission in the General Debt Service Fund and the discretely presented School Department’s General Purpose School Fund by \$4,523 and \$331,664, respectively.

Also, expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the General Fund, General Debt Service, Other Capital Projects, and the discretely presented School Department’s General Purpose School Fund:

| <u>Fund/Major Appropriation Category</u>   | <u>Amount<br/>Overspent</u> |
|--|-----------------------------|
| General Fund:                              |                             |
| Drug Enforcement                           | \$ 150                      |
| Administration of Sexual Offender Registry | 200                         |
| Agricultural Extension Service             | 26,126                      |
| Employee Benefits                          | 1,493                       |
| Public Safety Projects                     | 100                         |
| General Debt Service:                      |                             |
| General Government                         | 6,617                       |
| Other Capital Projects:                    |                             |
| Miscellaneous                              | 293                         |
| Discretely Presented School Department:    |                             |
| General Purpose School Fund:               |                             |
| Career and Technical Education             | 737,626                     |
| Other Student Support                      | 10,175                      |
| Director of Schools                        | 25,853                      |
| Fiscal Services                            | 58,558                      |
| Central and Other                          | 23,967                      |
| Regular Capital Outlay                     | 917,163                     |
| Education                                  | 2,000                       |

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

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

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

##### **Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating



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

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

### **Investments**

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

The county had no pooled and nonpooled investments as of June 30, 2017.

### **B. Capital Assets**

Capital assets activity for the year ended June 30, 2017, was as follows:

**Primary Government (Excluding Maury Regional Hospital**

**Governmental Activities (Includes Internal Service Fund):**

|  | Balance<br>7-1-16     | Increases           | Decreases           | Balance<br>6-30-17    |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Capital Assets Not<br>Depreciated:             |                       |                     |                     |                       |
| Land   | \$ 7,571,942          | \$ 0                | \$ (70,850)         | \$ 7,501,092          |
| Intangibles                                    | 1,098,294             | 0                   | 0                   | 1,098,294             |
| Construction in<br>Progress                    | 405,145               | 1,004,594           | (194,647)           | 1,215,092             |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 9,075,381</u>   | <u>\$ 1,004,594</u> | <u>\$ (265,497)</u> | <u>\$ 9,814,478</u>   |
| Capital Assets<br>Depreciated:                 |                       |                     |                     |                       |
| Buildings and<br>Improvements                  | \$ 41,064,675         | \$ 311,582          | \$ 0                | \$ 41,376,257         |
| Infrastructure                                 | 88,632,211            | 5,853,453           | 0                   | 94,485,664            |
| Other Capital Assets                           | 13,273,606            | 878,263             | (321,382)           | 13,830,487            |
| Total Capital Assets<br>Depreciated            | <u>\$ 142,970,492</u> | <u>\$ 7,043,298</u> | <u>\$ (321,382)</u> | <u>\$ 149,692,408</u> |
| Less Accumulated<br>Depreciation For:          |                       |                     |                     |                       |
| Buildings and<br>Improvements                  | \$ 12,860,267         | \$ 883,440          | \$ 0                | \$ 13,743,707         |
| Infrastructure                                 | 45,593,158            | 5,073,534           | 0                   | 50,666,692            |
| Other Capital Assets                           | 11,415,819            | 857,525             | (315,274)           | 11,958,070            |
| Total Accumulated<br>Depreciation              | <u>\$ 69,869,244</u>  | <u>\$ 6,814,499</u> | <u>\$ (315,274)</u> | <u>\$ 76,368,469</u>  |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 73,101,248</u>  | <u>\$ 228,799</u>   | <u>\$ (6,108)</u>   | <u>\$ 73,323,939</u>  |
| Governmental Activities<br>Capital Assets, Net | <u>\$ 82,176,629</u>  | <u>\$ 1,233,393</u> | <u>\$ (271,605)</u> | <u>\$ 83,138,417</u>  |

**Business-type Activities (Excluding Maury Regional Hospital):**

|   | Balance<br>7-1-16 | Increases   | Decreases   | Balance<br>6-30-17 |
|---|-------------------|-------------|-------------|--------------------|
| Capital Assets Not<br>Depreciated:              |                   |             |             |                    |
| Land  | \$ 818,367        | \$ 2,000    | \$ (4,000)  | \$ 816,367         |
| Total Capital Assets<br>Not Depreciated         | \$ 818,367        | \$ 2,000    | \$ (4,000)  | \$ 816,367         |
| Capital Assets<br>Depreciated:                  |                   |             |             |                    |
| Buildings and<br>Improvements                   | \$ 1,572,287      | \$ 24,524   | \$ 0        | \$ 1,596,811       |
| Other Capital Assets                            | 3,416,709         | 220,104     | (81,347)    | 3,555,466          |
| Total Capital Assets<br>Depreciated             | \$ 4,988,996      | \$ 244,628  | \$ (81,347) | \$ 5,152,277       |
| Less Accumulated<br>Depreciation For:           |                   |             |             |                    |
| Buildings and<br>Improvements                   | \$ 1,206,701      | \$ 47,371   | \$ 0        | \$ 1,254,072       |
| Other Capital Assets                            | 2,524,703         | 262,426     | (81,347)    | 2,705,782          |
| Total Accumulated<br>Depreciation               | \$ 3,731,404      | \$ 309,797  | \$ (81,347) | \$ 3,959,854       |
| Total Capital Assets<br>Depreciated, Net        | \$ 1,257,592      | \$ (65,169) | \$ 0        | \$ 1,192,423       |
| Business-type Activities<br>Capital Assets, Net | \$ 2,075,959      | \$ (63,169) |             | \$ 2,008,790       |

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

**Governmental Activities:**

|  |    |                         |
|--|----|-------------------------|
| General Government                                   | \$ | 639,751                 |
| Finance  |    | 53,112                  |
| Administration of Justice                            |    | 35,764                  |
| Public Safety  |    | 582,319                 |
| Public Health and Welfare                            |    | 17,993                  |
| Social, Cultural, and Recreational Services          |    | 143,653                 |
| Agriculture and Natural Resources                    |    | 4,089                   |
| Other Operations                                     |    | 11,372                  |
| Highways   |    | <u>5,326,446</u>        |
| Total Depreciation Expense - Governmental Activities | \$ | <u><u>6,814,499</u></u> |

**Business-type Activities:**

|                      |    |                       |
|----------------------|----|-----------------------|
| Solid Waste Disposal | \$ | <u><u>309,797</u></u> |
|----------------------|----|-----------------------|

## Discretely Presented Maury County School Department

### Governmental Activities:

|  | Balance<br>7-1-16     |           | Increases         |           | Decreases          |           | Balance<br>6-30-17 |
|--|-----------------------|-----------|-------------------|-----------|--------------------|-----------|--------------------|
| Capital Assets Not<br>Depreciated:             |                       |           |                   |           |                    |           |                    |
| Land   | \$ 3,019,949          | \$        | 2,828,496         | \$        | 0                  | \$        | 5,848,445          |
| Construction in Progress                       | 36,873,919            |           | 23,828,409        |           | (9,886,369)        |           | 50,815,959         |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 39,893,868</u>  | <u>\$</u> | <u>26,656,905</u> | <u>\$</u> | <u>(9,886,369)</u> | <u>\$</u> | <u>56,664,404</u>  |
| Capital Assets<br>Depreciated:                 |                       |           |                   |           |                    |           |                    |
| Buildings and<br>Improvements                  | \$ 164,435,445        | \$        | 11,396,981        | \$        | (113,286)          | \$        | 175,719,140        |
| Other Capital Assets                           | 18,510,619            |           | 3,983,671         |           | (155,705)          |           | 22,338,585         |
| Total Capital Assets<br>Depreciated            | <u>\$ 182,946,064</u> | <u>\$</u> | <u>15,380,652</u> | <u>\$</u> | <u>(268,991)</u>   | <u>\$</u> | <u>198,057,725</u> |
| Less Accumulated<br>Depreciation For:          |                       |           |                   |           |                    |           |                    |
| Buildings and<br>Improvements                  | \$ 71,076,670         | \$        | 4,254,779         | \$        | (113,286)          | \$        | 75,218,163         |
| Other Capital Assets                           | 14,787,108            |           | 1,067,408         |           | (155,705)          |           | 15,698,811         |
| Total Accumulated<br>Depreciation              | <u>\$ 85,863,778</u>  | <u>\$</u> | <u>5,322,187</u>  | <u>\$</u> | <u>(268,991)</u>   | <u>\$</u> | <u>90,916,974</u>  |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 97,082,286</u>  | <u>\$</u> | <u>10,058,465</u> | <u>\$</u> | <u>0</u>           | <u>\$</u> | <u>107,140,751</u> |
| Governmental Activities<br>Capital Assets, Net | <u>\$ 136,976,154</u> | <u>\$</u> | <u>36,715,370</u> | <u>\$</u> | <u>(9,886,369)</u> | <u>\$</u> | <u>163,805,155</u> |

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

### Governmental Activities:

|   |                            |
|---|----------------------------|
| Instruction   | \$ 3,545,295               |
| Support Services  | 1,574,311                  |
| Operation of Non-instructional Services                 | <u>202,581</u>             |
| Total Depreciation Expense -<br>Governmental Activities | <u><u>\$ 5,322,187</u></u> |

**C. Construction Commitments**

At June 30, 2017, the discretely presented Maury County School Department had uncompleted construction contracts in the Education Capital Projects Fund of approximately \$8,376,913 for construction and renovations at Central High School, and approximately \$8,619,919 for system-wide renovations and improvements. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, was as follows:

**Due to/from Other Funds:**

| Receivable Fund                         | Payable Fund               | Amount     |
|---|----------------------------|------------|
| Discretely Presented School Department: |                            |            |
| General Purpose School                  | Nonmajor governmental fund | \$ 215,343 |

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

**Due to/from Primary Government and Component Unit:**

| Receivable Fund                         | Payable Fund            | Amount       |
|---|-------------------------|--------------|
| Primary Government:                     |                         |              |
| Discretely Presented School Department: |                         |              |
| Governmental Activities                 | Governmental Activities | \$ 1,879,501 |

This balance resulted from the issuance of capital leases by the primary government for computers and related equipment that is being repaid by the School Department.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

## Primary Government

| Transfers Out               | Transfers In |                           |                             |
|-----------------------------|--------------|---------------------------|-----------------------------|
|                             | General Fund | General Debt Service Fund | Nonmajor Governmental Funds |
| General Fund                | \$ 0         | \$ 99,584                 | \$ 1,112,418                |
| General Debt Service Fund   | 3,380,121    | 0                         | 0                           |
| Nonmajor Governmental Funds | 0            | 0                         | 472,335                     |
| Total                       | \$ 3,380,121 | \$ 99,584                 | \$ 1,584,753                |

## Discretely Presented Maury County School Department

| Transfer Out                | Transfer In<br>General Purpose School Fund |
|-----------------------------|--|
| Nonmajor governmental funds | \$ 51,926                                  |

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

### E. Capital Leases

On February 3, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$309,653 plus interest of 5.258 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On March 1, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$309,653 plus interest of 5.342 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On March 1, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$200,655 plus interest of 5.342 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On March 13, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$1,476,262 plus interest of 5.342 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On June 6, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$369,065 plus interest of 5.279 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

The assets acquired through capital leases are as follows:

| Assets                         | Governmental<br>Activities |
|--------------------------------|----------------------------|
| Computers                      | \$ 2,665,288               |
| Less: Accumulated Depreciation | <u>(58,417)</u>            |
| Total Book Value               | <u>\$ 2,606,871</u>        |

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

| Year Ending<br>June 30                     | Governmental<br>Funds |
|--|-----------------------|
| 2018                                       | \$ 687,147            |
| 2019                                       | 797,611               |
| 2020                                       | 520,910               |
| 2021                                       | <u>65,603</u>         |
| Total Minimum Lease Payments               | \$ 2,071,271          |
| Less: Amount Representing Interest         | <u>(191,770)</u>      |
| Present Value of Minimum<br>Lease Payments | <u>\$ 1,879,501</u>   |



**F. Long-term Obligations**

**Primary Government (Excluding Maury Regional Hospital)**

**General Obligation Bonds, Notes, and Other Loans**

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, five years for notes, and 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2017, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2017, for governmental activities are as follows:

| Type                                    | Interest<br>Rate | Final<br>Maturity | Original<br>Amount<br>of Issue | Balance<br>6-30-17 |
|---|------------------|-------------------|--------------------------------|--------------------|
| General Obligation Bonds                | 2 to 5%          | 4-1-36            | \$ 106,515,000                 | \$ 77,460,000      |
| General Obligation Bonds -<br>Refunding | 1 to 4           | 4-1-28            | 38,470,000                     | 28,655,000         |
| Capital Outlay Notes                    | 1.5              | 4-1-20            | 355,993                        | 268,766            |
| Other Loans                             | 4.85             | 9-15-27           | 4,408,000                      | 2,803,530          |

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

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2017, including interest payments and other loan fees, are presented in the following tables:

| Year Ending<br>June 30 | Bonds          |               |                |
|------------------------|----------------|---------------|----------------|
|                        | Principal      | Interest      | Total          |
| 2018                   | \$ 6,405,000   | \$ 4,132,376  | \$ 10,537,376  |
| 2019                   | 6,975,000      | 3,871,776     | 10,846,776     |
| 2020                   | 7,260,000      | 3,597,926     | 10,857,926     |
| 2021                   | 6,045,000      | 3,264,076     | 9,309,076      |
| 2022                   | 6,175,000      | 2,961,826     | 9,136,826      |
| 2023-2027              | 31,590,000     | 10,284,804    | 41,874,804     |
| 2028-2032              | 23,090,000     | 5,253,908     | 28,343,908     |
| 2033-2036              | 18,575,000     | 1,572,381     | 20,147,381     |
| Total                  | \$ 106,115,000 | \$ 34,939,073 | \$ 141,054,073 |

| Year Ending<br>June 30 | Notes      |          |            |
|------------------------|------------|----------|------------|
|                        | Principal  | Interest | Total      |
| 2018                   | \$ 88,258  | \$ 4,031 | \$ 92,289  |
| 2019                   | 89,582     | 2,708    | 92,290     |
| 2020                   | 90,926     | 1,364    | 92,290     |
| Total                  | \$ 268,766 | \$ 8,103 | \$ 276,869 |

| Year Ending<br>June 30 | Other Loans  |              |                |              |
|------------------------|--------------|--------------|----------------|--------------|
|                        | Principal    | Interest     | (1) Other Fees | Total        |
|                        |              | 0            |                |              |
| 2018                   | \$ 275,052   | \$ 213,700   | \$ 3,526       | \$ 492,278   |
| 2019                   | 275,052      | 213,700      | 3,526          | 492,278      |
| 2020                   | 275,052      | 213,700      | 3,526          | 492,278      |
| 2021                   | 275,052      | 213,700      | 3,526          | 492,278      |
| 2022                   | 275,052      | 213,700      | 3,526          | 492,278      |
| 2023-2027              | 1,402,336    | 1,068,500    | 17,630         | 2,488,466    |
| 2028                   | 25,934       | 1,617        | 588            | 28,139       |
| Total                  | \$ 2,803,530 | \$ 2,138,617 | \$ 35,848      | \$ 4,977,995 |

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

There is \$10,960,178 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,311, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, capital leases, and unamortized debt premiums, totaled \$1,479, based on the 2010 federal census.

The School Department is currently contributing funds to service 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 Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

| Description of Indebtedness                               | Outstanding<br>6-30-17     |
|---|----------------------------|
| <u>Capital Leases</u>                                     |                            |
| <u>Contributions from the General Purpose School Fund</u> |                            |
| #1 Schools Computer Lease                                 | \$ 218,452                 |
| #2 Schools Computer Lease                                 | 218,351                    |
| #3 Schools Computer Lease                                 | 141,491                    |
| #4 Schools Computer Lease                                 | 1,040,981                  |
| #5 Schools Computer Lease                                 | <u>260,226</u>             |
| Total   | <u><u>\$ 1,879,501</u></u> |

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2017, was as follows:

**Governmental Activities:**

|                             | Bonds                 | Notes             | Capital<br>Leases   |
|-----------------------------|-----------------------|-------------------|---------------------|
| Balance, July 1, 2016       | \$ 89,865,000         | \$ 2,685,993      | \$ 0                |
| Additions                   | 21,300,000            | 0                 | 2,665,288           |
| Reductions                  | (5,050,000)           | (2,417,227)       | (785,787)           |
| Balance, June 30, 2017      | <u>\$ 106,115,000</u> | <u>\$ 268,766</u> | <u>\$ 1,879,501</u> |
| Balance Due Within One Year | <u>\$ 6,405,000</u>   | <u>\$ 88,258</u>  | <u>\$ 598,691</u>   |

|                             | Other<br>Loans      | Compensated<br>Absences |
|-----------------------------|---------------------|-------------------------|
| Balance, July 1, 2016       | \$ 3,078,582        | \$ 1,302,773            |
| Additions                   | 0                   | 1,360,340               |
| Reductions                  | (275,052)           | (1,251,349)             |
| Balance, June 30, 2017      | <u>\$ 2,803,530</u> | <u>\$ 1,411,764</u>     |
| Balance Due Within One Year | <u>\$ 275,052</u>   | <u>\$ 1,168,971</u>     |

**Analysis of Noncurrent Liabilities Presented on Exhibit A:**

|   |                       |
|---|-----------------------|
| Total Noncurrent Liabilities, June 30, 2017                       | \$ 112,478,561        |
| Less: Due Within One Year   | (8,535,972)           |
| Add: Unamortized Premium on Debt                                  | <u>8,650,395</u>      |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 112,592,984</u> |

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

**Defeasance of Prior Debt**

In prior years, Maury County defeased a certain outstanding general obligation note by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old note. The trustee is empowered and required to pay all principal and interest on the defeased note as originally scheduled. Accordingly, the trust accounts and the defeased note are not included in the county's financial statements. At June 30, 2017, the following outstanding note is considered defeased:

|                                     | <u>Amount</u> |
|-------------------------------------|---------------|
| GO Capital Outlay Note, Series 2006 | \$ 21,550,000 |

**Maury County Solid Waste Disposal Fund (Enterprise Fund)**

**Changes in Long-term Obligations**

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2017, was as follows:

**Business-type Activities:**

|                             | <u>Postclosure<br/>Care Costs</u> | <u>Compensated<br/>Absences</u> |
|-----------------------------|-----------------------------------|---------------------------------|
| Balance, July 1, 2016       | \$ 404,990                        | \$ 50,192                       |
| Additions                   | 4,786                             | 43,557                          |
| Reductions                  | <u>(36,817)</u>                   | <u>(47,570)</u>                 |
| Balance, June 30, 2017      | <u>\$ 372,959</u>                 | <u>\$ 46,179</u>                |
| Balance Due Within One Year | <u>\$ 12,000</u>                  | <u>\$ 34,573</u>                |

Analysis of Noncurrent Liabilities Presented on Exhibit D:

|   |                   |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2017                         | \$ 419,138        |
| Less: Due Within One Year   | <u>(46,573)</u>   |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit D-1 | <u>\$ 372,565</u> |

**Discretely Presented Maury County School Department**

**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Maury County School Department for the year ended June 30, 2017, was as follows:

**Governmental Activities:**

|                             | Compensated<br>Absences | Other<br>Postemployment<br>Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2016       | \$ 3,137,563            | \$ 13,376,732                       |
| Additions                   | 909,853                 | 3,631,985                           |
| Reductions                  | (1,226,051)             | (1,824,719)                         |
| Balance, June 30, 2017      | <u>\$ 2,821,365</u>     | <u>\$ 15,183,998</u>                |
| Balance Due Within One Year | <u>\$ 1,262,833</u>     | <u>\$ 0</u>                         |

**Governmental Activities:**

|                             | Net Pension<br>Liability -<br>Legacy Plan |
|-----------------------------|---|
| Balance, July 1, 2016       | \$ 480,042                                |
| Additions                   | 18,831,279                                |
| Reductions                  | (11,960,075)                              |
| Balance, June 30, 2017      | <u>\$ 7,351,246</u>                       |
| Balance Due Within One Year | <u>\$ 0</u>                               |

**Analysis of Noncurrent Liabilities Presented on Exhibit A:**

|   |                      |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2017                       | \$ 25,356,609        |
| Less: Due Within One Year   | <u>(1,262,833)</u>   |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 24,093,776</u> |

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Maury County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2017, were

\$419,752 and \$111,700, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## **V. OTHER INFORMATION**

### **A. Risk Management**

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

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

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

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

The discretely presented Maury County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the

Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

**B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying



Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

**C. Contingent Liabilities**

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

**D. Change in Administration**

On August 31, 2016, Jim Dooley left the Office of Property Assessor and was succeeded by Bobby Daniels.

**E. Landfill Closure/Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Maury County closed its sanitary landfill in 1997. The \$372,959 reported as postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Maury County Regional Airport Authority is a joint venture in which the county and the cities of Columbia and Mount Pleasant participate. The authority is governed by a three-member board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2017, Maury County contributed \$80,000 to the authority.

The Twenty-Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-Second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. 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, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Maury County did not contribute any funds to the DTF for the year ended June 30, 2017. The DTF Director is a full-time employee of the Maury County Sheriff's Department.

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

Administrative Offices:

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

Office of District Attorney General  
Twenty-Second Judicial District Drug Task Force  
P.O. Box 852  
Lawrenceburg, TN 38464

**G. Jointly Governed Organization**

The Tennessee Southern Railroad Authority (TSRA) was created by the county, in conjunction with Giles and Lawrence counties. The TSRA's board includes the county mayors and a representative appointed by the respective county commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2017.

## **H. Retirement Commitments**

### **1. Tennessee Consolidated Retirement System (TCRS)**

#### **Primary Government**

##### **General Information About the Pension Plan**

*Plan Description.* Employees of Maury County, non-certified employees of the discretely presented Maury County School Department, and employees of the discretely presented Maury County Water System are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 57.87 percent, the non-certified employees of the discretely presented School Department comprised 39.95 percent, and the discretely presented Maury County Water System comprised 2.18 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous

year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

|  |                     |
|--|---------------------|
| Inactive Employees or Beneficiaries Currently        |                     |
| Receiving Benefits                                   | 331                 |
| Inactive Employees Entitled to But Not Yet Receiving |                     |
| Benefits   | 669                 |
| Active Employees                                     | 939                 |
| Total  | <u><u>1,939</u></u> |

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Maury County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contribution for Maury County was \$1,214,822 based on a rate of 4.62 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Maury County's state shared taxes if required employer contributions are not remitted. The employer's Actuarial Determined Contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Net Pension Liability (Asset)**

Maury County's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3%  |
| Salary Increases          | Graded Salary Ranges from 8.97%<br>to 3.71% Based on Age, Including<br>Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan<br>Investment Expenses, Including<br>Inflation                          |
| Cost of Living Adjustment | 2.5%  |

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class   | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 6.46 %  | 33 %                                |
| International Equity<br>Emerging Market                         | 6.26  | 17                                  |
| International Equity<br>Private Equity and<br>Strategic Lending | 6.40  | 5                                   |
| U.S. Fixed Income   | 4.61  | 8                                   |
| Real Estate   | 0.98  | 29                                  |
| Short-term Securities   | 4.73  | 7                                   |
|   | 0.00  | 1                                   |
| Total   |   | 100 %                               |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Maury County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

|   | Increase (Decrease)                  |  |  |
|---|--------------------------------------|--|--|
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(a)-(b) |
| Balance, July 1, 2015   | \$ 59,023,578                        | \$ 61,880,483                            | \$ (2,856,905)                         |
| Changes for the year:   |                                      |  |  |
| Service Cost  | \$ 2,204,144                         | \$ 0                                     | \$ 2,204,144                           |
| Interest  | 4,501,605                            | 0  | 4,501,605                              |
| Differences Between Expected<br>and Actual Experience               | (1,172,245)                          | 0  | (1,172,245)                            |
| Contributions-Employer  | 0                                    | 1,214,772                                | (1,214,772)                            |
| Contributions-Employees   | 0                                    | 1,314,713                                | (1,314,713)                            |
| Net Investment Income   | 0                                    | 1,642,233                                | (1,642,233)                            |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (2,412,635)                          | (2,412,635)                              | 0                                      |
| Administrative Expense  | 0                                    | (66,377)                                 | 66,377                                 |
| Other Changes   | 0                                    | 0  | 0                                      |
| Net Changes   | \$ 3,120,869                         | \$ 1,692,706                             | \$ 1,428,163                           |
| Balance, June 30, 2016  | \$ 62,144,447                        | \$ 63,573,189                            | \$ (1,428,742)                         |

### Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

|                    |        | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Net<br>Pension<br>Liability<br>(Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 57.87% | \$ 35,962,991                 | \$ 36,789,804                        | \$ 826,813                             |
| Water System       | 2.18%  | 1,354,749                     | 1,385,896                            | 31,147                                 |
| School Department  | 39.95% | 24,826,707                    | 25,397,489                           | 570,782                                |
| Total              |        | \$ 62,144,447                 | \$ 63,573,189                        | \$ 1,428,742                           |

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Maury County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

|              | 1%<br>Decrease | Current<br>Discount<br>Rate | 1%<br>Increase |
|--------------|----------------|-----------------------------|----------------|
| Maury County | 6.5%           | 7.5%                        | 8.5%           |

Net Pension Liability      \$ 6,905,530    \$ (1,428,742)    \$ (8,339,926)

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Expense.* For the year ended June 30, 2017, Maury County recognized pension expense of \$767,894.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Maury County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 272,151                              | \$ 1,196,365                           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,140,601                               | 0                                      |
| Contributions Subsequent to the Measurement Date of June 30, 2016 (1)            | 1,214,822                               | N/A                                    |
| Total  | <u>\$ 3,627,574</u>                     | <u>\$ 1,196,365</u>                    |

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.



Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

|                    | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 2,145,145                         | \$ 692,336                          |
| Water System       | 82,658                               | 26,081                              |
| School Department  | 1,399,771                            | 477,948                             |
| Total              | <u>\$ 3,627,574</u>                  | <u>\$ 1,196,365</u>                 |

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount      |
|------------------------|-------------|
| 2018                   | \$ (46,590) |
| 2019                   | (46,590)    |
| 2020                   | 875,841     |
| 2021                   | 433,728     |
| 2022                   | 0           |
| Thereafter             | 0           |

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Discretely Presented Maury County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Maury County, non-certified employees of the discretely presented Maury County School Department, and the discretely presented Maury County Water System are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.87 percent, the non-certified employees of the discretely presented School Department comprise 39.95 percent, and the discretely presented Water System comprise 2.18 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Maury County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee

contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$275,722, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2017, the Maury County School Department reported an asset of \$103,525 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Maury County School Department's proportion of the net pension asset was based on the Maury County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Maury County School Department's proportion was 0.994448 percent. The proportion measured as of June 30, 2015, was 1.067811 percent.

*Pension Expense.* For the year ended June 30, 2017, the Maury County School Department recognized pension expense of \$86,845.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Maury County School Department reported deferred outflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 10,031                               | \$ 11,936                              |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 16,950                                  | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 2,058                                   | 0                                      |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2016          | <u>275,722</u>                          | <u>N/A</u>                             |
| Total  | <u>\$ 304,761</u>                       | <u>\$ 11,936</u>                       |

The Maury County School Department's employer contributions of \$275,722, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount   |
|------------------------|----------|
| 2018                   | \$ 4,362 |
| 2019                   | 4,362    |
| 2020                   | 4,362    |
| 2021                   | 3,553    |
| 2022                   | (78)     |
| Thereafter             | 541      |

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3%  |
| Salary Increases          | Graded Salary Ranges from 8.97%<br>to 3.71% Based on Age, Including<br>Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan<br>Investment Expenses, Including<br>Inflation                          |
| Cost of Living Adjustment | 2.5%  |

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class           | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity           | 6.46 %  | 33 %                                |
| Developed Market      |   |                                     |
| International Equity  | 6.26  | 17                                  |
| Emerging Market       |   |                                     |
| International Equity  | 6.40  | 5                                   |
| Private Equity and    |   |                                     |
| Strategic Lending     | 4.61  | 8                                   |
| U.S. Fixed Income     | 0.98  | 29                                  |
| Real Estate           | 4.73  | 7                                   |
| Short-term Securities | 0.00  | 1                                   |
| Total                 |   | 100 %                               |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Maury County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Maury County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

| School Department's<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>6.5% | Current<br>Discount<br>Rate<br>7.5% | 1%<br>Increase<br>8.5% |
|---|------------------------|-------------------------------------|------------------------|
|---|------------------------|-------------------------------------|------------------------|

|                       |    |        |    |           |    |           |
|-----------------------|----|--------|----|-----------|----|-----------|
| Net Pension Liability | \$ | 48,886 | \$ | (103,525) | \$ | (215,822) |
|-----------------------|----|--------|----|-----------|----|-----------|

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Maury County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member

and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Maury County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$3,584,491, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liability (Assets).* At June 30, 2017, the Maury County School Department reported a liability of \$7,351,246 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Maury County School Department's proportion of the net pension liability was based on the Maury County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Maury County School Department's proportion was 1.176304 percent. The proportion measured at June 30, 2015, was 1.171881 percent.



*Pension Expense.* For the year ended June 30, 2017, the Maury County School Department recognized pension expense of \$879,773.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Maury County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 309,367                              | \$ 8,899,923                           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 8,207,766                               | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 120,125                                 | 59,677                                 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2016          | 3,584,491                               | N/A                                    |
| Total  | <u>\$ 12,221,749</u>                    | <u>\$ 8,959,600</u>                    |

The Maury County School Department's employer contributions of \$3,584,491 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount         |
|------------------------|----------------|
| 2018                   | \$ (1,362,104) |
| 2019                   | (1,362,104)    |
| 2020                   | 2,575,156      |
| 2021                   | 399,962        |
| 2022                   | (573,254)      |
| Thereafter             | 0              |

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3%  |
| Salary Increases          | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expenses, Including Inflation                          |
| Cost of Living Adjustment | 2.5%  |

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class   | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 6.46 %  | 33 %                                |
| International Equity<br>Emerging Market                         | 6.26  | 17                                  |
| International Equity<br>Private Equity and<br>Strategic Lending | 6.40  | 5                                   |
| U.S. Fixed Income   | 4.61  | 8                                   |
| Real Estate   | 0.98  | 29                                  |
| Short-term Securities   | 4.73  | 7                                   |
|   | 0.00  | 1                                   |
| Total   |   | 100 %                               |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Maury County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Maury County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

|   |                        |                                     |                        |
|---|------------------------|-------------------------------------|------------------------|
| School Department's<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>6.5% | Current<br>Discount<br>Rate<br>7.5% | 1%<br>Increase<br>8.5% |
|---|------------------------|-------------------------------------|------------------------|

Net Pension Liability      \$ 40,366,955    \$ 7,351,246    \$ (19,997,479)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## 2. **Deferred Compensation**

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

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

## I. **Other Postemployment Benefits (OPEB)**

### **Plan Description**

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

the state's website at <https://www.tn.gov/finance/fa/fa-accounting-financial/fa-acffin-cafr.html>.

### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2017, the discretely presented Maury County School Department made contributions totaling \$1,824,719 for postemployment benefits.

|                              | Local<br>Education<br>Group<br>Plan |
|------------------------------|-------------------------------------|
| ARC                          | \$ 3,634,000                        |
| Interest on the NOPEBO       | 501,627                             |
| Adjustment to the ARC        | (503,642)                           |
| Annual OPEB cost             | \$ 3,631,985                        |
| Amount of contribution       | (1,824,719)                         |
| Increase/decrease in NOPEBO  | \$ 1,807,266                        |
| Net OPEB obligation, 7-1-16  | 13,376,732                          |
| Net OPEB obligation, 6-30-17 | \$ 15,183,998                       |

| Fiscal<br>Year<br>Ended | Plan                  | Annual<br>OPEB<br>Cost | Percentage<br>of Annual<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation<br>at Year End |
|-------------------------|-----------------------|------------------------|---|---------------------------------------|
| 6-30-15                 | Local Education Group | \$ 3,303,188           | 49 %  | \$ 11,588,009                         |
| 6-30-16                 | "                     | 3,510,254              | 49  | 13,376,732                            |
| 6-30-17                 | "                     | 3,631,985              | 50  | 15,183,998                            |

### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

|   | Local<br>Education<br>Group<br>Plan |
|---|-------------------------------------|
| Actuarial valuation date                    | 7-1-15                              |
| Actuarial accrued liability (AAL)           | \$ 28,831,000                       |
| Actuarial value of plan assets              | \$ 0                                |
| Unfunded actuarial accrued liability (UAAL) | \$ 28,831,000                       |
| Actuarial value of assets as a % of the AAL | 0%                                  |
| Covered payroll (active plan members)       | \$ 56,459,000                       |
| UAAL as a % of covered payroll              | 51%                                 |

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, 2015, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

**J. Offices of Accounting and Budgeting and Human Resources**

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

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

**K. Purchasing Laws**

Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes require that purchase orders be issued for all purchases and sealed bids be solicited on purchases exceeding \$25,000 for the Offices of County Mayor and Road Superintendent.

Office of Director of Schools

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

**L. Subsequent Events**

On October 19, 2017, Maury County issued general obligation school bonds totaling \$62,050,000 for the construction, improvement, renovation, equipment, design, and site development of an elementary and middle school.

On February 6, 2018, Maury County issued general obligation capital outlay notes totaling \$360,000 for design, engineering, constructing, renovating, and equipping of the county jail facilities.

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

**A. Organization**

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

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

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

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

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

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

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

Maury Regional Ambulatory Surgery Center (the Surgery Center) is a nonprofit corporation that provides medical care to non-emergent patients in the hospital's service area. The hospital is the sole member of the Surgery Center and funds its operating losses.

Maury Regional Healthcare Foundation (the Foundation) is a not-for-profit organization formed to coordinate the fundraising activities of the hospital. The hospital is the sole member of the foundation and appoints



all board members. The hospital also funds all operating expenses of the foundation.

**B. Summary of Significant Accounting Policies**

Method of Accounting – The hospital utilizes the enterprise fund method of accounting. Revenues and expenses are recorded on the accrual basis using the economic resources measurement focus.

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

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

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

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

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

Property, Plant, and Equipment – Property, plant, and equipment are reported at cost or fair value at the date of gift, if donated. The hospital has established a capitalization threshold of \$1,000. Depreciation is calculated by the straight-line method to allocate the cost of the assets (other than land) over their estimated useful lives, which range from three to 20 years for equipment and

ten to 40 years for buildings and land improvements. Equipment held under capital lease obligations is amortized using the straight-line method over the shorter of the estimated useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements. Interest costs incurred on applicable borrowings outstanding during the construction period of capital assets is capitalized as part of the cost of acquiring the asset and is amortized on the same basis as the related capital asset. Costs of maintenance and repairs are charged to expense when incurred. The hospital periodically reviews property, plant, and equipment for indications of potential impairment. Management does not believe any impairment existed as of June 30, 2017.

Intangible Assets – Intangible assets, including goodwill, are amortized over their estimated useful life and included in other assets in the combined financial statements.

Compensated Absences – The hospital's employees earn paid time off at varying rates depending on years of service. An accrual for paid time off is recorded in the period in which the employee earns the right to the compensation. Prior to July 1, 2016, employees also earned sick leave benefits based on varying rates depending on years of service and accumulated sick leave up to a specified maximum. Employees were not paid for accumulated sick leave if they left before retirement. However, employees who retired after the age of 60 could convert accumulated sick leave to termination payments. The estimated amount of sick leave, which will ultimately be payable as termination payments totals approximately \$995,000 at June 30, 2017, and is reported as a noncurrent liability in the combined financial statements. The hospital's paid time off policy was amended effective July 1, 2015, to eliminate future sick pay accruals and freeze existing sick pay accrual amounts at their June 30, 2015 amounts. In addition, the accrual for compensated absences at June 30, 2015, was modified to utilize a "years of service" factor, which served to reduce the amount recorded. Due to uncertainties in this estimate, it is at least reasonably possible that management's estimate could change in 2018.

Other Long-Term Liabilities – Other long-term liabilities consist primarily of post-retirement benefits for compensated absences and healthcare benefits, and reserves for claim audits.

Net Position – Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. Unrestricted net position is the remaining assets that do not meet the definition of net investment in capital assets. There were no assets in a restricted position at June 30, 2017.

Net Patient Service Revenue – Net patient service revenue is reported as services are rendered at estimated net realizable amounts, including estimated retroactive revenue adjustments under reimbursement agreements with third-

party payers. Estimated settlements under third-party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. An estimated provision for bad debts is included in net patient service revenue.

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

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

Income Taxes – The hospital meets the Internal Revenue Service definition of a governmental unit and is exempt from federal income taxes. At June 30, 2017, management does not believe the hospital holds any uncertain tax positions that would require financial statement recognition or disclosure.

Subsequent Events – The hospital evaluated all events or transactions that occurred after June 30, 2017, through November 7, 2017, the date the hospital's financial statements were available to be issued. Management did not note any subsequent events that required recognition or disclosure in the combined financial statements.

Recently Issued Accounting Pronouncements – In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which requires balance sheet recognition of a liability and right-to-use asset for substantially all leases with a maximum possible term exceeding twelve months. The lease liability is measured at the present value of payments made during the lease term. In later periods, the lessee should amortize the discount of the lease liability and report it as an outflow of resources (interest expense) for the period. The lease asset is measured as the sum of the amount of the initial measurement of the lease liability, lease payments made to the lessor at/before the beginning of the lease term, and any initial direct costs. A lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset and reported as an amortization expense. The requirements of this statement are effective for reporting periods beginning after December 15, 2019; however, early adoption is permitted. Management is currently evaluating the impact of the adoption of the statement on the financial statements.

**C. Patient Service Revenue and Accounts Receivable**

The hospital has agreements with various third-party payers that provide for payments to the hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third-party payers is recorded as a reduction of gross patient service charges. Revenue for patient service charges has been adjusted to the amounts estimated to be receivable under third-party payer arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments, which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2018. Net patient service revenue for the year ended June 30, 2017, increased by approximately \$950,000 due to adjustments of estimates or final settlements of prior periods.

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

Medicare – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid primarily on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized, and other factors. The Medicare program continues to reimburse certain other services based on a per diem or on a percentage of cost up to predetermined limits. The hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low income patients and such amounts are not guaranteed in future periods. Approximately \$10,900,000 of net patient accounts receivable are due from the Medicare program at June 30, 2017.

TennCare – The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per-diem amounts. Approximately \$2,300,000 of net patient accounts receivable are from payers under the TennCare program at June 30, 2017.

During 2017, the hospital received additional distributions under the TennCare Essential Access, federal matching, and other programs totaling approximately \$1,670,000. Future distributions under these programs are not guaranteed. Such amounts are subject to potential recoupment.

Other Payers – The hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the hospital under

these agreements includes prospectively determined rates, discounts from established charges, and prospectively determined per-diem amounts.

Charity Care – The hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue. The estimated direct and indirect costs of providing these services totaled approximately \$4,770,000 in 2017. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue is as follows at June 30, 2017:

|   |                       |
|---|-----------------------|
| Patient Service Charges                 | \$ 1,033,744,308      |
| Less: Estimated Contractual Adjustments | (663,407,040)         |
| Less: Provision for Bad Debts           | (25,105,738)          |
| Less: Charity Care                      | <u>(19,296,569)</u>   |
| Total                                   | <u>\$ 325,934,961</u> |

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

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

|               |                       |
|---------------|-----------------------|
| Bank Deposits | \$ 58,537,805         |
| Investments   | <u>54,135,910</u>     |
| Total         | <u>\$ 112,673,715</u> |

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

|                           |                       |
|---------------------------|-----------------------|
| Cash and Cash Equivalents | \$ 54,151,609         |
| Certificates of Deposit   | 325,388               |
| Investments               | 2,385,017             |
| Assets Limited As to Use  | <u>55,811,701</u>     |
| Total                     | <u>\$ 112,673,715</u> |

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

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

At June 30, 2017, the hospital's bank balances for deposits totaled \$56,622,685, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Remaining deposits totaling \$133,742 are collateralized by securities held by the financial institution and pledged as collateral for the hospital's deposits.

The estimated fair values and maturities for investments, all of which were held in the hospital's name by a custodial bank that is an agent of the hospital, are as follows at June 30, 2017:

| Investment Type             | Maturity         | Amount               |
|-----------------------------|------------------|----------------------|
| Mutual Funds - Fixed Income | N/A              | \$ 19,097,579        |
| Mutual Funds - Equity       | N/A              | 23,423,845           |
| Government Agency Bonds     | Less than 1 year | 500,050              |
| Government Agency Bonds     | 1 to 5 years     | 3,044,140            |
| Corporate Bonds             | Less than 1 year | 1,399,504            |
| Corporate Bonds             | 1 to 5 years     | 6,670,792            |
| Total                       |                  | <u>\$ 54,135,910</u> |

The hospital was formed under the provisions of the private acts. Therefore, available funds are invested in accordance with a formal investment policy that is approved by the board.

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

Credit Risk – The hospital's investment policy restricts investments in corporate bonds and municipal bonds to those with a credit rating of at least BBB and AA, respectively. Mutual fund's underlying investments must meet the same credit ratings as other investments. The credit rating of the Hospital's corporate and municipal bonds is as follows at June 30, 2017:

| Rating | Carrying Amount      |
|--------|----------------------|
| AAA    | \$ 250,900           |
| AA     | 5,033,330            |
| A      | 3,432,050            |
| BBB    | 2,898,206            |
| Total  | <u>\$ 11,614,486</u> |

Concentration of Credit Risk – The hospital’s investment policy limits investments in corporate bonds to 60 percent of total investments with no security issuer exceeding five percent of total investments and municipal bonds to 25 percent of total investments with no security issuer exceeding five percent of total investments. There is no limit on investments in U.S. treasury securities, government agency bonds, or notes. Mutual funds containing corporate bonds should not exceed 50 percent of total investments, and a single mutual fund should not exceed 25 percent of total investments. Equity investments cannot exceed 40 percent of total investments. An investment in the equity of a single corporation and a single equity mutual fund should not exceed five percent and 15 percent, respectively, of total investments.

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

**E. Property, Plant, and Equipment**

A summary of changes in property, plant, and equipment and related accumulated depreciation for the year ended June 30, 2017, is as follows:

|  | Balance<br>7-1-16 | Additions/<br>Transfers | Retirements    | Balance<br>6-30-17 |
|--|-------------------|-------------------------|----------------|--------------------|
| Capital Assets Depreciated:              |                   |                         |                |                    |
| Land Improvements                        | \$ 5,856,766      | \$ 188,895              | \$ 0           | \$ 6,045,661       |
| Buildings                                | 188,901,780       | 12,276,824              | 0              | 201,178,604        |
| Equipment                                | 179,993,200       | 18,540,758              | (1,555,673)    | 196,978,285        |
| Total Capital Assets Depreciated         | \$ 374,751,746    | \$ 31,006,477           | \$ (1,555,673) | \$ 404,202,550     |
| Less Accumulated Depreciation For:       |                   |                         |                |                    |
| Land Improvements                        | \$ 4,523,886      | \$ 204,641              | \$ 0           | \$ 4,728,527       |
| Buildings                                | 124,128,934       | 7,305,753               | (8,630)        | 131,426,057        |
| Equipment                                | 147,081,465       | 9,291,346               | (1,107,881)    | 155,264,930        |
| Total Accumulated Depreciation           | \$ 275,734,285    | \$ 16,801,740           | \$ (1,116,511) | \$ 291,419,514     |
| Total Capital Assets<br>Depreciated, Net | \$ 99,017,461     | \$ 14,204,737           | \$ (439,162)   | \$ 112,783,036     |
| Capital Assets Not Depreciated:          |                   |                         |                |                    |
| Land                                     | \$ 7,656,672      | \$ 0                    | \$ 0           | \$ 7,656,672       |
| Construction in Progress                 | 8,966,783         | 6,507,780               | (107,923)      | 15,366,640         |
| Total Capital Assets Not<br>Depreciated  | \$ 16,623,455     | \$ 6,507,780            | \$ (107,923)   | \$ 23,023,312      |
| Total Capital Assets, Net                | \$ 115,640,916    | \$ 20,712,517           | \$ (547,085)   | \$ 135,806,348     |

During 2017, the hospital capitalized interest expense on construction projects totaling approximately \$297,000. Construction in progress at June 30, 2017, consisted primarily of facility renovations, and the total estimated costs required to complete construction in progress is approximately \$24,600,000.

#### **F. Long-term Debt**

Long-term debt consists of the following as of June 30, 2017:



Bonds Payable

|  |               |
|--|---------------|
| Series 2015, Maury County General Obligation Refunding and Public Improvement Bonds issued on behalf of the hospital, with interest rates ranging from 2% to 5%, maturing over a 12 year period, with the final payment due April 1, 2027. | \$ 25,745,000 |
|--|---------------|

|  |                      |
|--|----------------------|
| Series 2012B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates at 2%, with the final payment due April 1, 2020. | 1,005,000            |
| Total Bonds Payable  | <u>\$ 26,750,000</u> |

|  |                      |
|--|----------------------|
| Plus unamortized premiums                        | \$ 3,225,828         |
| Total Bonds Payable, Net of Unamortized Premiums | <u>\$ 29,975,828</u> |

Other Long-term Debt

|  |                   |
|--|-------------------|
| Capital lease obligations - see Note VI.I. | \$ 708,179        |
| Total Other Long-term Debt                 | <u>\$ 708,179</u> |

|                       |                  |
|-----------------------|------------------|
| Total debt            | \$ 30,684,007    |
| Less: current portion | <u>3,876,917</u> |

|                      |                      |
|----------------------|----------------------|
| Total long-term debt | <u>\$ 26,807,090</u> |
|----------------------|----------------------|

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

The Series 2015 Bonds were issued to finance the constructing, repairing, renovating, and equipping of the hospital in addition to prepaying the hospital's outstanding notes payable and the remaining portion of the Series 2006 Bonds.

The Series 2015 Bonds maturing on or after April 1, 2026, are subject to redemption prior to maturity at the option of the county on April 1, 2025, or thereafter, at a redemption price of par plus accrued interest.

The hospital's scheduled principal maturities on all long-term debt as of June 30, 2017, (including the capital lease obligations and excluding unamortized premiums) follows:

| Year Ending<br>June 30 | Principal            | Interest            |
|------------------------|----------------------|---------------------|
| 2018                   | \$ 3,876,917         | \$ 1,240,898        |
| 2019                   | 3,603,873            | 1,077,445           |
| 2020                   | 3,742,389            | 907,966             |
| 2021                   | 3,545,000            | 732,250             |
| 2022                   | 2,105,000            | 555,000             |
| 2023-2027              | 10,585,000           | 1,196,600           |
| Total                  | <u>\$ 27,458,179</u> | <u>\$ 5,710,159</u> |

A schedule of changes in long-term debt for the year ended June 30, 2017, is as follows:

|                      | Balance<br>7-1-16    | Additions/<br>Amortization | Payments/<br>Maturities | Balance<br>6-30-17   | Amounts Due<br>Within<br>One Year |
|----------------------|----------------------|----------------------------|-------------------------|----------------------|-----------------------------------|
| Bonds payable        | \$ 30,035,000        | \$ 0                       | \$ (3,285,000)          | \$ 26,750,000        | \$ 3,280,000                      |
| Unamortized premiums | 3,568,761            | (342,933)                  | 0                       | 3,225,828            | 0                                 |
| Other long-term debt | 1,233,734            | 277,700                    | (803,255)               | 708,179              | 596,917                           |
| Total                | <u>\$ 34,837,495</u> | <u>\$ (65,233)</u>         | <u>\$ (4,088,255)</u>   | <u>\$ 30,684,007</u> | <u>\$ 3,876,917</u>               |

#### **G. Pension Plan**

*Plan Description.* The hospital sponsors and is the plan administrator of the Maury Regional Hospital Retirement Plan (the Plan), a single-employer public retirement system (PERS), accounted for as a separate entity from the hospital. The purpose of the plan is to provide retirement, death, and certain other benefits to employees as specified in the plan. Although it has not expressed any intention to do so, the hospital has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions set forth in ERISA. The plan's financial report may be obtained by contacting Human Resources at (931) 381-1111, extension 1089.

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

*Benefits Provided.* In addition to normal retirement benefits, the plan also provides for early retirement and death benefits. Retirement benefits are calculated as a percent of the employee's highest average compensation during

60 consecutive months of the last 120 months of employment. Employees earn full retirement benefits once an employee has reached the age of 65. Early retirement benefits are available once an employee has reached age 55 and five years of service at a reduced rate based on age. Death benefits equal the actuarial equivalent value of the employee's vested accrued benefit as of the date of death. An employee who terminates service for other reasons after five years of credited service will receive retirement benefits at the normal retirement date.

*Employees Covered by Benefit Terms.* At April 30, the following employees were included in the plan:

|   |                     |
|---|---------------------|
| Active Employees - Accruing Benefits            | 51                  |
| Active Employees - Frozen Benefits              | 281                 |
| Inactive Employees with Deferred Benefits       | 250                 |
| Disabled  | 6                   |
| Inactive Employees Currently Receiving Benefits | <u>557</u>          |
| Total   | <u><u>1,145</u></u> |

*Contributions.* The hospital funds the plan as contributions are approved by the Board of Trustees based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned during the year with an additional amount to finance any unfunded accrued liability.

*Net Pension Liability.* The hospital's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of April 30, 2017. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as of April 30:

|                           |            |
|---------------------------|------------|
| Inflation                 | 2.5%       |
| Salary Increases          | 4% to 7.5% |
| Investment Rate of Return | 8.0%       |
| Discount Rate             | 8.0%       |

Mortality rates were based on the IRS 2017 Static Mortality Table with mortality projected after year 2000 under Projection Scale AA to 15 years beyond the valuation date of non-annuitants and seven years beyond the valuation date for annuitants. The actuarial valuation method used was entry age normal method.

The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense

and inflation) are developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows as of April 30:

| Asset Class              | Target Allocations | Long-term Expected Real Rate of Return |
|--------------------------|--------------------|--|
| Large Cap Equities       | 45.00%             | 9.25 %                                 |
| Small Cap Equities       | 6.00%              | 11.00                                  |
| International Equities   | 10.00%             | 9.75                                   |
| Emerging Market Equities | 4.00%              | 12.50                                  |
| Real Estate              | 5.00%              | 8.75                                   |
| Fixed Income             | 30.00%             | 4.25                                   |

The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees assuming the actuarially determined contributions are made each year, although not required by the funding policy. Therefore, the discount rate for determining the total pension liability is equal to the long-term expected rate of return on pension plan investments.

*Changes in the Net Pension Liability.* Changes in the hospital's net pension liability are as follows for the year ended June 30, 2017:

|                           | Increase (Decrease)            |                                    |                                  |
|---------------------------|--------------------------------|------------------------------------|----------------------------------|
|                           | Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a)-(b) |
| Balance, June 30, 2016    | \$ 49,194,608                  | \$ 39,980,677                      | \$ 9,213,931                     |
| Changes for the year:     |                                |                                    |                                  |
| Service Cost              | \$ 293,742                     | \$ 0                               | \$ 293,742                       |
| Interest                  | 3,821,842                      | 0                                  | 3,821,842                        |
| Liability Gains or Losses | (492,525)                      | 0                                  | (492,525)                        |
| Assumption Changes        | (377,337)                      | 0                                  | (377,337)                        |
| Benefit Payments          | (3,430,639)                    | (3,430,639)                        | 0                                |
| Administrative Expenses   | 0                              | (179,476)                          | 179,476                          |
| Investment Income (Loss)  | 0                              | 5,386,918                          | (5,386,918)                      |
| Employer Contributions    | 0                              | 980,000                            | (980,000)                        |
| Balance, June 30, 2017    | \$ 49,009,691                  | \$ 42,737,480                      | \$ 6,272,211                     |

The plan's fiduciary net position as a percentage of the total pension liability was approximately 87% as of June 30, 2017.

The following presents the net pension liability (asset) of the hospital calculated using a discount rate of 8.0 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

|                       | 1%<br>Decrease<br>7.0% | Current<br>Discount<br>Rate<br>8.0% | 1%<br>Increase<br>9.0% |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 10,822,199          | \$ 6,272,211                        | \$ 2,319,511           |

*Pension Expense and Deferred Outflows and Deferred Inflows of Resources:* For the year ended June 30, 2017, the hospital recognized pension expense of \$1,495,314. At June 30, 2017, the hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Differences Between Expected and Actual Experience     | \$ 0                                    | \$ 260,019                             |
| Changes in Proportion of Net Pension Liability (Asset) | 0                                       | 188,668                                |
| Differences Between Projected and Actual Earnings      | 1,166,532                               | 0                                      |
| Total  | \$ 1,166,532                            | \$ 448,687                             |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount      |
|------------------------|-------------|
| 2018                   | \$ (79,922) |
| 2019                   | 638,834     |
| 2020                   | 622,793     |
| 2021                   | (463,860)   |

## H. Other Retirement Plans

The hospital sponsors and administers a defined contribution plan, which includes a 403(b) feature and an employer matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed Internal Revenue Service limits. The hospital's contribution in 2017 consisted of a matching contribution equal to 100 percent of the first three percent of annual compensation and an additional matching contribution of 125 percent of the employees' contribution from four to five percent of annual compensation if the employee had five or more years of service. The hospital's total contribution for the year ended June 30, 2017, was approximately \$4,280,000. Hospital employees' total contributions for the year ended June 30, 2017, were approximately \$6,560,000.

## I. Leases

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 2.4 percent to 4.5 percent. A summary of the leased equipment, which is included in property, plant, and equipment, at June 30, 2017, is as follows:

|   |                          |
|---|--------------------------|
| Equipment Acquired Under Capital Leases | \$ 3,785,577             |
| Less: Accumulated Depreciation          | <u>(3,062,723)</u>       |
| Total                                   | <u><u>\$ 722,854</u></u> |

The following is a schedule of the future minimum lease payments required under capital leases as of June 30, 2017:

| Year Ending<br>June 30                  | Amount                   |
|---|--------------------------|
| 2018                                    | \$ 542,640               |
| 2019                                    | 154,893                  |
| 2020                                    | <u>27,556</u>            |
| Total Minimum Lease Payments            | \$ 725,089               |
| Less: Amount Representing Interest      | <u>(16,910)</u>          |
| Present Value of Minimum Lease Payments | <u><u>\$ 708,179</u></u> |

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$4,360,000 for the year ended June 30, 2017.

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

| Year<br>Ending<br>June 30 | Amount                      |
|---------------------------|-----------------------------|
| 2018                      | \$ 2,440,442                |
| 2019                      | 2,258,849                   |
| 2020                      | 2,273,821                   |
| 2021                      | 1,774,976                   |
| 2022                      | 1,653,286                   |
| 2023-2027                 | 7,207,894                   |
| 2028-2032                 | 2,991,889                   |
| 2033-2037                 | <u>174,393</u>              |
| Total                     | <u><u>\$ 20,775,550</u></u> |

Leases with Physicians – The hospital leases office space in its medical office buildings to physicians under non-cancelable operating leases with varying terms. Rental income under these lease agreements totaled approximately \$1,560,000 for the year ended June 30, 2017. Future minimum lease commitments to the hospital for all significant non-cancelable operating leases to physicians are as follows:

| Year<br>Ending<br>June 30 | Amount                     |
|---------------------------|----------------------------|
| 2018                      | \$ 869,956                 |
| 2019                      | 709,220                    |
| 2020                      | 523,047                    |
| 2021                      | 499,045                    |
| 2022                      | <u>502,977</u>             |
| Total                     | <u><u>\$ 3,104,245</u></u> |

**J. Leased Healthcare Facilities**

Effective July 1, 2014, the hospital entered into a five-year lease under a lease arrangement with Wayne County for the operation of several Wayne County healthcare facilities, including the county hospital, ambulance service, and medical office buildings. The lease also extends to all equipment, improvements, fixtures, and related personal property. The annual lease expense is \$50,000 each year and an annual capital improvement commitment of \$150,000. The lease provides for two five-year renewal options, which occur

automatically unless the hospital provides notice of its intent to terminate the lease at least 180 days in advance.

**K. Commitments and Contingencies**

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

Malpractice Liability Claims – The hospital is subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the hospital are limited by the Tennessee Governmental Tort Liability Act to \$300,000 for injury or death per person and \$700,000 per occurrence. However, claims against healthcare practitioners are not subject to these limits. The hospital maintains professional liability insurance on a claims made basis with limits of \$1,000,000 per occurrence with a retention of \$250,000 per claim and a \$3,000,000 annual aggregate with a \$750,000 annual aggregate retention. The hospital has estimated and recorded a liability for reported claims totaling approximately \$1,170,000 at June 30, 2017. In management's opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse effect on the hospital's results of operations or financial condition. The hospital has not estimated any liability for incurred but not reported claims.

Workers' Compensation Claims – The hospital is covered for workers' compensation claims through an insurance policy with a per claim and policy limit of \$500,000. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2017. The hospital has not estimated any liability for incurred but not reported claims.

Healthcare Benefits – The hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependents. Stop-loss insurance is purchased for annual claims per individual exceeding \$300,000 with an additional aggregating specific amount of \$100,000. The hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling approximately \$3,070,000 at June 30, 2017. Prior to July 1, 2015, employees that retired after attaining age 60 and completing 20 years of service received continued coverage under the hospital's health benefit program until they attain age 65 or become eligible for Medicare benefits. The hospital's policy for healthcare benefits for retired employees was amended effective July 1, 2015, to eliminate future accruals and payments of healthcare benefits for employees not yet retired as of June 30, 2015. The estimated amount of retirement health benefits payable totaled approximately \$435,000 at June 30, 2017, and is reported as a noncurrent liability in the combined



financial statements. Due to uncertainties in the estimate, it is at least reasonably possible that management's estimate could change in 2018.

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

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

#### **L. Fair Value of Financial Instruments**

Management estimates that the carrying value of its financial instruments, including cash and cash equivalents, investments, patient accounts and other receivables, accounts payable and accrued expenses, and estimated liability for refunds are at fair value or approximate fair value due to the nature and short-term maturities of these instruments. Management estimates that the fair value of its capital lease obligations and long-term debt was approximately \$29,600,000 as of June 30, 2017.

**M. Fair Value Measurement**

The hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the value inputs used to measure the fair value of the asset. *Level 1* inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets; *Level 2* inputs are other observable inputs; and *Level 3* inputs are unobservable.

Assets Measured at Fair Value on a Recurring Basis as of June 30, 2017

|   | Carrying<br>Value | Quoted Prices<br>in<br>Active Markets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|---|-------------------|--|---|--|
| Investments in Mutual Funds -<br>Fixed Income   | \$ 19,097,579     | \$ 19,097,579                                      | \$ 0  | \$ 0   |
| Investments in Mutual Funds -<br>Equity         | 23,423,845        | 23,423,845   | 0   | 0  |
| Investments in Governmental<br>Agency Bonds     | 3,544,190         | 0  | 3,544,190   | 0  |
| Investments in Corporate and<br>Municipal Bonds | 8,070,296         | 0  | 8,070,296   | 0  |

The fair value of investments in U.S. government agency bonds, municipal bonds and corporate bonds is estimated based on matrix pricing of similar assets or market corroborated pricing.

**N. Blended Component Unit Information**

Condensed financial information of the hospital's blended component units is as follows:

Statement of Net Position  
For the Year Ended June 30, 2017

|   | Hospital              | MRMG                | Surgery<br>Center   | Foundation          |
|---|-----------------------|---------------------|---------------------|---------------------|
| Assets  |                       |                     |                     |                     |
| Current Assets  | \$ 99,925,433         | \$ 3,551,390        | \$ 295,545          | \$ 2,153,544        |
| Due (to)<br>from Affiliates                               | 2,723,093             | 125,581             | (2,371,124)         | 0                   |
| Property, Plant,<br>and Equipment                         | 130,712,235           | 1,406,799           | 3,687,314           | 0                   |
| Other Assets  | 67,020,261            | 530,902             | 338,753             | 0                   |
| Total Assets  | <u>\$ 300,381,022</u> | <u>\$ 5,614,672</u> | <u>\$ 1,950,488</u> | <u>\$ 2,153,544</u> |
| Deferred Outflows of Resources                            |                       |                     |                     |                     |
| Deferred Pension<br>Adjustments                           | \$ 1,166,532          | \$ 0                | \$ 0                | \$ 0                |
| Deferred Amounts from<br>Debt Refunding                   | 162,765               | 0                   | 0                   | 0                   |
| Combined Assets and Deferred<br>Outflows of Resources     | <u>\$ 301,710,319</u> | <u>\$ 5,614,672</u> | <u>\$ 1,950,488</u> | <u>\$ 2,153,544</u> |
| Liabilities   |                       |                     |                     |                     |
| Current liabilities                                       | \$ 32,018,853         | \$ 5,996,115        | \$ 1,915,620        | \$ 0                |
| Long-term debt  | 26,807,090            | 0                   | 0                   | 0                   |
| Other liabilities   | 12,895,307            | 0                   | 0                   | 0                   |
| Total Liabilities   | <u>\$ 71,721,250</u>  | <u>\$ 5,996,115</u> | <u>\$ 1,915,620</u> | <u>\$ 0</u>         |
| Deferred Inflows of Resources                             |                       |                     |                     |                     |
| Deferred Pension<br>Adjustments                           | \$ 448,687            | \$ 0                | \$ 0                | \$ 0                |
| Combined Liabilities and Deferred<br>Inflows of Resources | <u>\$ 72,169,937</u>  | <u>\$ 5,996,115</u> | <u>\$ 1,915,620</u> | <u>\$ 0</u>         |
| Net Position  |                       |                     |                     |                     |
| Net investment<br>in capital assets                       | \$ 100,028,228        | \$ 1,406,799        | \$ 3,687,314        | \$ -                |
| Unrestricted  | 129,512,154           | (1,788,242)         | (3,652,446)         | 2,153,544           |
|   | <u>\$ 229,540,382</u> | <u>\$ (381,443)</u> | <u>\$ 34,868</u>    | <u>\$ 2,153,544</u> |
| Total Net Position  | <u>\$ 301,710,319</u> | <u>\$ 5,614,672</u> | <u>\$ 1,950,488</u> | <u>\$ 2,153,544</u> |

Statements of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2017

|                            | Hospital       | MRMG           | Surgery<br>Center | Foundation   |
|----------------------------|----------------|----------------|-------------------|--------------|
| Operating Revenue          |                |                |                   |              |
| Net Patient Service        |                |                |                   |              |
| Revenue                    | \$ 295,082,927 | \$ 30,224,938  | \$ 627,096        | \$ 0         |
| Other Operating            |                |                |                   |              |
| Revenue                    | 14,880,940     | 6,792,316      | 0                 | 0            |
| Total Operating            |                |                |                   |              |
| Revenue                    | \$ 309,963,867 | \$ 37,017,254  | \$ 627,096        | \$ 0         |
| Operating Expenses         | (275,013,487)  | (44,122,415)   | (1,672,707)       | (655,065)    |
| Depreciation and           |                |                |                   |              |
| Amortization               | (15,838,322)   | (1,031,427)    | (537,113)         | 0            |
| Income (Loss)              | \$ 19,112,058  | \$ (8,136,588) | \$ (1,582,724)    | \$ (655,065) |
| Nonoperating Revenue       |                |                |                   |              |
| (Expenses)                 | 6,788,365      | (1,530)        | 0                 | 1,087,507    |
| Equity in Affiliate Losses | (10,196,017)   | 0              | 0                 | 0            |
| Interest Expense           | (626,406)      | (2,162)        | (85,704)          | 0            |
| Excess of Revenue          |                |                |                   |              |
| Over Expenses              | \$ 15,078,000  | \$ (8,140,280) | \$ (1,668,428)    | \$ 432,442   |
| Capital Contributions      |                |                |                   |              |
| and Transfers              | 0              | 5,994,544      | 0                 | 0            |
| Change in Net              |                |                |                   |              |
| Position                   | \$ 15,078,000  | \$ (2,145,736) | \$ (1,668,428)    | \$ 432,442   |
| Net Position, 7-1-16       | 214,462,382    | 1,764,293      | 1,703,296         | 1,721,102    |
| Net Position, 6-30-17      | \$ 229,540,382 | \$ (381,443)   | \$ 34,868         | \$ 2,153,544 |

Statements of Cash Flows  
For the Year Ended June 30, 2017

|                         | Hospital      | MRMG        | Surgery<br>Center | Foundation  |
|-------------------------|---------------|-------------|-------------------|-------------|
| Cash Flows from         |               |             |                   |             |
| Operating Activities \$ | 34,813,105 \$ | (66,982) \$ | (133,495) \$      | (1,044,931) |
| Cash Flows from         |               |             |                   |             |
| Noncapital Financing    |               |             |                   |             |
| Activities              | 1,368,267     | 0           | 0                 | 895,954     |
| Cash Flows from         |               |             |                   |             |
| Capital and Related     |               |             |                   |             |
| Financing Activities    | (42,280,338)  | 381,167     | 123,284           | 0           |
| Cash Flows from         |               |             |                   |             |
| Investing Activities    | 10,945,289    | 0           | 0                 | 191,553     |
| Increase in Cash and    |               |             |                   |             |
| Cash Equivalents \$     | 4,846,323 \$  | 314,185 \$  | (10,211) \$       | 42,576      |
| Cash and Cash           |               |             |                   |             |
| Equivalents, 7-1-16     | 49,045,280    | (263,831)   | 161,679           | 15,608      |
| Cash and Cash           |               |             |                   |             |
| Equivalents, 6-30-17 \$ | 53,891,603 \$ | 50,354 \$   | 151,468 \$        | 58,184      |

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

**A. Summary of Significant Accounting Policies**

**1. Organization**

The Maury County Board of Public Utilities Water System is a discrete component unit of Maury County, Tennessee. The system is governed by a board of directors appointed by the county mayor and ratified by commissioners of Maury County. In addition, the Maury County Commissioners approve the annual budget of the system. The system is operated as an enterprise fund with self-balancing accounting records. The system does not receive any operating revenues from Maury County.

**2. Basis of Accounting**

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

3. **Change in Percentage used for Pension Accounting (Change in Estimate)**

The system is included in the Tennessee Consolidated Retirement System as part of the Maury County plan. The system is calculated as a percentage of the total Maury County plan. The percentage is provided by the auditors of the state of Tennessee. The percentage was 2.18 percent for the year ended June 30, 2017, which was a change in estimate from .5767 percent for the year ended June 30, 2016. The change in accounting estimate is reported as an expense in the current year financial statements.

4. **Pension**

**Plan Description:**

Employees of the system are provided a defined benefit pension plan through the Public Employee Retirement Plan, a multiple-employer pension plan administered by the TCRS.

**Benefits Provided:**

Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit.

5. **Net Pension Liability (Asset)**

The system's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3%  |
| Salary Increases          | Graded Salary Ranges from 8.97%<br>to 3.71% Based on Age, Including<br>Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan<br>Investment Expenses, Including<br>Inflation                          |
| Cost of Living Adjustment | 2.5%  |

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class   | Percentage<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 6.46 %  | 33 %                                |
| International Equity<br>Emerging Market                         | 6.26  | 17                                  |
| International Equity<br>Private Equity and<br>Strategic Lending | 6.40  | 5                                   |
| U.S. Fixed Income   | 4.61  | 8                                   |
| Real Estate   | 0.98  | 29                                  |
| Short-term Securities   | 4.73  | 7                                   |
|   | 0.00  | 1                                   |
| Total   |   | 100 %                               |

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the system will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

## 6. **Utility Plant, Property and Equipment**

The utility plant, property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Items costing over \$500 are depreciated. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Depreciation expense for the year ended June 30, 2017, was \$747,460.



**7. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2017. Restricted assets are not treated as part of the system's cash and cash equivalents.

**8. Classification of Revenue**

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

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

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

**9. Use of Estimates**

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

**10. Inventory**

The system's inventory of supplies is stated at cost using the first-in, first-out method. The costs of inventory items are recognized as expenses in the enterprise fund when used.

**11. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, it is the system's policy to first apply restricted resources.

**B. Accounts Receivable**

Customer receivables are composed of the following aged categories:

|                  | <u>Amount</u>     |
|------------------|-------------------|
| Current Billings | \$ 247,889        |
| 30 Days Past Due | 257               |
| 60 Days Past Due | 639               |
| 90 Days Past Due | <u>5,692</u>      |
| Total            | <u>\$ 254,477</u> |

Bad debts are determined and written-off only by direct action of the system's board. For the year ended June 30, 2017, \$3,714 was written-off.

**C. Deposits and Investments**

Deposits

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

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2017, all deposits were insured or collateralized.

State statutes authorize the system to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool. Investments consist of certificates of deposit with financial institutions with original maturities of over three months and not over one year. The system's policy is to hold these investments to maturity; therefore, there is no interest rate risk that will adversely affect the fair value of the investments.

**D. Restricted Assets**

The restricted assets represent investment of customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2017, included \$31,530 for meter deposits of current customers.

**E. Utility Plant, Property, and Equipment**

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

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

**F. Capital Assets**

Capital assets activity for the year ended June 30, 2017, was as follows:

|   | Balance<br>7-1-16    | Additions           | Retirements        | Balance<br>6-30-17   |
|---|----------------------|---------------------|--------------------|----------------------|
| Capital Assets Not<br>Depreciated:              |                      |                     |                    |                      |
| Land  | \$ 437,552           | \$ 151,653          | \$ 0               | \$ 589,205           |
| Construction in Progress                        | 39,433               | 194,753             | (39,433)           | 194,753              |
| Total Capital Assets<br>Not Depreciated         | <u>\$ 476,985</u>    | <u>\$ 346,406</u>   | <u>\$ (39,433)</u> | <u>\$ 783,958</u>    |
| Capital Assets<br>Depreciated:                  |                      |                     |                    |                      |
| Building  | \$ 1,988,736         | \$ 0                | \$ 0               | \$ 1,988,736         |
| Water Grid and Improvements                     | 30,177,779           | 1,160,898           | 0                  | 31,338,677           |
| Equipment and Fixtures                          | 1,168,544            | 87,555              | (41,780)           | 1,214,319            |
| Total Capital Assets<br>Depreciated             | <u>\$ 33,335,059</u> | <u>\$ 1,248,453</u> | <u>\$ (41,780)</u> | <u>\$ 34,541,732</u> |
| Less Accumulated<br>Depreciation For:           |                      |                     |                    |                      |
| Building  | \$ 195,882           | \$ 50,681           | \$ 0               | \$ 246,563           |
| Water Grid and Improvements                     | 8,295,160            | 601,117             | 0                  | 8,896,277            |
| Equipment and Fixtures                          | 832,729              | 95,662              | 0                  | 928,391              |
| Total Accumulated<br>Depreciation               | <u>\$ 9,323,771</u>  | <u>\$ 747,460</u>   | <u>\$ 0</u>        | <u>\$ 10,071,231</u> |
| Total Capital Assets<br>Depreciated, Net        | <u>\$ 24,011,288</u> | <u>\$ 500,993</u>   | <u>\$ (41,780)</u> | <u>\$ 24,470,501</u> |
| Business-type Activities<br>Capital Assets, Net | <u>\$ 24,488,273</u> | <u>\$ 847,399</u>   | <u>\$ (81,213)</u> | <u>\$ 25,254,459</u> |

**G. Accrued Leave**

Accumulated annual leave at June 30, 2017, totaled \$18,137. It is the system's policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks annual leave for personnel with one to five years continuous service, three weeks for six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

**H. Risk Management**

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

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

**I. Long-term Debt**

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

Bonds payable consist of the following at June 30, 2017:

**Bonds Payable**

|  |                            |
|--|----------------------------|
| Series 2006, State Revolving Loan Fund: DWSRF 2005-065: The principal will be amortized over 20 years with monthly payments of \$21,623 and an interest rate of 2.42%. | \$ 2,353,249               |
| Series 2008, State Revolving Loan Fund: DWSRF 2007-072: The principal will be amortized over 20 years with monthly payments of \$8,679 and an interest rate of 2.42%.  | 1,018,248                  |
| Series 2006, USDA Rural Development Loan: The principal will be amortized over 38 years with monthly payments of \$12,615 and an interest rate of 4.125%.              | 2,558,712                  |
| Total Bonds Payable  | <u>\$ 5,930,209</u>        |
| Less current portion   | (331,977)                  |
| Total Long-term Bonds Payable  | <u><u>\$ 5,598,232</u></u> |

### Business-type Activities - Bonds Payable

| Balance<br>7-1-16 | Reductions   | Balance<br>6-30-17 | Due Within<br>One Year |
|-------------------|--------------|--------------------|------------------------|
| \$ 6,253,406      | \$ (323,197) | \$ 5,930,209       | \$ 331,977             |

The principal and interest requirements for outstanding bonds as of June 30, 2017, are as follows:

| Year Ending<br>June 30 | Principal    | Interest     | Total        |
|------------------------|--------------|--------------|--------------|
| 2018                   | \$ 332,017   | \$ 183,067   | \$ 515,084   |
| 2019                   | 340,875      | 174,130      | 515,005      |
| 2020                   | 350,062      | 164,942      | 515,004      |
| 2021                   | 359,528      | 155,476      | 515,004      |
| 2022                   | 369,251      | 145,753      | 515,004      |
| 2023-2027              | 2,002,150    | 572,872      | 2,575,022    |
| 2028-2032              | 567,978      | 375,325      | 943,303      |
| 2033-2037              | 471,442      | 285,458      | 756,900      |
| 2038-2042              | 579,206      | 177,694      | 756,900      |
| 2043-2046              | 557,700      | 48,190       | 605,890      |
| Total                  | \$ 5,930,209 | \$ 2,282,907 | \$ 8,213,116 |

#### **J. Pension**

The system participates in the Tennessee Consolidated Retirement System, under the Maury County, Tennessee plan. 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.

Employees contribute five percent of earnable compensation to the plan. The system is required to contribute at an actuarially determined rate; the rate of the fiscal year ended June 30, 2017, was 4.62 percent of annual covered payroll.

#### **K. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2017, the system reported a pension asset of \$31,147 for its proportionate share of the net pension asset. The net pension asset was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. The system's proportion of the net pension asset was based on the system's share

of contributions to the pension plan relative to the contributions of all participants. At the measurement date of June 30, 2017, the system's proportion was 2.18 percent. The proportion measured as of June 30, 2016 was .5767 percent.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the system reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Differences Between Expected and Actual Experience                               | \$ 5,933                                | \$ 26,081                              |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 46,665                                  | 0                                      |
| Contributions subsequent to the measurement date of June 30, 2016                | 30,060                                  | 0                                      |
| Total  | <u>\$ 82,658</u>                        | <u>\$ 26,081</u>                       |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2018                   | \$ (1,016) |
| 2019                   | (1,016)    |
| 2020                   | 19,093     |
| 2021                   | 9,455      |
| 2022                   | 0          |
| Thereafter             | 0          |

## Changes in the Net Pension Liability (Asset)

|   | Increase (Decrease)                  |  |  |
|---|--------------------------------------|--|--|
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(a)-(b) |
| Balance, July 1, 2015   | \$ 1,286,714                         | \$ 1,348,995                             | \$ (62,281)                            |
| Changes for the year:   |                                      |  |  |
| Service Cost  | \$ 48,050                            | \$ 0                                     | \$ 48,050                              |
| Interest  | 98,135                               | 0  | 98,135                                 |
| Differences Between Expected<br>and Actual Experience               | (25,555)                             | 0  | (25,555)                               |
| Contributions-Employer  | 0                                    | 26,482                                   | (26,482)                               |
| Contributions-Employees   | 0                                    | 28,661                                   | (28,661)                               |
| Net Investment Income   | 0                                    | 35,801                                   | (35,801)                               |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (52,595)                             | (52,595)                                 | 0                                      |
| Administrative Expense  | 0                                    | (1,448)                                  | 1,448                                  |
| Net Changes   | \$ 68,035                            | \$ 36,901                                | \$ 31,134                              |
| Balance, June 30, 2016  | \$ 1,354,749                         | \$ 1,385,896                             | \$ (31,147)                            |

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.*  
The following presents the net pension liability (asset) of the system calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

|                       | 1%<br>Decrease<br>6.5% | Current<br>Discount<br>Rate<br>7.5% | 1%<br>Increase<br>8.5% |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ (150,541)           | \$ (31,147)                         | \$ 181,810             |

### L. Subsequent Events

Subsequent events have been evaluated through the date the financial statements were available to be issued.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

Maurv County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

|  | 2014           | 2015           | 2016           |
|--|----------------|----------------|----------------|
| <b>Total Pension Liability</b>   |                |                |                |
| Service Cost   | \$ 2,144,201   | \$ 2,089,934   | \$ 2,204,144   |
| Interest   | 3,882,590      | 4,154,887      | 4,501,605      |
| Changes in Benefit Terms   | 0              | 0              | 0              |
| Differences Between Actual and Expected Experience                     | (517,136)      | 408,227        | (1,172,245)    |
| Changes in Assumptions   | 0              | 0              | 0              |
| Benefit Payments, Including Refunds of Employee Contributions          | (1,773,430)    | (1,876,071)    | (2,412,635)    |
| Net Change in Total Pension Liability                                  | \$ 3,736,225   | \$ 4,776,977   | \$ 3,120,869   |
| Total Pension Liability, Beginning                                     | 50,510,376     | 54,246,601     | 59,023,578     |
| Total Pension Liability, Ending (a)                                    | \$ 54,246,601  | \$ 59,023,578  | \$ 62,144,447  |
| <b>Plan Fiduciary Net Position</b>                                     |                |                |                |
| Contributions - Employer   | \$ 1,619,633   | \$ 1,188,886   | \$ 1,214,772   |
| Contributions - Employee   | 1,251,509      | 1,288,204      | 1,314,713      |
| Net Investment Income  | 8,403,420      | 1,840,671      | 1,642,233      |
| Benefit Payments, Including Refunds of Employee Contributions          | (1,773,430)    | (1,876,071)    | (2,412,635)    |
| Administrative Expense   | (34,737)       | (46,288)       | (66,377)       |
| Net Change in Plan Fiduciary Net Position                              | \$ 9,466,395   | \$ 2,395,402   | \$ 1,692,706   |
| Plan Fiduciary Net Position, Beginning                                 | 50,018,686     | 59,485,081     | 61,880,483     |
| Plan Fiduciary Net Position, Ending (b)                                | \$ 59,485,081  | \$ 61,880,483  | \$ 63,573,189  |
| Net Pension Liability (Asset), Ending (a - b)                          | \$ (5,238,480) | \$ (2,856,905) | \$ (1,428,742) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 109.66%        | 104.84%        | 102.30%        |
| Covered Payroll  | \$ 25,033,043  | \$ 25,736,255  | \$ 26,294,779  |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll       | (20.93)%       | (11.1)%        | (5.43)%        |

Note: ten years of data will be presented when available.

Note: data presented is primary government, non-certified employees of the discretely presented School Department, and the discretely presented Maury County Water System.

Exhibit F-2

Maury County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

|  | 2014          | 2015          | 2016          | 2017          |
|--|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution  | \$ 1,619,633  | \$ 1,188,886  | \$ 1,214,772  | \$ 1,214,822  |
| Less Contributions in Relation to the<br>Actuarially Determined Contribution | (1,619,633)   | (1,188,886)   | (1,214,772)   | (1,214,822)   |
| Contribution Deficiency (Excess)   | \$ 0          | \$ 0          | \$ 0          | \$ 0          |
| Covered Payroll  | \$ 25,033,043 | \$ 25,736,255 | \$ 26,294,779 | \$ 26,294,848 |
| Contributions as a Percentage of Covered Payroll                             | 6.47%         | 4.62%         | 4.62%         | 4.62%         |

Note: ten years of data will be presented when available.

Note: data presented is primary government, non-certified employees of the discretely presented School Department, and the discretely presented Maury County Water System.

Exhibit F-3

Maury County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Retirement Plan of TCRS  
Discretely Presented Maury County School Department  
For the Fiscal Year Ended June 30

|  | 2015         | 2016         | 2017         |
|--|--------------|--------------|--------------|
| Contractually Required Contribution  | \$ 90,615    | \$ 175,025   | \$ 275,722   |
| Less Contributions in Relation to the<br>Contractually Required Contribution | (90,615)     | (175,025)    | (275,722)    |
| Contribution Deficiency (Excess)   | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  |
| Covered Payroll  | \$ 2,265,347 | \$ 4,375,630 | \$ 5,592,630 |
| Contributions as a Percentage of Covered Payroll                             | 4.00%        | 4.00%        | 4.00%        |

Note: ten years of data will be presented when available.

Exhibit F-4

Maury County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Legacy Pension Plan of TCRS  
Discretely Presented Maury County School Department  
For the Fiscal Year Ended June 30

|   | 2014          | 2015          | 2016          | 2017          |
|---|---------------|---------------|---------------|---------------|
| Contractually Required Contribution                                       | \$ 4,049,189  | \$ 3,965,792  | \$ 3,838,582  | \$ 3,584,491  |
| Less Contributions in Relation to the Contractually Required Contribution | (4,049,189)   | (3,965,792)   | (3,838,582)   | (3,584,491)   |
| Contribution Deficiency (Excess)  | \$ 0          | \$ 0          | \$ 0          | \$ 0          |
| Covered Payroll   | \$ 45,598,973 | \$ 43,870,096 | \$ 42,462,443 | \$ 42,056,975 |
| Contributions as a Percentage of Covered Payroll                          | 8.88%         | 9.04%         | 9.04%         | 9.04%         |

Note: ten years of data will be presented when available.

Exhibit F-5

Maury County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Retirement Pension Plan of TCRS  
Discretely Presented Maury County School Department  
For the Fiscal Year Ended June 30 \*

|   | 2016         | 2017         |
|---|--------------|--------------|
| School Department's Proportion of the Net Pension Liability/Asset   | 1.090316%    | 0.994448%    |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (43,863)  | \$ (103,525) |
| Covered Payroll   | \$ 2,265,347 | \$ 4,375,630 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94)%      | (2.37)%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 127.46%      | 121.88%      |

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Maury County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Maury County School Department  
For the Fiscal Year Ended June 30 \*

|   | 2015          | 2016          | 2017          |
|---|---------------|---------------|---------------|
| School Department's Proportion of the Net Pension Liability/Asset   | 1.161760%     | 1.171881%     | 1.176304%     |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (188,781)  | \$ 480,042    | \$ 7,351,246  |
| Covered Payroll   | \$ 45,598,978 | \$ 43,870,096 | \$ 42,462,443 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (.41)%        | 1.09%         | 17.31%        |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 100.08%       | 99.81%        | 97.14%        |

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-7

Maury County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Maury County School Department  
June 30, 2017

(Dollar amounts in thousands)

| Plan                  | Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Plan<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Projected<br>Unit<br>Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b)-(a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|-----------------------|--------------------------------|--|--|--------------------------------------|--------------------------|---------------------------|---|
| Local Education Group | 7-1-11                         | \$ 0   | \$ 26,079  | \$ 26,079                            | 0 %                      | \$ 53,884                 | 48 %  |
| "                     | 7-1-13                         | 0  | 25,085   | 25,085                               | 0                        | 55,903                    | 45  |
| "                     | 7-1-15                         | 0  | 28,831   | 28,831                               | 0                        | 56,459                    | 51  |

**MAURY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2017**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2017 were calculated based on the June 30, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Frozen Initial Liability   |
| Amortization Method           | Level Dollar, Closed (Not to Exceed 20 Years)  |
| Remaining Amortization Period | Varies by Year   |
| Asset Valuation               | 10-Year Smoothed Within a 20% Corridor to Market Value   |
| Inflation                     | 3%   |
| Salary Increases              | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation                           |
| Investment Rate of Return     | 7.5%, Net of Investment Expense, Including Inflation   |
| Retirement Age                | Pattern of Retirement Determined by Experience Study   |
| Mortality                     | Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement |
| Cost of Living Adjustment     | 2.5%   |



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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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

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

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

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

# Capital Projects Funds

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

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

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

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

Exhibit G-1

Maury County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

|  | Special Revenue Funds |                                      |                                   |                        |               | Capital Projects Funds   |
|--|-----------------------|--------------------------------------|-----------------------------------|------------------------|---------------|--------------------------|
|  | Drug Control          | Adequate Facilities/ Development Tax | Constitu - tional Officers - Fees | Highway / Public Works | Total         | General Capital Projects |
| <u>ASSETS</u>                              |                       |                                      |                                   |                        |               |                          |
| Cash                                       | \$ 0                  | \$ 0                                 | \$ 69,680                         | \$ 0                   | \$ 69,680     | \$ 0                     |
| Equity in Pooled Cash and Investments      | 1,453,618             | 3,149,241                            | 0                                 | 2,344,731              | 6,947,590     | 278,340                  |
| Accounts Receivable                        | 1,953                 | 0                                    | 137,695                           | 2,018                  | 141,666       | 0                        |
| Due from Other Governments                 | 0                     | 0                                    | 0                                 | 776,093                | 776,093       | 0                        |
| Property Taxes Receivable                  | 0                     | 0                                    | 0                                 | 2,906,612              | 2,906,612     | 0                        |
| Allowance for Uncollectible Property Taxes | 0                     | 0                                    | 0                                 | (56,358)               | (56,358)      | 0                        |
| Total Assets                               | \$ 1,455,571          | \$ 3,149,241                         | \$ 207,375                        | \$ 5,973,096           | \$ 10,785,283 | \$ 278,340               |
| <u>LIABILITIES</u>                         |                       |                                      |                                   |                        |               |                          |
| Accounts Payable                           | \$ 2,297              | \$ 0                                 | \$ 0                              | \$ 71,169              | \$ 73,466     | \$ 0                     |
| Payroll Deductions Payable                 | 0                     | 0                                    | 0                                 | 49,496                 | 49,496        | 0                        |
| Due to Litigants, Heirs, and Others        | 0                     | 0                                    | 586                               | 0                      | 586           | 0                        |
| Other Current Liabilities                  | 1,098,050             | 0                                    | 0                                 | 0                      | 1,098,050     | 0                        |
| Total Liabilities                          | \$ 1,100,347          | \$ 0                                 | \$ 586                            | \$ 120,665             | \$ 1,221,598  | \$ 0                     |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                       |                                      |                                   |                        |               |                          |
| Deferred Current Property Taxes            | \$ 0                  | \$ 0                                 | \$ 0                              | \$ 2,778,610           | \$ 2,778,610  | \$ 0                     |
| Deferred Delinquent Property Taxes         | 0                     | 0                                    | 0                                 | 62,247                 | 62,247        | 0                        |
| Other Deferred/Unavailable Revenue         | 0                     | 0                                    | 0                                 | 224,687                | 224,687       | 0                        |
| Total Deferred Inflows of Resources        | \$ 0                  | \$ 0                                 | \$ 0                              | \$ 3,065,544           | \$ 3,065,544  | \$ 0                     |

(Continued)

Exhibit G-1

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

|   | Special Revenue Funds |                                      |                                   |                        |               | Capital Projects Funds   |
|---|-----------------------|--------------------------------------|-----------------------------------|------------------------|---------------|--------------------------|
|   | Drug Control          | Adequate Facilities/ Development Tax | Constitu - tional Officers - Fees | Highway / Public Works | Total         | General Capital Projects |
| <u>FUND BALANCES</u>  |                       |                                      |                                   |                        |               |                          |
| Restricted:   |                       |                                      |                                   |                        |               |                          |
| Restricted for General Government                                   | \$ 0                  | \$ 2,979,890                         | \$ 0                              | \$ 0                   | \$ 2,979,890  | \$ 0                     |
| Restricted for Public Safety  | 355,224               | 0                                    | 0                                 | 0                      | 355,224       | 0                        |
| Restricted for Highways/Public Works                                | 0                     | 0                                    | 0                                 | 2,786,887              | 2,786,887     | 0                        |
| Restricted for Capital Outlay                                       | 0                     | 0                                    | 0                                 | 0                      | 0             | 278,340                  |
| Committed:  |                       |                                      |                                   |                        |               |                          |
| Committed for General Government                                    | 0                     | 5,917                                | 206,789                           | 0                      | 212,706       | 0                        |
| Committed for Public Safety   | 0                     | 38,785                               | 0                                 | 0                      | 38,785        | 0                        |
| Committed for Social, Cultural, and Recreational Services           | 0                     | 124,649                              | 0                                 | 0                      | 124,649       | 0                        |
| Total Fund Balances   | \$ 355,224            | \$ 3,149,241                         | \$ 206,789                        | \$ 2,786,887           | \$ 6,498,141  | \$ 278,340               |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,455,571          | \$ 3,149,241                         | \$ 207,375                        | \$ 5,973,096           | \$ 10,785,283 | \$ 278,340               |

(Continued)

## Exhibit G-1

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

|  | Capital Projects Funds (Cont.) |                              |              | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|------------------------------|--------------|--|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total        |  |
| <u>ASSETS</u>                              |                                |                              |              |  |
| Cash                                       | \$ 0                           | \$ 0                         | \$ 0         | \$ 69,680                                  |
| Equity in Pooled Cash and Investments      | 1,298,794                      | 710,918                      | 2,288,052    | 9,235,642                                  |
| Accounts Receivable                        | 958                            | 852                          | 1,810        | 143,476                                    |
| Due from Other Governments                 | 99,258                         | 0                            | 99,258       | 875,351                                    |
| Property Taxes Receivable                  | 0                              | 1,740,108                    | 1,740,108    | 4,646,720                                  |
| Allowance for Uncollectible Property Taxes | 0                              | (30,365)                     | (30,365)     | (86,723)                                   |
| Total Assets                               | \$ 1,399,010                   | \$ 2,421,513                 | \$ 4,098,863 | \$ 14,884,146                              |
| <u>LIABILITIES</u>                         |                                |                              |              |  |
| Accounts Payable                           | \$ 185,458                     | \$ 3,320                     | \$ 188,778   | \$ 262,244                                 |
| Payroll Deductions Payable                 | 0                              | 0                            | 0            | 49,496                                     |
| Due to Litigants, Heirs, and Others        | 0                              | 0                            | 0            | 586  |
| Other Current Liabilities                  | 0                              | 0                            | 0            | 1,098,050                                  |
| Total Liabilities                          | \$ 185,458                     | \$ 3,320                     | \$ 188,778   | \$ 1,410,376                               |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                                |                              |              |  |
| Deferred Current Property Taxes            | \$ 0                           | \$ 1,675,597                 | \$ 1,675,597 | \$ 4,454,207                               |
| Deferred Delinquent Property Taxes         | 0                              | 30,855                       | 30,855       | 93,102                                     |
| Other Deferred/Unavailable Revenue         | 0                              | 0                            | 0            | 224,687                                    |
| Total Deferred Inflows of Resources        | \$ 0                           | \$ 1,706,452                 | \$ 1,706,452 | \$ 4,771,996                               |

(Continued)

Exhibit G-1

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

|   | <u>Capital Projects Funds (Cont.)</u> |                              |                     | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|---------------------------------------|------------------------------|---------------------|--|
|   | Highway<br>Capital<br>Projects        | Other<br>Capital<br>Projects | Total               |  |
| <u>FUND BALANCES</u>  |                                       |                              |                     |  |
| Restricted:   |                                       |                              |                     |  |
| Restricted for General Government                                   | \$ 0                                  | \$ 0                         | \$ 0                | \$ 2,979,890                               |
| Restricted for Public Safety  | 0                                     | 0                            | 0                   | 355,224                                    |
| Restricted for Highways/Public Works                                | 1,213,552                             | 0                            | 1,213,552           | 4,000,439                                  |
| Restricted for Capital Outlay                                       | 0                                     | 711,741                      | 990,081             | 990,081                                    |
| Committed:  |                                       |                              |                     |  |
| Committed for General Government                                    | 0                                     | 0                            | 0                   | 212,706                                    |
| Committed for Public Safety   | 0                                     | 0                            | 0                   | 38,785                                     |
| Committed for Social, Cultural, and Recreational Services           | 0                                     | 0                            | 0                   | 124,649                                    |
| Total Fund Balances   | <u>\$ 1,213,552</u>                   | <u>\$ 711,741</u>            | <u>\$ 2,203,633</u> | <u>\$ 8,701,774</u>                        |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,399,010</u>                   | <u>\$ 2,421,513</u>          | <u>\$ 4,098,863</u> | <u>\$ 14,884,146</u>                       |

Exhibit G-2

Maury County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

|  | Special Revenue Funds |   |  |                              |              | Capital<br>Projects<br>Funds   |
|--|-----------------------|---|--|------------------------------|--------------|--------------------------------|
|  | Drug<br>Control       | Adequate<br>Facilities/<br>Development<br>Tax | Constitu -<br>tional<br>Officers -<br>Fees | Highway /<br>Public<br>Works | Total        | General<br>Capital<br>Projects |
| <u>Revenues</u>                                      |                       |   |  |                              |              |                                |
| Local Taxes  | \$ 0                  | \$ 1,536,337                                  | \$ 0                                       | \$ 3,046,344                 | \$ 4,582,681 | \$ 0                           |
| Fines, Forfeitures, and Penalties                    | 111,879               | 0   | 0  | 0                            | 111,879      | 0                              |
| Charges for Current Services                         | 0                     | 0   | 102,461                                    | 0                            | 102,461      | 0                              |
| Other Local Revenues                                 | 76                    | 0   | 0  | 18,569                       | 18,645       | 0                              |
| State of Tennessee                                   | 0                     | 0   | 0  | 3,231,171                    | 3,231,171    | 0                              |
| Other Governments and Citizens Groups                | 0                     | 0   | 0  | 40,000                       | 40,000       | 0                              |
| Total Revenues                                       | \$ 111,955            | \$ 1,536,337                                  | \$ 102,461                                 | \$ 6,336,084                 | \$ 8,086,837 | \$ 0                           |
| <u>Expenditures</u>                                  |                       |   |  |                              |              |                                |
| Current:   |                       |   |  |                              |              |                                |
| Finance  | \$ 0                  | \$ 0  | \$ 0                                       | \$ 0                         | \$ 0         | \$ 0                           |
| Administration of Justice                            | 0                     | 0   | 10,162                                     | 0                            | 10,162       | 0                              |
| Public Safety  | 82,236                | 0   | 0  | 0                            | 82,236       | 0                              |
| Social, Cultural, and Recreational Services          | 0                     | 0   | 0  | 0                            | 0            | 0                              |
| Other Operations                                     | 0                     | 0   | 0  | 0                            | 0            | 0                              |
| Highways   | 0                     | 0   | 0  | 5,327,393                    | 5,327,393    | 0                              |
| Capital Projects                                     | 0                     | 784,580                                       | 0  | 101,624                      | 886,204      | 171,668                        |
| Capital Projects - Donated                           | 0                     | 0   | 0  | 0                            | 0            | 2,665,288                      |
| Total Expenditures                                   | \$ 82,236             | \$ 784,580                                    | \$ 10,162                                  | \$ 5,429,017                 | \$ 6,305,995 | \$ 2,836,956                   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 29,719             | \$ 751,757                                    | \$ 92,299                                  | \$ 907,067                   | \$ 1,780,842 | \$ (2,836,956)                 |

(Continued)



Exhibit G-2

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

|                                       | Special Revenue Funds |   |  |                              |                     | Capital<br>Projects<br>Funds   |
|---------------------------------------|-----------------------|---|--|------------------------------|---------------------|--------------------------------|
|                                       | Drug<br>Control       | Adequate<br>Facilities/<br>Development<br>Tax | Constitu -<br>tional<br>Officers -<br>Fees | Highway /<br>Public<br>Works | Total               | General<br>Capital<br>Projects |
| <u>Other Financing Sources (Uses)</u> |                       |   |  |                              |                     |                                |
| Capital Leases Issued                 | \$ 0                  | \$ 0  | \$ 0                                       | \$ 0                         | \$ 0                | 2,665,288                      |
| Insurance Recovery                    | 0                     | 0   | 0  | 16,338                       | 16,338              | 0                              |
| Transfers In                          | 0                     | 0   | 0  | 0                            | 0                   | 0                              |
| Transfers Out                         | 0                     | (472,335)                                     | 0  | 0                            | (472,335)           | 0                              |
| Total Other Financing Sources (Uses)  | <u>\$ 0</u>           | <u>\$ (472,335)</u>                           | <u>\$ 0</u>                                | <u>\$ 16,338</u>             | <u>\$ (455,997)</u> | <u>\$ 2,665,288</u>            |
| Net Change in Fund Balances           | \$ 29,719             | \$ 279,422                                    | \$ 92,299                                  | \$ 923,405                   | \$ 1,324,845        | \$ (171,668)                   |
| Fund Balance, July 1, 2016            | <u>325,505</u>        | <u>2,869,819</u>                              | <u>114,490</u>                             | <u>1,863,482</u>             | <u>5,173,296</u>    | <u>450,008</u>                 |
| Fund Balance, June 30, 2017           | <u>\$ 355,224</u>     | <u>\$ 3,149,241</u>                           | <u>\$ 206,789</u>                          | <u>\$ 2,786,887</u>          | <u>\$ 6,498,141</u> | <u>\$ 278,340</u>              |

(Continued)

## Exhibit G-2

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

|  | Capital Projects Funds (Cont.) |                              |                | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|------------------------------|----------------|--|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total          |  |
| <u>Revenues</u>                                      |                                |                              |                |  |
| Local Taxes  | \$ 1,087,078                   | \$ 1,378,294                 | \$ 2,465,372   | \$ 7,048,053                               |
| Fines, Forfeitures, and Penalties                    | 0                              | 0                            | 0              | 111,879                                    |
| Charges for Current Services                         | 0                              | 0                            | 0              | 102,461                                    |
| Other Local Revenues                                 | 0                              | 7,998                        | 7,998          | 26,643                                     |
| State of Tennessee                                   | 0                              | 0                            | 0              | 3,231,171                                  |
| Other Governments and Citizens Groups                | 0                              | 0                            | 0              | 40,000                                     |
| Total Revenues                                       | \$ 1,087,078                   | \$ 1,386,292                 | \$ 2,473,370   | \$ 10,560,207                              |
| <u>Expenditures</u>                                  |                                |                              |                |  |
| Current:   |                                |                              |                |  |
| Finance  | \$ 0                           | \$ 53,717                    | \$ 53,717      | \$ 53,717                                  |
| Administration of Justice                            | 0                              | 0                            | 0              | 10,162                                     |
| Public Safety  | 0                              | 470,101                      | 470,101        | 552,337                                    |
| Social, Cultural, and Recreational Services          | 0                              | 82,725                       | 82,725         | 82,725                                     |
| Other Operations                                     | 10,787                         | 91,124                       | 101,911        | 101,911                                    |
| Highways   | 0                              | 0                            | 0              | 5,327,393                                  |
| Capital Projects                                     | 1,884,782                      | 0                            | 2,056,450      | 2,942,654                                  |
| Capital Projects - Donated                           | 0                              | 644,970                      | 3,310,258      | 3,310,258                                  |
| Total Expenditures                                   | \$ 1,895,569                   | \$ 1,342,637                 | \$ 6,075,162   | \$ 12,381,157                              |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (808,491)                   | \$ 43,655                    | \$ (3,601,792) | \$ (1,820,950)                             |

(Continued)

Exhibit G-2

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

|                                       | Capital Projects Funds (Cont.) |                              |                     | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------------------------|--------------------------------|------------------------------|---------------------|--|
|                                       | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total               |  |
| <u>Other Financing Sources (Uses)</u> |                                |                              |                     |  |
| Capital Leases Issued                 | \$ 0                           | \$ 0                         | \$ 2,665,288        | \$ 2,665,288                               |
| Insurance Recovery                    | 0                              | 0                            | 0                   | 16,338                                     |
| Transfers In                          | 1,584,753                      | 0                            | 1,584,753           | 1,584,753                                  |
| Transfers Out                         | 0                              | 0                            | 0                   | (472,335)                                  |
| Total Other Financing Sources (Uses)  | <u>\$ 1,584,753</u>            | <u>\$ 0</u>                  | <u>\$ 4,250,041</u> | <u>\$ 3,794,044</u>                        |
| Net Change in Fund Balances           | \$ 776,262                     | \$ 43,655                    | \$ 648,249          | \$ 1,973,094                               |
| Fund Balance, July 1, 2016            | <u>437,290</u>                 | <u>668,086</u>               | <u>1,555,384</u>    | <u>6,728,680</u>                           |
| Fund Balance, June 30, 2017           | <u>\$ 1,213,552</u>            | <u>\$ 711,741</u>            | <u>\$ 2,203,633</u> | <u>\$ 8,701,774</u>                        |

Exhibit G-3

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2017

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |   | Original         | Final      |  |
| <u>Revenues</u>                                      |                           |                                   |   |                  |            |  |
| Fines, Forfeitures, and Penalties                    | \$ 111,879                | \$ 0                              | \$ 111,879  | \$ 103,000       | \$ 103,000 | \$ 8,879   |
| Other Local Revenues                                 | 76                        | 0                                 | 76  | 0                | 0          | 76   |
| Federal Government                                   | 0                         | 0                                 | 0   | 8,000            | 8,000      | (8,000)  |
| Total Revenues                                       | \$ 111,955                | \$ 0                              | \$ 111,955  | \$ 111,000       | \$ 111,000 | \$ 955   |
| <u>Expenditures</u>                                  |                           |                                   |   |                  |            |  |
| <u>Public Safety</u>                                 |                           |                                   |   |                  |            |  |
| Drug Enforcement                                     | \$ 82,236                 | \$ (2,508)                        | \$ 79,728   | \$ 110,713       | \$ 110,713 | \$ 30,985  |
| Total Expenditures                                   | \$ 82,236                 | \$ (2,508)                        | \$ 79,728   | \$ 110,713       | \$ 110,713 | \$ 30,985  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 29,719                 | \$ 2,508                          | \$ 32,227   | \$ 287           | \$ 287     | \$ 31,940  |
| Net Change in Fund Balance                           | \$ 29,719                 | \$ 2,508                          | \$ 32,227   | \$ 287           | \$ 287     | \$ 31,940  |
| Fund Balance, July 1, 2016                           | 325,505                   | (2,508)                           | 322,997   | 326,805          | 326,805    | (3,808)  |
| Fund Balance, June 30, 2017                          | \$ 355,224                | \$ 0                              | \$ 355,224  | \$ 327,092       | \$ 327,092 | \$ 28,132  |

Exhibit G-4

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Adequate Facilities/ Development Tax Fund  
For the Year Ended June 30, 2017

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |                                   |   | Original         | Final          |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |                |  |
| Local Taxes  | \$ 1,536,337              | \$ 0                              | \$ 0                              | \$ 1,536,337  | \$ 1,000,000     | \$ 1,000,000   | \$ 536,337   |
| State of Tennessee                                   | 0                         | 0                                 | 0                                 | 0   | 500,000          | 500,000        | (500,000)  |
| Total Revenues                                       | \$ 1,536,337              | \$ 0                              | \$ 0                              | \$ 1,536,337  | \$ 1,500,000     | \$ 1,500,000   | \$ 36,337  |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |                |  |
| <u>Capital Projects</u>                              |                           |                                   |                                   |   |                  |                |  |
| General Administration Projects                      | \$ 39,750                 | \$ (33,531)                       | \$ 122,000                        | \$ 128,219  | \$ 1,000,000     | \$ 1,000,559   | \$ 872,340   |
| Public Safety Projects                               | 744,830                   | (3,398)                           | 38,785                            | 780,217   | 0                | 783,615        | 3,398  |
| Total Expenditures                                   | \$ 784,580                | \$ (36,929)                       | \$ 160,785                        | \$ 908,436  | \$ 1,000,000     | \$ 1,784,174   | \$ 875,738   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 751,757                | \$ 36,929                         | \$ (160,785)                      | \$ 627,901  | \$ 500,000       | \$ (284,174)   | \$ 912,075   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |                |  |
| Transfers Out  | \$ (472,335)              | \$ 0                              | \$ 0                              | \$ (472,335)  | \$ 0             | \$ (727,665)   | \$ 255,330   |
| Total Other Financing Sources                        | \$ (472,335)              | \$ 0                              | \$ 0                              | \$ (472,335)  | \$ 0             | \$ (727,665)   | \$ 255,330   |
| Net Change in Fund Balance                           | \$ 279,422                | \$ 36,929                         | \$ (160,785)                      | \$ 155,566  | \$ 500,000       | \$ (1,011,839) | \$ 1,167,405   |
| Fund Balance, July 1, 2016                           | 2,869,819                 | (36,929)                          | 0                                 | 2,832,890   | 2,503,226        | 2,503,226      | 329,664  |
| Fund Balance, June 30, 2017                          | \$ 3,149,241              | \$ 0                              | \$ (160,785)                      | \$ 2,988,456  | \$ 3,003,226     | \$ 1,491,387   | \$ 1,497,069   |

Exhibit G-5

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2017

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 3,046,344              | \$ 0                              | \$ 0                              | \$ 3,046,344  | \$ 2,926,788     | \$ 2,926,788 | \$ 119,556   |
| Other Local Revenues                                 | 18,569                    | 0                                 | 0                                 | 18,569  | 25,000           | 40,209       | (21,640)   |
| State of Tennessee                                   | 3,231,171                 | 0                                 | 0                                 | 3,231,171   | 3,176,000        | 3,176,000    | 55,171   |
| Other Governments and Citizens Groups                | 40,000                    | 0                                 | 0                                 | 40,000  | 0                | 40,000       | 0  |
| Total Revenues                                       | \$ 6,336,084              | \$ 0                              | \$ 0                              | \$ 6,336,084  | \$ 6,127,788     | \$ 6,182,997 | \$ 153,087   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Highways</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Administration                                       | \$ 235,064                | \$ 0                              | \$ 0                              | \$ 235,064  | \$ 244,784       | \$ 244,784   | \$ 9,720   |
| Highway and Bridge Maintenance                       | 3,147,676                 | (10,237)                          | 30,504                            | 3,167,943   | 3,451,454        | 3,520,996    | 353,053  |
| Operation and Maintenance of Equipment               | 768,969                   | (7,913)                           | 16,554                            | 777,610   | 912,040          | 933,563      | 155,953  |
| Other Charges  | 450,214                   | 0                                 | 35,500                            | 485,714   | 426,219          | 492,205      | 6,491  |
| Capital Outlay                                       | 725,470                   | (104)                             | 647,115                           | 1,372,481   | 982,500          | 1,632,165    | 259,684  |
| <u>Capital Projects</u>                              |                           |                                   |                                   |   |                  |              |  |
| Highway and Street Capital Projects                  | 101,624                   | (49,198)                          | 0                                 | 52,426  | 100,000          | 100,000      | 47,574   |
| Total Expenditures                                   | \$ 5,429,017              | \$ (67,452)                       | \$ 729,673                        | \$ 6,091,238  | \$ 6,116,997     | \$ 6,923,713 | \$ 832,475   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 907,067                | \$ 67,452                         | \$ (729,673)                      | \$ 244,846  | \$ 10,791        | \$ (740,716) | \$ 985,562   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |              |  |
| Insurance Recovery                                   | \$ 16,338                 | \$ 0                              | \$ 0                              | \$ 16,338   | \$ 0             | \$ 16,338    | \$ 0   |
| Total Other Financing Sources                        | \$ 16,338                 | \$ 0                              | \$ 0                              | \$ 16,338   | \$ 0             | \$ 16,338    | \$ 0   |
| Net Change in Fund Balance                           | \$ 923,405                | \$ 67,452                         | \$ (729,673)                      | \$ 261,184  | \$ 10,791        | \$ (724,378) | \$ 985,562   |
| Fund Balance, July 1, 2016                           | 1,863,482                 | (67,452)                          | 0                                 | 1,796,030   | 2,360,055        | 2,360,055    | (564,025)  |
| Fund Balance, June 30, 2017                          | \$ 2,786,887              | \$ 0                              | \$ (729,673)                      | \$ 2,057,214  | \$ 2,370,846     | \$ 1,635,677 | \$ 421,537   |

Exhibit G-6

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2017

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Add:<br>Encumbrances<br>6/30/2017 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                     |                     |  |
| Local Taxes  | \$ 1,378,294              | \$ 0                              | \$ 0                              | \$ 1,378,294  | \$ 1,334,721        | \$ 1,334,721        | \$ 43,573  |
| Other Local Revenues                                 | 7,998                     | 0                                 | 0                                 | 7,998   | 10,000              | 10,000              | (2,002)  |
| Total Revenues                                       | <u>\$ 1,386,292</u>       | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 1,386,292</u>   | <u>\$ 1,344,721</u> | <u>\$ 1,344,721</u> | <u>\$ 41,571</u>   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                     |                     |  |
| <u>Finance</u>                                       |                           |                                   |                                   |   |                     |                     |  |
| Data Processing                                      | \$ 53,717                 | \$ (53,717)                       | \$ 0                              | \$ 0  | \$ 0                | \$ 0                | \$ 0   |
| <u>Public Safety</u>                                 |                           |                                   |                                   |   |                     |                     |  |
| Sheriff's Department                                 | 470,101                   | (375,896)                         | 267,487                           | 361,692   | 226,750             | 394,696             | 33,004   |
| <u>Social, Cultural, and Recreational Services</u>   |                           |                                   |                                   |   |                     |                     |  |
| Libraries  | 32,531                    | (31,806)                          | 0                                 | 725   | 0                   | 10,093              | 9,368  |
| Parks and Fair Boards                                | 50,194                    | (50,194)                          | 0                                 | 0   | 0                   | 0                   | 0  |
| <u>Other Operations</u>                              |                           |                                   |                                   |   |                     |                     |  |
| Airport  | 40,000                    | 0                                 | 0                                 | 40,000  | 40,000              | 40,000              | 0  |
| Other Charges  | 23,761                    | (19,700)                          | 0                                 | 4,061   | 500                 | 7,800               | 3,739  |
| Miscellaneous  | 27,363                    | 0                                 | 0                                 | 27,363  | 25,000              | 27,070              | (293)  |
| <u>Capital Projects - Donated</u>                    |                           |                                   |                                   |   |                     |                     |  |
| Capital Projects Donated to School Department        | 644,970                   | 0                                 | 43,030                            | 688,000   | 688,000             | 688,000             | 0  |
| Total Expenditures                                   | <u>\$ 1,342,637</u>       | <u>\$ (531,313)</u>               | <u>\$ 310,517</u>                 | <u>\$ 1,121,841</u>   | <u>\$ 980,250</u>   | <u>\$ 1,167,659</u> | <u>\$ 45,818</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 43,655</u>          | <u>\$ 531,313</u>                 | <u>\$ (310,517)</u>               | <u>\$ 264,451</u>   | <u>\$ 364,471</u>   | <u>\$ 177,062</u>   | <u>\$ 87,389</u>   |
| Net Change in Fund Balance                           | \$ 43,655                 | \$ 531,313                        | \$ (310,517)                      | \$ 264,451  | \$ 364,471          | \$ 177,062          | \$ 87,389  |
| Fund Balance, July 1, 2016                           | <u>668,086</u>            | <u>(531,313)</u>                  | <u>0</u>                          | <u>136,773</u>  | <u>874,435</u>      | <u>874,435</u>      | <u>(737,662)</u>   |
| Fund Balance, June 30, 2017                          | <u>\$ 711,741</u>         | <u>\$ 0</u>                       | <u>\$ (310,517)</u>               | <u>\$ 401,224</u>   | <u>\$ 1,238,906</u> | <u>\$ 1,051,497</u> | <u>\$ (650,273)</u>  |

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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## Exhibit H

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2017

|   | Actual          | Budgeted Amounts |                 | Variance with Final Budget - Positive (Negative) |
|---|-----------------|------------------|-----------------|--|
|   |                 | Original         | Final           |  |
| <u>Revenues</u>                                   |                 |                  |                 |  |
| Local Taxes                                       | \$ 11,709,867   | \$ 11,321,636    | \$ 11,321,636   | \$ 388,231                                       |
| Other Local Revenues                              | 867,724         | 500,000          | 500,000         | 367,724  |
| State of Tennessee                                | 1,180,826       | 915,000          | 915,000         | 265,826  |
| Federal Government                                | 379             | 0                | 0               | 379  |
| Other Governments and Citizens Groups             | 1,159,605       | 0                | 797,611         | 361,994  |
| Total Revenues                                    | \$ 14,918,401   | \$ 12,736,636    | \$ 13,534,247   | \$ 1,384,154                                     |
| <u>Expenditures</u>                               |                 |                  |                 |  |
| <u>Principal on Debt</u>                          |                 |                  |                 |  |
| General Government                                | \$ 2,453,877    | \$ 2,453,877     | \$ 2,453,877    | \$ 0   |
| Education   | 6,074,189       | 5,467,370        | 6,074,191       | 2  |
| <u>Interest on Debt</u>                           |                 |                  |                 |  |
| General Government                                | 563,073         | 563,074          | 563,074         | 1  |
| Education   | 3,788,118       | 3,387,271        | 3,788,119       | 1  |
| <u>Other Debt Service</u>                         |                 |                  |                 |  |
| General Government                                | 235,351         | 182,600          | 228,734         | (6,617)  |
| Education   | 22,756,620      | 0                | 22,758,710      | 2,090  |
| Total Expenditures                                | \$ 35,871,228   | \$ 12,054,192    | \$ 35,866,705   | \$ (4,523)                                       |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (20,952,827) | \$ 682,444       | \$ (22,332,458) | \$ 1,379,631                                     |
| <u>Other Financing Sources (Uses)</u>             |                 |                  |                 |  |
| Bonds Issued                                      | \$ 21,300,000   | \$ 0             | \$ 21,300,000   | \$ 0   |
| Premiums on Debt Sold                             | 1,455,186       | 0                | 1,455,186       | 0  |
| Transfers In                                      | 99,584          | 99,000           | 99,000          | 584  |
| Transfers Out                                     | (3,380,121)     | 0                | (3,380,121)     | 0  |
| Total Other Financing Sources                     | \$ 19,474,649   | \$ 99,000        | \$ 19,474,065   | \$ 584   |
| Net Change in Fund Balance                        | \$ (1,478,178)  | \$ 781,444       | \$ (2,858,393)  | \$ 1,380,215                                     |
| Fund Balance, July 1, 2016                        | 12,438,356      | 12,105,356       | 12,105,356      | 333,000  |
| Fund Balance, June 30, 2017                       | \$ 10,960,178   | \$ 12,886,800    | \$ 9,246,963    | \$ 1,713,215                                     |

# Fiduciary Funds

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

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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.

Exhibit I-1

Maury County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2017

|                                     | Agency Funds             |   |                     |
|-------------------------------------|--------------------------|---|---------------------|
|                                     | Cities -<br>Sales<br>Tax | Constitu-<br>tional<br>Officers -<br>Agency | Total               |
| <u>ASSETS</u>                       |                          |   |                     |
| Cash                                | \$ 0                     | \$ 2,360,418                                | \$ 2,360,418        |
| Accounts Receivable                 | 0                        | 580   | 580                 |
| Due from Other Governments          | 2,523,507                | 0   | 2,523,507           |
| Total Assets                        | <u>\$ 2,523,507</u>      | <u>\$ 2,360,998</u>                         | <u>\$ 4,884,505</u> |
| <u>LIABILITIES</u>                  |                          |   |                     |
| Due to Other Taxing Units           | \$ 2,523,507             | \$ 0  | \$ 2,523,507        |
| Due to Litigants, Heirs, and Others | 0                        | 2,360,998                                   | 2,360,998           |
| Total Liabilities                   | <u>\$ 2,523,507</u>      | <u>\$ 2,360,998</u>                         | <u>\$ 4,884,505</u> |

## Exhibit I-2

Maury County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2017

|  | Beginning<br>Balance | Additions     | Deductions    | Ending<br>Balance |
|--|----------------------|---------------|---------------|-------------------|
| <u>Cities - Sales Tax Fund</u>               |                      |               |               |                   |
| <u>Assets</u>                                |                      |               |               |                   |
| Equity in Pooled Cash and Investments        | \$ 0                 | \$ 13,848,134 | \$ 13,848,134 | \$ 0              |
| Due from Other Governments                   | 2,245,844            | 2,523,507     | 2,245,844     | 2,523,507         |
| Total Assets                                 | \$ 2,245,844         | \$ 16,371,641 | \$ 16,093,978 | \$ 2,523,507      |
| <u>Liabilities</u>                           |                      |               |               |                   |
| Due to Other Taxing Units                    | \$ 2,245,844         | \$ 16,371,641 | \$ 16,093,978 | \$ 2,523,507      |
| Total Liabilities                            | \$ 2,245,844         | \$ 16,371,641 | \$ 16,093,978 | \$ 2,523,507      |
| <u>Constitutional Officers - Agency Fund</u> |                      |               |               |                   |
| <u>Assets</u>                                |                      |               |               |                   |
| Cash   | \$ 2,110,021         | \$ 22,217,146 | \$ 21,966,749 | \$ 2,360,418      |
| Investments                                  | 11,425               | 0             | 11,425        | 0                 |
| Accounts Receivable                          | 895                  | 580           | 895           | 580               |
| Total Assets                                 | \$ 2,122,341         | \$ 22,217,726 | \$ 21,979,069 | \$ 2,360,998      |
| <u>Liabilities</u>                           |                      |               |               |                   |
| Due to Litigants, Heirs, and Others          | \$ 2,122,341         | \$ 22,217,726 | \$ 21,979,069 | \$ 2,360,998      |
| Total Liabilities                            | \$ 2,122,341         | \$ 22,217,726 | \$ 21,979,069 | \$ 2,360,998      |
| <u>Totals - All Agency Funds</u>             |                      |               |               |                   |
| <u>Assets</u>                                |                      |               |               |                   |
| Cash   | \$ 2,110,021         | \$ 22,217,146 | \$ 21,966,749 | \$ 2,360,418      |
| Equity in Pooled Cash and Investments        | 0                    | 13,848,134    | 13,848,134    | 0                 |
| Investments                                  | 11,425               | 0             | 11,425        | 0                 |
| Accounts Receivable                          | 895                  | 580           | 895           | 580               |
| Due from Other Governments                   | 2,245,844            | 2,523,507     | 2,245,844     | 2,523,507         |
| Total Assets                                 | \$ 4,368,185         | \$ 38,589,367 | \$ 38,073,047 | \$ 4,884,505      |
| <u>Liabilities</u>                           |                      |               |               |                   |
| Due to Other Taxing Units                    | \$ 2,245,844         | \$ 16,371,641 | \$ 16,093,978 | \$ 2,523,507      |
| Due to Litigants, Heirs, and Others          | 2,122,341            | 22,217,726    | 21,979,069    | 2,360,998         |
| Total Liabilities                            | \$ 4,368,185         | \$ 38,589,367 | \$ 38,073,047 | \$ 4,884,505      |

# Maury County School Department

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

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

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

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

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

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

## Exhibit J-1

Maury County, Tennessee  
Statement of Activities  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

| Functions/Programs   | Expenses       | Program Revenues           |   |   | Net (Expense)                             |
|--|----------------|----------------------------|---|---|---|
|  |                | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Revenue and<br>Changes in<br>Net Position |
|  |                |                            |   |   | Total<br>Governmental<br>Activities       |
| Governmental Activities:                                     |                |                            |   |   |   |
| Instruction  | \$ 28,633,104  | \$ 265,232                 | \$ 5,682,698                                | \$ 0                                      | \$ (22,685,174)                           |
| Support Services   | 76,166,440     | 244,386                    | 288,228                                     | 23,347,565                                | (52,286,261)                              |
| Operation of Non-instructional Services                      | 7,362,570      | 1,369,465                  | 5,484,839                                   | 0   | (508,266)                                 |
| Other Debt Service   | 373,818        | 0                          | 0   | 0   | (373,818)                                 |
| Total Governmental Activities                                | \$ 112,535,932 | \$ 1,879,083               | \$ 11,455,765                               | \$ 23,347,565                             | \$ (75,853,519)                           |
| General Revenues:  |                |                            |   |   |   |
| Taxes:   |                |                            |   |   |   |
| Property Taxes Levied for General Purposes                   |                |                            |   |   | \$ 23,127,970                             |
| Local Option Sales Tax                                       |                |                            |   |   | 15,664,398                                |
| Mixed Drink Tax  |                |                            |   |   | 136,727                                   |
| Interstate Telecommunications Tax                            |                |                            |   |   | 8,493                                     |
| Grants and Contributions Not Restricted to Specific Programs |                |                            |   |   | 55,468,904                                |
| Unrestricted Investment Earnings                             |                |                            |   |   | 11,950                                    |
| Miscellaneous  |                |                            |   |   | 211,145                                   |
| Insurance Recoveries   |                |                            |   |   | 74,629                                    |
| Total General Revenues                                       |                |                            |   |   | \$ 94,704,216                             |
| Change in Net Position                                       |                |                            |   |   | \$ 18,850,697                             |
| Net Position, July 1, 2016                                   |                |                            |   |   | 156,584,313                               |
| Net Position, June 30, 2017                                  |                |                            |   |   | \$ 175,435,010                            |

## Exhibit J-2

Maury County, Tennessee  
 Balance Sheet - Governmental Funds  
 Discretely Presented Maury County School Department  
 June 30, 2017

|  | Major Funds                  |                                  | Nonmajor<br>Funds                   |                                |
|--|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | Education<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>ASSETS</u>                              |                              |                                  |                                     |                                |
| Cash                                       | \$ 233,755                   | \$ 0                             | \$ 44,753                           | \$ 278,508                     |
| Equity in Pooled Cash and Investments      | 6,287,081                    | 23,234,089                       | 3,224,276                           | 32,745,446                     |
| Inventories                                | 0                            | 0                                | 197,170                             | 197,170                        |
| Accounts Receivable                        | 65,550                       | 0                                | 5,205                               | 70,755                         |
| Due from Other Governments                 | 5,269,993                    | 0                                | 662,777                             | 5,932,770                      |
| Due from Other Funds                       | 215,343                      | 0                                | 0                                   | 215,343                        |
| Property Taxes Receivable                  | 20,837,586                   | 0                                | 0                                   | 20,837,586                     |
| Allowance for Uncollectible Property Taxes | (474,775)                    | 0                                | 0                                   | (474,775)                      |
| Prepaid Items                              | 155,740                      | 0                                | 0                                   | 155,740                        |
| Total Assets                               | \$ 32,590,273                | \$ 23,234,089                    | \$ 4,134,181                        | \$ 59,958,543                  |
| <u>LIABILITIES</u>                         |                              |                                  |                                     |                                |
| Accounts Payable                           | \$ 8,697                     | \$ 0                             | \$ 7,277                            | \$ 15,974                      |
| Payroll Deductions Payable                 | 2,498,743                    | 0                                | 450,771                             | 2,949,514                      |
| Contracts Payable                          | 0                            | 3,195,314                        | 0                                   | 3,195,314                      |
| Retainage Payable                          | 0                            | 41,375                           | 0                                   | 41,375                         |
| Due to Other Funds                         | 0                            | 0                                | 215,343                             | 215,343                        |
| Due to State of Tennessee                  | 0                            | 0                                | 2,507                               | 2,507                          |
| Total Liabilities                          | \$ 2,507,440                 | \$ 3,236,689                     | \$ 675,898                          | \$ 6,420,027                   |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                              |                                  |                                     |                                |
| Deferred Current Property Taxes            | \$ 19,823,655                | \$ 0                             | \$ 0                                | \$ 19,823,655                  |
| Deferred Delinquent Property Taxes         | 475,520                      | 0                                | 0                                   | 475,520                        |

(Continued)

## Exhibit J-2

Maury County, Tennessee  
 Balance Sheet - Governmental Funds  
Discretely Presented Maury County School Department (Cont.)

|   | Major Funds                  |                                  | Nonmajor<br>Funds                   |                                |
|---|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
|   | General<br>Purpose<br>School | Education<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>                        |                              |                                  |                                     |                                |
| Other Deferred/Unavailable Revenue                                  | \$ 1,459,236                 | \$ 0                             | \$ 0                                | \$ 1,459,236                   |
| Total Deferred Inflows of Resources                                 | <u>\$ 21,758,411</u>         | <u>\$ 0</u>                      | <u>\$ 0</u>                         | <u>\$ 21,758,411</u>           |
| <u>FUND BALANCES</u>  |                              |                                  |                                     |                                |
| Nonspendable:   |                              |                                  |                                     |                                |
| Inventory   | \$ 0                         | \$ 0                             | \$ 197,170                          | \$ 197,170                     |
| Prepaid Items   | 155,740                      | 0                                | 0                                   | 155,740                        |
| Restricted:   |                              |                                  |                                     |                                |
| Restricted for Education  | 0                            | 19,997,400                       | 2,865,374                           | 22,862,774                     |
| Committed:  |                              |                                  |                                     |                                |
| Committed for Education   | 1,265,331                    | 0                                | 395,739                             | 1,661,070                      |
| Unassigned  | 6,903,351                    | 0                                | 0                                   | 6,903,351                      |
| Total Fund Balances   | <u>\$ 8,324,422</u>          | <u>\$ 19,997,400</u>             | <u>\$ 3,458,283</u>                 | <u>\$ 31,780,105</u>           |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 32,590,273</u>         | <u>\$ 23,234,089</u>             | <u>\$ 4,134,181</u>                 | <u>\$ 59,958,543</u>           |



Exhibit J-3

Maury County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented Maury County School Department  
June 30, 2017

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

|   |                    |                       |
|---|--------------------|-----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2)  |                    | \$ 31,780,105         |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                    |                       |
| Add: land   | \$ 5,848,445       |                       |
| Add: construction in progress   | 50,815,959         |                       |
| Add: building and improvements net of accumulated depreciation  | 100,500,977        |                       |
| Add: other capital assets net of accumulated depreciation   | <u>6,639,774</u>   | 163,805,155           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |                    |                       |
| Less: other postemployment benefits liability   | \$ (15,183,998)    |                       |
| Less: net pension liability - teacher legacy pension plan   | (7,351,246)        |                       |
| Less: compensated absences payable  | (2,821,365)        |                       |
| Less: contributions due on primary government debt for capital leases   | <u>(1,879,501)</u> | (27,236,110)          |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: |                    |                       |
| Add: deferred outflows of resources related to pensions   | \$ 13,926,281      |                       |
| Less: deferred inflows of resources related to pensions   | <u>(9,449,484)</u> | 4,476,797             |
| (4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.  |                    |                       |
| Add: net pension asset - agent pension plan   | \$ 570,782         |                       |
| Add: net pension asset - teacher retirement pension plan  | <u>103,525</u>     | 674,307               |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.   |                    | <u>1,934,756</u>      |
| Net position of governmental activities (Exhibit A)   |                    | <u>\$ 175,435,010</u> |

## Exhibit J-4

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

|   | <u>Major Funds</u>                                |   | <u>Nonmajor</u><br><u>Funds</u>                                 |   |
|---|---|---|---|---|
|   | <u>General</u><br><u>Purpose</u><br><u>School</u> | <u>Education</u><br><u>Capital</u><br><u>Projects</u> | <u>Other</u><br><u>Govern-</u><br><u>mental</u><br><u>Funds</u> | <u>Total</u><br><u>Governmental</u><br><u>Funds</u> |
| <u>Revenues</u>                         |   |   |   |   |
| Local Taxes                             | \$ 38,738,443                                     | \$ 0  | \$ 0  | \$ 38,738,443                                       |
| Licenses and Permits                    | 5,453   | 0   | 0   | 5,453   |
| Charges for Current Services            | 323,232   | 0   | 1,373,605   | 1,696,837   |
| Other Local Revenues                    | 208,417   | 0   | 52,849  | 261,266   |
| State of Tennessee                      | 57,544,587  | 0   | 59,649  | 57,604,236  |
| Federal Government                      | 375,777   | 0   | 11,748,566  | 12,124,343  |
| Other Governments and Citizens Groups   | 228,473   | 22,474,122  | 0   | 22,702,595  |
| Total Revenues                          | <u>\$ 97,424,382</u>                              | <u>\$ 22,474,122</u>                                  | <u>\$ 13,234,669</u>  | <u>\$ 133,133,173</u>                               |
| <u>Expenditures</u>                     |   |   |   |   |
| Current:                                |   |   |   |   |
| Instruction                             | \$ 62,518,352                                     | \$ 0  | \$ 3,868,074  | \$ 66,386,426                                       |
| Support Services                        | 34,479,107  | 0   | 2,680,166   | 37,159,273  |
| Operation of Non-instructional Services | 1,246,396   | 0   | 6,393,515   | 7,639,911   |
| Capital Outlay                          | 2,233,896   | 0   | 80,822  | 2,314,718   |
| Debt Service:                           |   |   |   |   |
| Other Debt Service                      | 1,159,605   | 0   | 0   | 1,159,605   |
| Capital Projects                        | 0   | 26,383,184  | 0   | 26,383,184  |
| Total Expenditures                      | <u>\$ 101,637,356</u>                             | <u>\$ 26,383,184</u>                                  | <u>\$ 13,022,577</u>  | <u>\$ 141,043,117</u>                               |
| Excess (Deficiency) of Revenues         |   |   |   |   |
| Over Expenditures                       | <u>\$ (4,212,974)</u>                             | <u>\$ (3,909,062)</u>                                 | <u>\$ 212,092</u>   | <u>\$ (7,909,944)</u>                               |

(Continued)

Exhibit J-4

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Maury County School Department (Cont.)

|                                       | Major Funds                  |                                  | Nonmajor<br>Funds                   |                                |
|---------------------------------------|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
|                                       | General<br>Purpose<br>School | Education<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>Other Financing Sources (Uses)</u> |                              |                                  |                                     |                                |
| Insurance Recovery                    | \$ 74,629                    | \$ 0                             | \$ 0                                | \$ 74,629                      |
| Transfers In                          | 51,926                       | 0                                | 0                                   | 51,926                         |
| Transfers Out                         | 0                            | 0                                | (51,926)                            | (51,926)                       |
| Total Other Financing Sources (Uses)  | <u>\$ 126,555</u>            | <u>\$ 0</u>                      | <u>\$ (51,926)</u>                  | <u>\$ 74,629</u>               |
| Net Change in Fund Balances           | \$ (4,086,419)               | \$ (3,909,062)                   | \$ 160,166                          | \$ (7,835,315)                 |
| Fund Balance, July 1, 2016            | <u>12,410,841</u>            | <u>23,906,462</u>                | <u>3,298,117</u>                    | <u>39,615,420</u>              |
| Fund Balance, June 30, 2017           | <u>\$ 8,324,422</u>          | <u>\$ 19,997,400</u>             | <u>\$ 3,458,283</u>                 | <u>\$ 31,780,105</u>           |

Maury County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

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

|  |                    |                      |
|--|--------------------|----------------------|
| Net change in fund balances - total governmental funds (Exhibit J-4)   |                    | \$ (7,835,315)       |
| (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  | \$ 31,506,218      |                      |
| Less: current-year depreciation expense  | <u>(5,322,187)</u> | 26,184,031           |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.   |                    |                      |
| Add: assets donated and capitalized  |                    | 644,970              |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |                    |                      |
| Add: deferred delinquent property taxes and other deferred June 30, 2017   | \$ 1,934,756       |                      |
| Less: deferred delinquent property taxes and other deferred June 30, 2016  | <u>(1,735,611)</u> | 199,145              |
| (4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. |                    |                      |
| Less: capital lease proceeds from primary government   | \$ (2,665,288)     |                      |
| Add: principal contributions on leases to primary government   | <u>785,787</u>     | (1,879,501)          |
| (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 net pension asset - agent pension plan   | \$ (564,552)       |                      |
| Change in net pension asset - teacher retirement pension plan  | 59,662             |                      |
| Change in net pension liability - teacher legacy pension plan  | (6,871,204)        |                      |
| Change in deferred outflows related to pensions  | 8,800,511          |                      |
| Change in deferred inflows related to pensions   | 1,604,018          |                      |
| Change in compensated absences payable   | 316,198            |                      |
| Change in other postemployment benefits liability  | <u>(1,807,266)</u> | <u>1,537,367</u>     |
| Change in net position of governmental activities (Exhibit B)  |                    | <u>\$ 18,850,697</u> |

## Exhibit J-6

Maury County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Maury County School Department  
June 30, 2017

|                                       | Special Revenue Funds         |                      |              | Capital<br>Projects Fund     | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------------------------|-------------------------------|----------------------|--------------|------------------------------|--|
|                                       | School<br>Federal<br>Projects | Central<br>Cafeteria | Total        | Other<br>Capital<br>Projects |  |
| <u>ASSETS</u>                         |                               |                      |              |                              |  |
| Cash                                  | \$ 0                          | \$ 44,753            | \$ 44,753    | \$ 0                         | \$ 44,753                                  |
| Equity in Pooled Cash and Investments | 428,873                       | 2,773,240            | 3,202,113    | 22,163                       | 3,224,276                                  |
| Inventories                           | 0                             | 197,170              | 197,170      | 0                            | 197,170                                    |
| Accounts Receivable                   | 5,108                         | 97                   | 5,205        | 0                            | 5,205                                      |
| Due from Other Governments            | 623,491                       | 39,286               | 662,777      | 0                            | 662,777                                    |
| Total Assets                          | \$ 1,057,472                  | \$ 3,054,546         | \$ 4,112,018 | \$ 22,163                    | \$ 4,134,181                               |
| <u>LIABILITIES</u>                    |                               |                      |              |                              |  |
| Accounts Payable                      | \$ 7,277                      | \$ 0                 | \$ 7,277     | \$ 0                         | \$ 7,277                                   |
| Payroll Deductions Payable            | 439,113                       | 11,658               | 450,771      | 0                            | 450,771                                    |
| Due to Other Funds                    | 215,343                       | 0                    | 215,343      | 0                            | 215,343                                    |
| Due to State of Tennessee             | 0                             | 2,507                | 2,507        | 0                            | 2,507                                      |
| Total Liabilities                     | \$ 661,733                    | \$ 14,165            | \$ 675,898   | \$ 0                         | \$ 675,898                                 |
| <u>FUND BALANCES</u>                  |                               |                      |              |                              |  |
| Nonspendable:                         |                               |                      |              |                              |  |
| Inventory                             | \$ 0                          | \$ 197,170           | \$ 197,170   | \$ 0                         | \$ 197,170                                 |
| Restricted:                           |                               |                      |              |                              |  |
| Restricted for Education              | 0                             | 2,843,211            | 2,843,211    | 22,163                       | 2,865,374                                  |
| Committed:                            |                               |                      |              |                              |  |
| Committed for Education               | 395,739                       | 0                    | 395,739      | 0                            | 395,739                                    |
| Total Fund Balances                   | \$ 395,739                    | \$ 3,040,381         | \$ 3,436,120 | \$ 22,163                    | \$ 3,458,283                               |
| Total Liabilities and Fund Balances   | \$ 1,057,472                  | \$ 3,054,546         | \$ 4,112,018 | \$ 22,163                    | \$ 4,134,181                               |

## Exhibit J-7

Maury County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

|  | <u>Special Revenue Funds</u>                       |                                    |               | <u>Capital</u><br><u>Projects Fund</u>            | <u>Total</u><br><u>Nonmajor</u><br><u>Governmental</u><br><u>Funds</u> |
|--|--|------------------------------------|---------------|---|--|
|  | <u>School</u><br><u>Federal</u><br><u>Projects</u> | <u>Central</u><br><u>Cafeteria</u> | <u>Total</u>  | <u>Other</u><br><u>Capital</u><br><u>Projects</u> |  |
| <u>Revenues</u>                                      |  |                                    |               |   |  |
| Charges for Current Services                         | \$ 0   | \$ 1,373,605                       | \$ 1,373,605  | \$ 0  | \$ 1,373,605   |
| Other Local Revenues                                 | 0  | 52,849                             | 52,849        | 0   | 52,849   |
| State of Tennessee                                   | 0  | 59,649                             | 59,649        | 0   | 59,649   |
| Federal Government                                   | 6,505,432  | 5,243,134                          | 11,748,566    | 0   | 11,748,566   |
| Total Revenues                                       | \$ 6,505,432                                       | \$ 6,729,237                       | \$ 13,234,669 | \$ 0  | \$ 13,234,669  |
| <u>Expenditures</u>                                  |  |                                    |               |   |  |
| Current:   |  |                                    |               |   |  |
| Instruction  | \$ 3,868,074                                       | \$ 0                               | \$ 3,868,074  | \$ 0  | \$ 3,868,074   |
| Support Services                                     | 2,639,878  | 40,288                             | 2,680,166     | 0   | 2,680,166  |
| Operation of Non-Instructional Services              | 0  | 6,393,515                          | 6,393,515     | 0   | 6,393,515  |
| Capital Outlay                                       | 0  | 0                                  | 0             | 80,822  | 80,822   |
| Total Expenditures                                   | \$ 6,507,952                                       | \$ 6,433,803                       | \$ 12,941,755 | \$ 80,822   | \$ 13,022,577  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (2,520)   | \$ 295,434                         | \$ 292,914    | \$ (80,822)                                       | \$ 212,092   |
| <u>Other Financing Sources (Uses)</u>                |  |                                    |               |   |  |
| Transfers Out  | \$ 0   | \$ (51,926)                        | \$ (51,926)   | \$ 0  | \$ (51,926)  |
| Total Other Financing Sources (Uses)                 | \$ 0   | \$ (51,926)                        | \$ (51,926)   | \$ 0  | \$ (51,926)  |
| Net Change in Fund Balances                          | \$ (2,520)   | \$ 243,508                         | \$ 240,988    | \$ (80,822)                                       | \$ 160,166   |
| Fund Balance, July 1, 2016                           | 398,259  | 2,796,873                          | 3,195,132     | 102,985   | 3,298,117  |
| Fund Balance, June 30, 2017                          | \$ 395,739   | \$ 3,040,381                       | \$ 3,436,120  | \$ 22,163   | \$ 3,458,283   |

Exhibit J-8

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Maury County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2017

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                        |                           |                                   |   |                  |               |  |
| Local Taxes                            | \$ 38,738,443             | \$ 0                              | \$ 38,738,443   | \$ 35,930,395    | \$ 35,930,395 | \$ 2,808,048   |
| Licenses and Permits                   | 5,453                     | 0                                 | 5,453   | 5,400            | 5,400         | 53   |
| Charges for Current Services           | 323,232                   | 0                                 | 323,232   | 415,000          | 643,570       | (320,338)  |
| Other Local Revenues                   | 208,417                   | 0                                 | 208,417   | 12,000           | 216,991       | (8,574)  |
| State of Tennessee                     | 57,544,587                | 0                                 | 57,544,587  | 54,805,618       | 57,069,364    | 475,223  |
| Federal Government                     | 375,777                   | 0                                 | 375,777   | 120,000          | 334,768       | 41,009   |
| Other Governments and Citizens Groups  | 228,473                   | 0                                 | 228,473   | 0                | 0             | 228,473  |
| Total Revenues                         | \$ 97,424,382             | \$ 0                              | \$ 97,424,382   | \$ 91,288,413    | \$ 94,200,488 | \$ 3,223,894   |
| <u>Expenditures</u>                    |                           |                                   |   |                  |               |  |
| <u>Instruction</u>                     |                           |                                   |   |                  |               |  |
| Regular Instruction Program            | \$ 49,447,512             | \$ (773,627)                      | \$ 48,673,885   | \$ 44,859,988    | \$ 48,810,514 | \$ 136,629   |
| Alternative Instruction Program        | 615,670                   | 0                                 | 615,670   | 617,896          | 639,416       | 23,746   |
| Special Education Program              | 8,436,297                 | (65,550)                          | 8,370,747   | 8,454,040        | 8,482,422     | 111,675  |
| Career and Technical Education Program | 3,774,303                 | (51,558)                          | 3,722,745   | 3,877,218        | 2,985,119     | (737,626)  |
| Other                                  | 244,570                   | (214)                             | 244,356   | 282,887          | 247,937       | 3,581  |
| <u>Support Services</u>                |                           |                                   |   |                  |               |  |
| Attendance                             | 389,502                   | (4,794)                           | 384,708   | 620,372          | 414,996       | 30,288   |
| Health Services                        | 736,777                   | (3,007)                           | 733,770   | 682,300          | 744,437       | 10,667   |
| Other Student Support                  | 1,766,119                 | (34,000)                          | 1,732,119   | 1,897,621        | 1,721,944     | (10,175)   |
| Regular Instruction Program            | 2,889,970                 | (10,736)                          | 2,879,234   | 2,759,347        | 2,940,279     | 61,045   |
| Alternative Instruction Program        | 181,188                   | (75)                              | 181,113   | 175,228          | 193,526       | 12,413   |
| Special Education Program              | 1,097,932                 | (4,861)                           | 1,093,071   | 1,070,182        | 1,116,061     | 22,990   |
| Career and Technical Education Program | 180,172                   | (995)                             | 179,177   | 164,667          | 184,423       | 5,246  |
| Other Programs                         | 531,452                   | 0                                 | 531,452   | 0                | 531,452       | 0  |

(Continued)

Exhibit J-8

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |   | Original         | Final          |  |
| <u>Expenditures (Cont.)</u>                    |                           |                                   |   |                  |                |  |
| <u>Support Services (Cont.)</u>                |                           |                                   |   |                  |                |  |
| Board of Education                             | \$ 2,517,343              | \$ (211)                          | \$ 2,517,132  | \$ 2,525,391     | \$ 2,945,791   | \$ 428,659   |
| Director of Schools                            | 405,284                   | (955)                             | 404,329   | 370,123          | 378,476        | (25,853)   |
| Office of the Principal                        | 6,755,557                 | (365)                             | 6,755,192   | 6,816,456        | 6,869,073      | 113,881  |
| Fiscal Services                                | 1,996,542                 | (11,202)                          | 1,985,340   | 558,701          | 1,926,782      | (58,558)   |
| Human Services/Personnel                       | 303,492                   | (1,120)                           | 302,372   | 296,351          | 307,209        | 4,837  |
| Operation of Plant                             | 6,228,087                 | (222,345)                         | 6,005,742   | 6,436,103        | 6,095,713      | 89,971   |
| Maintenance of Plant                           | 1,845,834                 | (48,049)                          | 1,797,785   | 1,837,992        | 1,951,925      | 154,140  |
| Transportation                                 | 4,847,275                 | (141,392)                         | 4,705,883   | 4,619,009        | 4,853,481      | 147,598  |
| Central and Other                              | 1,806,581                 | (294,827)                         | 1,511,754   | 2,152,546        | 1,487,787      | (23,967)   |
| <u>Operation of Non-Instructional Services</u> |                           |                                   |   |                  |                |  |
| Community Services                             | 132,621                   | 0                                 | 132,621   | 0                | 137,000        | 4,379  |
| Early Childhood Education                      | 1,113,775                 | (123)                             | 1,113,652   | 0                | 1,195,585      | 81,933   |
| <u>Capital Outlay</u>                          |                           |                                   |   |                  |                |  |
| Regular Capital Outlay                         | 2,233,896                 | (1,298,040)                       | 935,856   | 0                | 18,693         | (917,163)  |
| <u>Other Debt Service</u>                      |                           |                                   |   |                  |                |  |
| Education                                      | 1,159,605                 | 0                                 | 1,159,605   | 359,994          | 1,157,605      | (2,000)  |
| Total Expenditures                             | \$ 101,637,356            | \$ (2,968,046)                    | \$ 98,669,310   | \$ 91,434,412    | \$ 98,337,646  | \$ (331,664)   |
| Excess (Deficiency) of Revenues                |                           |                                   |   |                  |                |  |
| Over Expenditures                              | \$ (4,212,974)            | \$ 2,968,046                      | \$ (1,244,928)  | \$ (145,999)     | \$ (4,137,158) | \$ 2,892,230   |
| <u>Other Financing Sources (Uses)</u>          |                           |                                   |   |                  |                |  |
| Insurance Recovery                             | \$ 74,629                 | \$ 0                              | \$ 74,629   | \$ 0             | \$ 64,991      | \$ 9,638   |
| Transfers In                                   | 51,926                    | 0                                 | 51,926  | 150,000          | 172,377        | (120,451)  |

(Continued)



Exhibit J-8

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

|   | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2016 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---|---------------------------|-----------------------------------|---|------------------|----------------|--|
|   |                           |                                   |   | Original         | Final          |  |
| <u>Other Financing Sources (Uses) (Cont.)</u> |                           |                                   |   |                  |                |  |
| Transfers Out                                 | \$ 0                      | \$ 0                              | \$ 0  | (4,000)          | (4,000)        | \$ 4,000   |
| Total Other Financing Sources                 | \$ 126,555                | \$ 0                              | \$ 126,555  | \$ 146,000       | \$ 233,368     | \$ (106,813)   |
| Net Change in Fund Balance                    | \$ (4,086,419)            | \$ 2,968,046                      | \$ (1,118,373)  | \$ 1             | \$ (3,903,790) | \$ 2,785,417   |
| Fund Balance, July 1, 2016                    | 12,410,841                | (2,968,046)                       | 9,442,795   | 10,409,142       | 10,409,142     | (966,347)  |
| Fund Balance, June 30, 2017                   | \$ 8,324,422              | \$ 0                              | \$ 8,324,422  | \$ 10,409,143    | \$ 6,505,352   | \$ 1,819,070   |

## Exhibit J-9

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Maury County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2017

|  | Actual                   | Budgeted Amounts         |                          | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|--------------------------|--------------------------|--------------------------|--|
|  |                          | Original                 | Final                    |  |
| <u>Revenues</u>                                      |                          |                          |                          |  |
| Other Local Revenues                                 | \$ 0                     | \$ 0                     | \$ 2,267                 | \$ (2,267)   |
| Federal Government                                   | 6,505,432                | 4,514,962                | 9,003,126                | (2,497,694)  |
| Total Revenues                                       | <u>\$ 6,505,432</u>      | <u>\$ 4,514,962</u>      | <u>\$ 9,005,393</u>      | <u>\$ (2,499,961)</u>  |
| <u>Expenditures</u>                                  |                          |                          |                          |  |
| <u>Instruction</u>                                   |                          |                          |                          |  |
| Regular Instruction Program                          | \$ 2,180,803             | \$ 0                     | \$ 2,278,914             | \$ 98,111  |
| Special Education Program                            | 1,599,023                | 2,995,486                | 2,978,729                | 1,379,706  |
| Career and Technical Education Program               | 88,248                   | 0                        | 88,600                   | 352  |
| <u>Support Services</u>                              |                          |                          |                          |  |
| Health Services                                      | 232,287                  | 286,196                  | 288,696                  | 56,409   |
| Other Student Support                                | 164,589                  | 0                        | 522,498                  | 357,909  |
| Regular Instruction Program                          | 1,182,539                | 0                        | 1,559,126                | 376,587  |
| Special Education Program                            | 498,087                  | 528,156                  | 634,543                  | 136,456  |
| Career and Technical Education Program               | 13,198                   | 0                        | 13,198                   | 0  |
| Transportation                                       | 549,178                  | 558,600                  | 609,779                  | 60,601   |
| Total Expenditures                                   | <u>\$ 6,507,952</u>      | <u>\$ 4,368,438</u>      | <u>\$ 8,974,083</u>      | <u>\$ 2,466,131</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (2,520)</u>        | <u>\$ 146,524</u>        | <u>\$ 31,310</u>         | <u>\$ (33,830)</u>   |
| <u>Other Financing Sources (Uses)</u>                |                          |                          |                          |  |
| Transfers Out  | \$ 0                     | \$ (70,000)              | \$ (140,187)             | \$ 140,187   |
| Total Other Financing Sources                        | <u>\$ 0</u>              | <u>\$ (70,000)</u>       | <u>\$ (140,187)</u>      | <u>\$ 140,187</u>  |
| Net Change in Fund Balance                           | \$ (2,520)               | \$ 76,524                | \$ (108,877)             | \$ 106,357   |
| Fund Balance, July 1, 2016                           | 398,259                  | 398,259                  | 398,259                  | 0  |
| Fund Balance, June 30, 2017                          | <u><u>\$ 395,739</u></u> | <u><u>\$ 474,783</u></u> | <u><u>\$ 289,382</u></u> | <u><u>\$ 106,357</u></u>                                     |

## Exhibit J-10

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Maury County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2017

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Charges for Current Services                      | \$ 1,373,605        | \$ 1,582,000        | \$ 1,582,000        | \$ (208,395)                                     |
| Other Local Revenues                              | 52,849              | 33,000              | 33,000              | 19,849   |
| State of Tennessee                                | 59,649              | 57,009              | 57,009              | 2,640  |
| Federal Government                                | 5,243,134           | 5,527,299           | 5,810,306           | (567,172)  |
| Total Revenues                                    | <u>\$ 6,729,237</u> | <u>\$ 7,199,308</u> | <u>\$ 7,482,315</u> | <u>\$ (753,078)</u>                              |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Support Services</u>                           |                     |                     |                     |  |
| Board of Education                                | \$ 40,288           | \$ 74,000           | \$ 74,000           | \$ 33,712  |
| <u>Operation of Non-Instructional Services</u>    |                     |                     |                     |  |
| Food Service                                      | 6,393,515           | 7,143,499           | 8,349,660           | 1,956,145  |
| Total Expenditures                                | <u>\$ 6,433,803</u> | <u>\$ 7,217,499</u> | <u>\$ 8,423,660</u> | <u>\$ 1,989,857</u>                              |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 295,434</u>   | <u>\$ (18,191)</u>  | <u>\$ (941,345)</u> | <u>\$ 1,236,779</u>                              |
| <u>Other Financing Sources (Uses)</u>             |                     |                     |                     |  |
| Transfers Out                                     | \$ (51,926)         | \$ (47,100)         | \$ (47,100)         | \$ (4,826)                                       |
| Total Other Financing Sources                     | <u>\$ (51,926)</u>  | <u>\$ (47,100)</u>  | <u>\$ (47,100)</u>  | <u>\$ (4,826)</u>                                |
| Net Change in Fund Balance                        | \$ 243,508          | \$ (65,291)         | \$ (988,445)        | \$ 1,231,953                                     |
| Fund Balance, July 1, 2016                        | <u>2,796,873</u>    | <u>1,637,690</u>    | <u>1,637,690</u>    | <u>1,159,183</u>                                 |
| Fund Balance, June 30, 2017                       | <u>\$ 3,040,381</u> | <u>\$ 1,572,399</u> | <u>\$ 649,245</u>   | <u>\$ 2,391,136</u>                              |

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Maury County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, Bonds, and Capital Leases  
For the Year Ended June 30, 2017

| Description of Indebtedness   | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-16 | Issued<br>During<br>Period | Paid<br>and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-17 |
|---|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|---|------------------------|
| <b>NOTES PAYABLE</b>  |                                |                  |                     |                          |                       |                            |   |                        |
| <u>Payable through General Debt Service Fund</u>  |                                |                  |                     |                          |                       |                            |   |                        |
| General Obligation Refunding  | \$ 6,675,000                   | 4 %              | 5-23-12             | 3-22-17                  | \$ 2,330,000          | \$ 0                       | \$ 2,330,000                                  | \$ 0                   |
| General Obligation School   | 355,993                        | 1.5              | 4-20-16             | 4-1-20                   | 355,993               | 0                          | 87,227  | 268,766                |
| Total Notes Payable   |                                |                  |                     |                          | <u>\$ 2,685,993</u>   | <u>\$ 0</u>                | <u>\$ 2,417,227</u>                           | <u>\$ 268,766</u>      |
| <b>OTHER LOANS PAYABLE</b>  |                                |                  |                     |                          |                       |                            |   |                        |
| <u>Payable through General Debt Service Fund</u>  |                                |                  |                     |                          |                       |                            |   |                        |
| Qualified School Construction Bond (QSCB)   | 4,408,000                      | (1)              | 10-1-10             | 9-15-27                  | \$ 3,078,582          | \$ 0                       | \$ 275,052                                    | \$ 2,803,530           |
| Total Other Loans Payable   |                                |                  |                     |                          | <u>\$ 3,078,582</u>   | <u>\$ 0</u>                | <u>\$ 275,052</u>                             | <u>\$ 2,803,530</u>    |
| <b>BONDS PAYABLE</b>  |                                |                  |                     |                          |                       |                            |   |                        |
| <u>Payable through General Debt Service Fund</u>  |                                |                  |                     |                          |                       |                            |   |                        |
| Criminal Justice Center and School Construction   | 29,000,000                     | 3.5 to 5         | 6-12-08             | 4-1-18                   | \$ 3,350,000          | \$ 0                       | \$ 1,200,000                                  | \$ 2,150,000           |
| General Obligation Refunding  | 18,320,000                     | 1 to 4           | 5-23-12             | 4-1-20                   | 11,185,000            | 0                          | 2,680,000                                     | 8,505,000              |
| School and Public Improvement   | 12,250,000                     | 2 to 5           | 10-14-14            | 10-14-30                 | 11,215,000            | 0                          | 870,000                                       | 10,345,000             |
| School Improvement  | 43,965,000                     | 2 to 5           | 6-1-15              | 4-1-36                   | 43,965,000            | 0                          | 100,000                                       | 43,865,000             |
| General Obligation Refunding  | 20,150,000                     | 2.05             | 12-22-15            | 4-1-28                   | 20,150,000            | 0                          | 0   | 20,150,000             |
| General Obligation School   | 21,300,000                     | 2.13             | 9-8-16              | 4-1-36                   | 0                     | 21,300,000                 | 200,000                                       | 21,100,000             |
| Total Bonds Payable   |                                |                  |                     |                          | <u>\$ 89,865,000</u>  | <u>\$ 21,300,000</u>       | <u>\$ 5,050,000</u>                           | <u>\$ 106,115,000</u>  |
| <b>CAPITAL LEASES</b>   |                                |                  |                     |                          |                       |                            |   |                        |
| <u>Contributions Due by the School Department from the General Purpose School fund to the General Debt Service Fund</u> |                                |                  |                     |                          |                       |                            |   |                        |
| #1 Schools Computer Lease   | 309,653                        | 5.258            | 2-3-17              | 3-3-20                   | \$ 0                  | \$ 309,653                 | \$ 91,201                                     | \$ 218,452             |
| #2 Schools Computer Lease   | 309,653                        | 5.342            | 3-1-17              | 4-1-20                   | 0                     | 309,653                    | 91,302  | 218,351                |
| #3 Schools Computer Lease   | 200,655                        | 5.342            | 3-1-17              | 4-1-20                   | 0                     | 200,655                    | 59,164  | 141,491                |
| #4 Schools Computer Lease   | 1,476,262                      | 5.342            | 3-13-17             | 4-13-20                  | 0                     | 1,476,262                  | 435,281                                       | 1,040,981              |
| #5 Schools Computer Lease   | 369,065                        | 5.279            | 6-6-17              | 7-6-20                   | 0                     | 369,065                    | 108,839                                       | 260,226                |
| Total Capital Leases  |                                |                  |                     |                          | <u>\$ 0</u>           | <u>\$ 2,665,288</u>        | <u>\$ 785,787</u>                             | <u>\$ 1,879,501</u>    |

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

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

Exhibit K-2

Maury County, Tennessee

Schedule of Long-term Debt Requirements by Year

| Year<br>Ending<br>June 30 | Notes             |                 |                   |
|---------------------------|-------------------|-----------------|-------------------|
|                           | Principal         | Interest        | Total             |
| 2018                      | \$ 88,258         | \$ 4,031        | \$ 92,289         |
| 2019                      | 89,582            | 2,708           | 92,290            |
| 2020                      | 90,926            | 1,364           | 92,290            |
| Total                     | <u>\$ 268,766</u> | <u>\$ 8,103</u> | <u>\$ 276,869</u> |

| Year<br>Ending<br>June 30 | Other Loans         |                     |                  |                     |
|---------------------------|---------------------|---------------------|------------------|---------------------|
|                           | Principal           | Interest            | (1) Other Fees   | Total               |
| 2018                      | \$ 275,052          | \$ 213,700          | \$ 3,526         | \$ 492,278          |
| 2019                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2020                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2021                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2022                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2023                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2024                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2025                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2026                      | 275,052             | 213,700             | 3,526            | 492,278             |
| 2027                      | 302,128             | 213,700             | 3,526            | 519,354             |
| 2028                      | 25,934              | 1,617               | 588              | 28,139              |
| Total                     | <u>\$ 2,803,530</u> | <u>\$ 2,138,617</u> | <u>\$ 35,848</u> | <u>\$ 4,977,995</u> |

(Continued)

Exhibit K-2

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

| Year<br>Ending<br>June 30 | Bonds          |               |                |
|---------------------------|----------------|---------------|----------------|
|                           | Principal      | Interest      | Total          |
| 2018                      | \$ 6,405,000   | \$ 4,132,376  | \$ 10,537,376  |
| 2019                      | 6,975,000      | 3,871,776     | 10,846,776     |
| 2020                      | 7,260,000      | 3,597,926     | 10,857,926     |
| 2021                      | 6,045,000      | 3,264,076     | 9,309,076      |
| 2022                      | 6,175,000      | 2,961,826     | 9,136,826      |
| 2023                      | 6,360,000      | 2,653,076     | 9,013,076      |
| 2024                      | 6,555,000      | 2,335,076     | 8,890,076      |
| 2025                      | 6,740,000      | 2,019,576     | 8,759,576      |
| 2026                      | 5,930,000      | 1,726,713     | 7,656,713      |
| 2027                      | 6,005,000      | 1,550,363     | 7,555,363      |
| 2028                      | 6,080,000      | 1,381,363     | 7,461,363      |
| 2029                      | 4,215,000      | 1,184,163     | 5,399,163      |
| 2030                      | 4,360,000      | 1,042,063     | 5,402,063      |
| 2031                      | 4,145,000      | 894,763       | 5,039,763      |
| 2032                      | 4,290,000      | 751,556       | 5,041,556      |
| 2033                      | 4,420,000      | 616,781       | 5,036,781      |
| 2034                      | 4,560,000      | 477,769       | 5,037,769      |
| 2035                      | 4,720,000      | 316,250       | 5,036,250      |
| 2036                      | 4,875,000      | 161,581       | 5,036,581      |
| Total                     | \$ 106,115,000 | \$ 34,939,073 | \$ 141,054,073 |

| Year<br>Ending<br>June 30 | Capital Leases |            |              |
|---------------------------|----------------|------------|--------------|
|                           | Principal      | Interest   | Total        |
| 2018                      | \$ 598,691     | \$ 88,456  | \$ 687,147   |
| 2019                      | 727,785        | 69,826     | 797,611      |
| 2020                      | 490,788        | 30,122     | 520,910      |
| 2021                      | 62,237         | 3,366      | 65,603       |
| Total                     | \$ 1,879,501   | \$ 191,770 | \$ 2,071,271 |

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

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

Exhibit K-3

Maury County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

| From Fund  | To Fund                  | Purpose                                  | Amount              |
|--|--------------------------|--|---------------------|
| <u>PRIMARY GOVERNMENT</u>  |                          |  |                     |
| General Fund   | General Debt Service     | Service debt                             | \$ 99,584           |
| "  | Highway Capital Projects | Operations                               | 1,112,418           |
| General Debt Service   | General Fund             | Transfer excess wheel tax per resolution | 3,380,121           |
| Adequate Facilities/Development Tax                                    | Highway Capital Projects | Operations                               | <u>472,335</u>      |
| Total Transfers Primary Government                                     |                          |  | <u>\$ 5,064,458</u> |
| <u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>             |                          |  |                     |
| Central Cafeteria  | General Purpose School   | Operations                               | <u>\$ 51,926</u>    |
| Total Transfers Discretely Presented<br>Maury County School Department |                          |  | <u>\$ 51,926</u>    |



Exhibit K-4

Maury County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

| Official                                   | Authorization for Salary                                   | Salary<br>Paid<br>During<br>Period | Bond       | Surety                          |
|--|--|------------------------------------|------------|---------------------------------|
| County Mayor                               | Section 8-24-102, <i>TCA</i>                               | \$ 96,740                          | \$ 100,000 | RLI Insurance Company           |
| Road Superintendent                        | Section 8-24-102, <i>TCA</i>                               | 89,050                             | 100,000    | "                               |
| Director of Schools                        | State Board of Education and<br>Local Board of Education   | 181,000 (1)                        | 100,000    | RLI Insurance Company           |
| Trustee                                    | Section 8-24-102, <i>TCA</i>                               | 80,951                             | 3,660,000  | Cincinnati Insurance Company    |
| Assessor of Property:                      |  |                                    |            |                                 |
| Jim Dooley (7-1-16 through 8-31-16)        | Section 8-24-102, <i>TCA</i>                               | 19,356 (2)                         | 50,000     | RLI Insurance Company           |
| Bobby Daniels (9-1-16 through 6-30-17)     | Section 8-24-102, <i>TCA</i>                               | 62,892                             | 50,000     | "                               |
| County Clerk                               | Section 8-24-102, <i>TCA</i>                               | 80,951                             | 100,000    | "                               |
| Circuit and General Sessions Courts Clerk: | Section 8-24-102, <i>TCA</i>                               | 80,951                             | 100,000    | "                               |
| Clerk and Master                           | Section 8-24-102, <i>TCA</i> , and<br>Chancery Court Judge | 80,951 (3)                         | 100,000    | RLI Insurance Company           |
| Register of Deeds                          | Section 8-24-102, <i>TCA</i>                               | 80,951                             | 100,000    | "                               |
| Sheriff                                    | Section 8-24-102, <i>TCA</i> , and<br>County Commission    | 89,050 (4)                         | 100,000    | "                               |
| Director of Accounts and Budgets:          | Chapter 233, Private Acts of 1963,<br>as amended           | 100,572 (5)                        | 100,000    | "                               |
| Theresa Weber (7-1-16 through 5-9-17)      |  |                                    |            |                                 |
| Interim Director of Accounts and Budgets:  | Chapter 233, Private Acts of 1963,<br>as amended           | 9,160                              | 100,000    | "                               |
| Buddy Harlan ( 5-9-17 through 6-30-17)     |  |                                    |            |                                 |
| Director of Human Resources                | Chapter 91, Private Acts of 2004                           | 72,226 (6)                         | (8)        | "                               |
| Purchasing Agent                           | County Commission  | 53,514 (7)                         | 100,000    | "                               |
| <u>Other Bonds</u>                         |  |                                    |            |                                 |
| Public Employee Dishonesty                 |  |                                    | 400,000    | Local Government Insurance Pool |
| School Employee Blanket Bond               |  |                                    | 150,000    | Public Risk Insurers            |

- (1) Does not include 100 percent of the premiums for family health and dental insurance (\$18,830) or 100 percent of the premiums for \$100,000 Life Insurance Policy (\$66).  
(2) Does not include \$1,000 for a state board of equalization salary supplement.  
(3) Does not include \$10,162 in special commissioner fees.  
(4) Does not include \$3,029 for serving as workhouse superintendent and \$600 for a law enforcement training supplement.  
(5) Includes \$21,743 in termination pay and \$3,478 in accrued vacation leave. Does not include \$150 longevity pay.  
(6) Includes \$750 longevity pay.  
(7) Includes \$1,000 longevity pay.  
(8) Covered under the county's blanket bond.

Exhibit K-5

Maury County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2017

|  | Special Revenue Funds |              |                                      |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------|--------------------------------------|--------------------------------|------------------------|----------------------|
|  | General               | Drug Control | Adequate Facilities/ Development Tax | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Local Taxes</u>                                       |                       |              |                                      |                                |                        |                      |
| <u>County Property Taxes</u>                             |                       |              |                                      |                                |                        |                      |
| Current Property Tax                                     | \$ 12,279,968         | \$ 0         | \$ 0                                 | \$ 0                           | \$ 2,792,866           | \$ 9,340,660         |
| Trustee's Collections - Prior Year                       | 233,379               | 0            | 0                                    | 0                              | 55,955                 | 154,769              |
| Trustee's Collections - Bankruptcy                       | 3,328                 | 0            | 0                                    | 0                              | 781                    | 2,433                |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 169,037               | 0            | 0                                    | 0                              | 41,453                 | 124,751              |
| Interest and Penalty                                     | 49,853                | 0            | 0                                    | 0                              | 12,191                 | 34,026               |
| Pickup Taxes   | 64,950                | 0            | 0                                    | 0                              | 14,858                 | 49,254               |
| Payments in-Lieu-of Taxes - T.V.A.                       | 0                     | 0            | 0                                    | 0                              | 0                      | 13,820               |
| Payments in-Lieu-of Taxes - Local Utilities              | 0                     | 0            | 0                                    | 0                              | 0                      | 417,212              |
| Payments in-Lieu-of Taxes - Other                        | 2,699,440             | 0            | 0                                    | 0                              | 0                      | 264,914              |
| <u>County Local Option Taxes</u>                         |                       |              |                                      |                                |                        |                      |
| Local Option Sales Tax                                   | 491,169               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Hotel/Motel Tax  | 845,854               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Wheel Tax  | 393,309               | 0            | 0                                    | 0                              | 0                      | 693,770              |
| Litigation Tax - General                                 | 550,392               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                     | 0            | 0                                    | 0                              | 0                      | 529,776              |
| Business Tax   | 1,258,160             | 0            | 0                                    | 0                              | 0                      | 0                    |
| Mineral Severance Tax                                    | 0                     | 0            | 0                                    | 0                              | 128,240                | 0                    |
| Adequate Facilities/Development Tax                      | 0                     | 0            | 1,536,337                            | 0                              | 0                      | 0                    |
| <u>Statutory Local Taxes</u>                             |                       |              |                                      |                                |                        |                      |
| Bank Excise Tax  | 0                     | 0            | 0                                    | 0                              | 0                      | 84,482               |
| Wholesale Beer Tax                                       | 379,316               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Interstate Telecommunications Tax                        | 1,682                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total Local Taxes  | \$ 19,419,837         | \$ 0         | \$ 1,536,337                         | \$ 0                           | \$ 3,046,344           | \$ 11,709,867        |

(Continued)

Exhibit K-5

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

|  | Special Revenue Funds |              |                                      |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------|--------------------------------------|--------------------------------|------------------------|----------------------|
|  | General               | Drug Control | Adequate Facilities/ Development Tax | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Licenses and Permits</u>              |                       |              |                                      |                                |                        |                      |
| <u>Licenses</u>                          |                       |              |                                      |                                |                        |                      |
| Cable TV Franchise                       | \$ 201,089            | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Permits</u>                           |                       |              |                                      |                                |                        |                      |
| Beer Permits                             | 2,432                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Building Permits                         | 284,500               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Other Permits                            | 11,105                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total Licenses and Permits               | \$ 499,126            | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Fines, Forfeitures, and Penalties</u> |                       |              |                                      |                                |                        |                      |
| <u>Circuit Court</u>                     |                       |              |                                      |                                |                        |                      |
| Fines                                    | \$ 25,629             | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| Officers Costs                           | 29,942                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Drug Control Fines                       | 0                     | 68,921       | 0                                    | 0                              | 0                      | 0                    |
| Drug Court Fees                          | 7,517                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Jail Fees                                | 15,584                | 0            | 0                                    | 0                              | 0                      | 0                    |
| DUI Treatment Fines                      | 28,670                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Data Entry Fee - Circuit Court           | 3,912                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Courtroom Security Fee                   | 125                   | 0            | 0                                    | 0                              | 0                      | 0                    |
| Victims Assistance Assessments           | 18,382                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Criminal Court</u>                    |                       |              |                                      |                                |                        |                      |
| DUI Treatment Fines                      | 2,517                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Victims Assistance Assessments           | 18,382                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>General Sessions Court</u>            |                       |              |                                      |                                |                        |                      |
| Fines                                    | 50,058                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Fines for Littering                      | 48                    | 0            | 0                                    | 0                              | 0                      | 0                    |
| Officers Costs                           | 85,518                | 0            | 0                                    | 0                              | 0                      | 0                    |

(Continued)

## Exhibit K-5

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

|  | Special Revenue Funds |              |                                      |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------|--------------------------------------|--------------------------------|------------------------|----------------------|
|  | General               | Drug Control | Adequate Facilities/ Development Tax | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                       |              |                                      |                                |                        |                      |
| <u>General Sessions Court (Cont.)</u>            |                       |              |                                      |                                |                        |                      |
| Game and Fish Fines                              | \$ 1,442              | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| Drug Control Fines                               | 0                     | 8,337        | 0                                    | 0                              | 0                      | 0                    |
| Drug Court Fees                                  | 15,337                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Jail Fees  | 42,554                | 0            | 0                                    | 0                              | 0                      | 0                    |
| DUI Treatment Fines                              | 24,890                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Data Entry Fee - General Sessions Court          | 44,839                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Courtroom Security Fee                           | 95                    | 0            | 0                                    | 0                              | 0                      | 0                    |
| Victims Assistance Assessments                   | 18,382                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Juvenile Court</u>                            |                       |              |                                      |                                |                        |                      |
| Data Entry Fee - Juvenile Court                  | 3,872                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Chancery Court</u>                            |                       |              |                                      |                                |                        |                      |
| Officers Costs                                   | 7,338                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Data Entry Fee - Chancery Court                  | 10,482                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                       |              |                                      |                                |                        |                      |
| Proceeds from Confiscated Property               | 0                     | 34,621       | 0                                    | 0                              | 0                      | 0                    |
| Other Fines, Forfeitures, and Penalties          | 24,700                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total Fines, Forfeitures, and Penalties          | \$ 480,215            | \$ 111,879   | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Charges for Current Services</u>              |                       |              |                                      |                                |                        |                      |
| <u>General Service Charges</u>                   |                       |              |                                      |                                |                        |                      |
| Other Employee Benefit Charges/Contributions     | \$ 380                | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| Work Release Charges for Board                   | 55,660                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Service Charges                                  | 325                   | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Fees</u>                                      |                       |              |                                      |                                |                        |                      |
| Subdivision Lot Fees                             | 33,800                | 0            | 0                                    | 0                              | 0                      | 0                    |

(Continued)

Exhibit K-5

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

|   | Special Revenue Funds |              |                                      |                                |                        | Debt Service Fund    |
|---|-----------------------|--------------|--------------------------------------|--------------------------------|------------------------|----------------------|
|   | General               | Drug Control | Adequate Facilities/ Development Tax | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Charges for Current Services (Cont.)</u>   |                       |              |                                      |                                |                        |                      |
| <u>Fees (Cont.)</u>                           |                       |              |                                      |                                |                        |                      |
| Recreation Fees                               | \$ 27,978             | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 0                 |
| Copy Fees                                     | 1,193                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Library Fees                                  | 15,991                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Greenbelt Late Application Fee                | 1,000                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Telephone Commissions                         | 207,604               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Vending Machine Collections                   | 190                   | 0            | 0                                    | 0                              | 0                      | 0                    |
| Tourism Fees                                  | 34,332                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Constitutional Officers' Fees and Commissions | 0                     | 0            | 0                                    | 102,461                        | 0                      | 0                    |
| Data Processing Fee - Register                | 38,578                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Data Processing Fee - Sheriff                 | 8,903                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Sexual Offender Registration Fee - Sheriff    | 7,650                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Data Processing Fee - County Clerk            | 9,976                 | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total Charges for Current Services            | \$ 443,560            | \$ 0         | \$ 0                                 | \$ 102,461                     | \$ 0                   | \$ 0                 |
| <u>Other Local Revenues</u>                   |                       |              |                                      |                                |                        |                      |
| <u>Recurring Items</u>                        |                       |              |                                      |                                |                        |                      |
| Investment Income                             | \$ 0                  | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | \$ 867,724           |
| Lease/Rentals                                 | 130,383               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Sale of Materials and Supplies                | 0                     | 0            | 0                                    | 0                              | 15,405                 | 0                    |
| Commissary Sales                              | 67,542                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Sale of Animals/Livestock                     | 76,224                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Miscellaneous Refunds                         | 64,353                | 76           | 0                                    | 0                              | 84                     | 0                    |
| <u>Nonrecurring Items</u>                     |                       |              |                                      |                                |                        |                      |
| Revenue from Joint Ventures                   | 204,089               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Sale of Equipment                             | 161                   | 0            | 0                                    | 0                              | 3,080                  | 0                    |

(Continued)

## Exhibit K-5

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

|  | Special Revenue Funds |              |                                      |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------|--------------------------------------|--------------------------------|------------------------|----------------------|
|  | General               | Drug Control | Adequate Facilities/ Development Tax | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Other Local Revenues (Cont.)</u>        |                       |              |                                      |                                |                        |                      |
| <u>Nonrecurring Items (Cont.)</u>          |                       |              |                                      |                                |                        |                      |
| Sale of Property                           | \$ 22,743             | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | 0                    |
| Contributions and Gifts                    | 25,445                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Other Local Revenues</u>                |                       |              |                                      |                                |                        |                      |
| Other Local Revenues                       | 316,348               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total Other Local Revenues                 | <u>\$ 907,288</u>     | <u>\$ 76</u> | <u>\$ 0</u>                          | <u>\$ 0</u>                    | <u>\$ 18,569</u>       | <u>\$ 867,724</u>    |
| <u>Fees Received From County Officials</u> |                       |              |                                      |                                |                        |                      |
| <u>Fees In-Lieu-of Salary</u>              |                       |              |                                      |                                |                        |                      |
| County Clerk                               | \$ 915,576            | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | 0                    |
| Circuit Court Clerk                        | 240,139               | 0            | 0                                    | 0                              | 0                      | 0                    |
| General Sessions Court Clerk               | 734,383               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Clerk and Master                           | 363,175               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Juvenile Court Clerk                       | 88,611                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Register                                   | 612,382               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Sheriff                                    | 49,134                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Trustee                                    | 1,623,146             | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total Fees Received From County Officials  | <u>\$ 4,626,546</u>   | <u>\$ 0</u>  | <u>\$ 0</u>                          | <u>\$ 0</u>                    | <u>\$ 0</u>            | <u>0</u>             |
| <u>State of Tennessee</u>                  |                       |              |                                      |                                |                        |                      |
| <u>General Government Grants</u>           |                       |              |                                      |                                |                        |                      |
| Juvenile Services Program                  | \$ 9,000              | \$ 0         | \$ 0                                 | \$ 0                           | \$ 0                   | 0                    |
| <u>Public Safety Grants</u>                |                       |              |                                      |                                |                        |                      |
| Law Enforcement Training Programs          | 47,400                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Health and Welfare Grants</u>           |                       |              |                                      |                                |                        |                      |
| Other Health and Welfare Grants            | 700,526               | 0            | 0                                    | 0                              | 0                      | 0                    |

(Continued)

## Exhibit K-5

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

|                                   | Special Revenue Funds |              |                                      |                                |                        | Debt Service Fund    |
|-----------------------------------|-----------------------|--------------|--------------------------------------|--------------------------------|------------------------|----------------------|
|                                   | General               | Drug Control | Adequate Facilities/ Development Tax | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>State of Tennessee (Cont.)</u> |                       |              |                                      |                                |                        |                      |
| <u>Public Works Grants</u>        |                       |              |                                      |                                |                        |                      |
| State Aid Program                 | \$ 0                  | \$ 0         | \$ 0                                 | \$ 0                           | 724,326                | \$ 0                 |
| <u>Other State Revenues</u>       |                       |              |                                      |                                |                        |                      |
| Income Tax                        | 198,181               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Beer Tax                          | 18,415                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Vehicle Certificate of Title Fees | 17,191                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Alcoholic Beverage Tax            | 144,961               | 0            | 0                                    | 0                              | 0                      | 0                    |
| State Revenue Sharing - T.V.A.    | 0                     | 0            | 0                                    | 0                              | 0                      | 1,180,826            |
| Contracted Prisoner Boarding      | 2,270,727             | 0            | 0                                    | 0                              | 0                      | 0                    |
| Gasoline and Motor Fuel Tax       | 0                     | 0            | 0                                    | 0                              | 2,448,432              | 0                    |
| Petroleum Special Tax             | 0                     | 0            | 0                                    | 0                              | 58,413                 | 0                    |
| Registrar's Salary Supplement     | 15,164                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Other State Grants                | 69,623                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Other State Revenues              | 29,001                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Total State of Tennessee          | \$ 3,520,189          | \$ 0         | \$ 0                                 | \$ 0                           | 3,231,171              | \$ 1,180,826         |
| <u>Federal Government</u>         |                       |              |                                      |                                |                        |                      |
| <u>Federal Through State</u>      |                       |              |                                      |                                |                        |                      |
| Homeland Security Grants          | \$ 399,405            | \$ 0         | \$ 0                                 | \$ 0                           | 0                      | \$ 0                 |
| Law Enforcement Grants            | 97,537                | 0            | 0                                    | 0                              | 0                      | 0                    |
| Other Federal through State       | 30,501                | 0            | 0                                    | 0                              | 0                      | 0                    |
| <u>Direct Federal Revenue</u>     |                       |              |                                      |                                |                        |                      |
| Tax Credit Bond Rebate            | 199,245               | 0            | 0                                    | 0                              | 0                      | 0                    |
| Other Direct Federal Revenue      | 25,144                | 0            | 0                                    | 0                              | 0                      | 379                  |
| Total Federal Government          | \$ 751,832            | \$ 0         | \$ 0                                 | \$ 0                           | 0                      | \$ 379               |

(Continued)

Exhibit K-5

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

|  | Special Revenue Funds |                   |                                      |                                  |                        | Debt Service Fund    |
|--|-----------------------|-------------------|--------------------------------------|----------------------------------|------------------------|----------------------|
|  | General               | Drug Control      | Adequate Facilities/ Development Tax | Constitutional - Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Other Governments and Citizens Groups</u> |                       |                   |                                      |                                  |                        |                      |
| <u>Other Governments</u>                     |                       |                   |                                      |                                  |                        |                      |
| Paving and Maintenance                       | \$ 0                  | \$ 0              | \$ 0                                 | \$ 0                             | \$ 40,000              | \$ 0                 |
| Contributions                                | 0                     | 0                 | 0                                    | 0                                | 0                      | 1,159,605            |
| <u>Citizens Groups</u>                       |                       |                   |                                      |                                  |                        |                      |
| Donations                                    | 33,463                | 0                 | 0                                    | 0                                | 0                      | 0                    |
| Total Other Governments and Citizens Groups  | <u>\$ 33,463</u>      | <u>\$ 0</u>       | <u>\$ 0</u>                          | <u>\$ 0</u>                      | <u>\$ 40,000</u>       | <u>\$ 1,159,605</u>  |
| Total  | <u>\$ 30,682,056</u>  | <u>\$ 111,955</u> | <u>\$ 1,536,337</u>                  | <u>\$ 102,461</u>                | <u>\$ 6,336,084</u>    | <u>\$ 14,918,401</u> |

(Continued)



Exhibit K-5

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

|  | <u>Capital Projects Funds</u>  |                              |               |
|--|--------------------------------|------------------------------|---------------|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total         |
| <u>Local Taxes</u>                                       |                                |                              |               |
| <u>County Property Taxes</u>                             |                                |                              |               |
| Current Property Tax                                     | \$ 0                           | \$ 1,324,963                 | \$ 25,738,457 |
| Trustee's Collections - Prior Year                       | 0                              | 23,850                       | 467,953       |
| Trustee's Collections - Bankruptcy                       | 0                              | 339                          | 6,881         |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 0                              | 17,477                       | 352,718       |
| Interest and Penalty                                     | 0                              | 4,674                        | 100,744       |
| Pickup Taxes   | 0                              | 6,991                        | 136,053       |
| Payments in-Lieu-of Taxes - T.V.A.                       | 0                              | 0                            | 13,820        |
| Payments in-Lieu-of Taxes - Local Utilities              | 0                              | 0                            | 417,212       |
| Payments in-Lieu-of Taxes - Other                        | 0                              | 0                            | 2,964,354     |
| <u>County Local Option Taxes</u>                         |                                |                              |               |
| Local Option Sales Tax                                   | 0                              | 0                            | 491,169       |
| Hotel/Motel Tax  | 0                              | 0                            | 845,854       |
| Wheel Tax  | 1,087,078                      | 0                            | 2,174,157     |
| Litigation Tax - General                                 | 0                              | 0                            | 550,392       |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                              | 0                            | 529,776       |
| Business Tax   | 0                              | 0                            | 1,258,160     |
| Mineral Severance Tax                                    | 0                              | 0                            | 128,240       |
| Adequate Facilities/Development Tax                      | 0                              | 0                            | 1,536,337     |
| <u>Statutory Local Taxes</u>                             |                                |                              |               |
| Bank Excise Tax  | 0                              | 0                            | 84,482        |
| Wholesale Beer Tax                                       | 0                              | 0                            | 379,316       |
| Interstate Telecommunications Tax                        | 0                              | 0                            | 1,682         |
| Total Local Taxes  | \$ 1,087,078                   | \$ 1,378,294                 | \$ 38,177,757 |

(Continued)

## Exhibit K-5

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

|  | Capital Projects Funds         |                              |            |
|--|--------------------------------|------------------------------|------------|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total      |
| <u>Licenses and Permits</u>              |                                |                              |            |
| <u>Licenses</u>                          |                                |                              |            |
| Cable TV Franchise                       | \$ 0                           | \$ 0                         | \$ 201,089 |
| <u>Permits</u>                           |                                |                              |            |
| Beer Permits                             | 0                              | 0                            | 2,432      |
| Building Permits                         | 0                              | 0                            | 284,500    |
| Other Permits                            | 0                              | 0                            | 11,105     |
| Total Licenses and Permits               | \$ 0                           | \$ 0                         | \$ 499,126 |
| <u>Fines, Forfeitures, and Penalties</u> |                                |                              |            |
| <u>Circuit Court</u>                     |                                |                              |            |
| Fines                                    | \$ 0                           | \$ 0                         | \$ 25,629  |
| Officers Costs                           | 0                              | 0                            | 29,942     |
| Drug Control Fines                       | 0                              | 0                            | 68,921     |
| Drug Court Fees                          | 0                              | 0                            | 7,517      |
| Jail Fees                                | 0                              | 0                            | 15,584     |
| DUI Treatment Fines                      | 0                              | 0                            | 28,670     |
| Data Entry Fee - Circuit Court           | 0                              | 0                            | 3,912      |
| Courtroom Security Fee                   | 0                              | 0                            | 125        |
| Victims Assistance Assessments           | 0                              | 0                            | 18,382     |
| <u>Criminal Court</u>                    |                                |                              |            |
| DUI Treatment Fines                      | 0                              | 0                            | 2,517      |
| Victims Assistance Assessments           | 0                              | 0                            | 18,382     |
| <u>General Sessions Court</u>            |                                |                              |            |
| Fines                                    | 0                              | 0                            | 50,058     |
| Fines for Littering                      | 0                              | 0                            | 48         |
| Officers Costs                           | 0                              | 0                            | 85,518     |

(Continued)

## Exhibit K-5

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

|  | Capital Projects Funds         |                              |            |
|--|--------------------------------|------------------------------|------------|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total      |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                                |                              |            |
| <u>General Sessions Court (Cont.)</u>            |                                |                              |            |
| Game and Fish Fines                              | \$ 0                           | \$ 0                         | \$ 1,442   |
| Drug Control Fines                               | 0                              | 0                            | 8,337      |
| Drug Court Fees                                  | 0                              | 0                            | 15,337     |
| Jail Fees  | 0                              | 0                            | 42,554     |
| DUI Treatment Fines                              | 0                              | 0                            | 24,890     |
| Data Entry Fee - General Sessions Court          | 0                              | 0                            | 44,839     |
| Courtroom Security Fee                           | 0                              | 0                            | 95         |
| Victims Assistance Assessments                   | 0                              | 0                            | 18,382     |
| <u>Juvenile Court</u>                            |                                |                              |            |
| Data Entry Fee - Juvenile Court                  | 0                              | 0                            | 3,872      |
| <u>Chancery Court</u>                            |                                |                              |            |
| Officers Costs                                   | 0                              | 0                            | 7,338      |
| Data Entry Fee - Chancery Court                  | 0                              | 0                            | 10,482     |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                                |                              |            |
| Proceeds from Confiscated Property               | 0                              | 0                            | 34,621     |
| Other Fines, Forfeitures, and Penalties          | 0                              | 0                            | 24,700     |
| Total Fines, Forfeitures, and Penalties          | \$ 0                           | \$ 0                         | \$ 592,094 |
| <u>Charges for Current Services</u>              |                                |                              |            |
| <u>General Service Charges</u>                   |                                |                              |            |
| Other Employee Benefit Charges/Contributions     | \$ 0                           | \$ 0                         | \$ 380     |
| Work Release Charges for Board                   | 0                              | 0                            | 55,660     |
| Service Charges                                  | 0                              | 0                            | 325        |
| <u>Fees</u>                                      |                                |                              |            |
| Subdivision Lot Fees                             | 0                              | 0                            | 33,800     |

(Continued)

## Exhibit K-5

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

|   | Capital Projects Funds         |                              |            |
|---|--------------------------------|------------------------------|------------|
|   | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total      |
| <u>Charges for Current Services (Cont.)</u>   |                                |                              |            |
| <u>Fees (Cont.)</u>                           |                                |                              |            |
| Recreation Fees                               | \$ 0                           | \$ 0                         | \$ 27,978  |
| Copy Fees                                     | 0                              | 0                            | 1,193      |
| Library Fees                                  | 0                              | 0                            | 15,991     |
| Greenbelt Late Application Fee                | 0                              | 0                            | 1,000      |
| Telephone Commissions                         | 0                              | 0                            | 207,604    |
| Vending Machine Collections                   | 0                              | 0                            | 190        |
| Tourism Fees                                  | 0                              | 0                            | 34,332     |
| Constitutional Officers' Fees and Commissions | 0                              | 0                            | 102,461    |
| Data Processing Fee - Register                | 0                              | 0                            | 38,578     |
| Data Processing Fee - Sheriff                 | 0                              | 0                            | 8,903      |
| Sexual Offender Registration Fee - Sheriff    | 0                              | 0                            | 7,650      |
| Data Processing Fee - County Clerk            | 0                              | 0                            | 9,976      |
| Total Charges for Current Services            | \$ 0                           | \$ 0                         | \$ 546,021 |
| <u>Other Local Revenues</u>                   |                                |                              |            |
| <u>Recurring Items</u>                        |                                |                              |            |
| Investment Income                             | \$ 0                           | \$ 0                         | \$ 867,724 |
| Lease/Rentals                                 | 0                              | 0                            | 130,383    |
| Sale of Materials and Supplies                | 0                              | 0                            | 15,405     |
| Commissary Sales                              | 0                              | 0                            | 67,542     |
| Sale of Animals/Livestock                     | 0                              | 0                            | 76,224     |
| Miscellaneous Refunds                         | 0                              | 1                            | 64,514     |
| <u>Nonrecurring Items</u>                     |                                |                              |            |
| Revenue from Joint Ventures                   | 0                              | 0                            | 204,089    |
| Sale of Equipment                             | 0                              | 7,997                        | 11,238     |

(Continued)

## Exhibit K-5

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

|  | <u>Capital Projects Funds</u>  |                              |                     |
|--|--------------------------------|------------------------------|---------------------|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total               |
| <u>Other Local Revenues (Cont.)</u>        |                                |                              |                     |
| <u>Nonrecurring Items (Cont.)</u>          |                                |                              |                     |
| Sale of Property                           | \$ 0                           | \$ 0                         | \$ 22,743           |
| Contributions and Gifts                    | 0                              | 0                            | 25,445              |
| <u>Other Local Revenues</u>                |                                |                              |                     |
| Other Local Revenues                       | 0                              | 0                            | 316,348             |
| Total Other Local Revenues                 | <u>\$ 0</u>                    | <u>\$ 7,998</u>              | <u>\$ 1,801,655</u> |
| <u>Fees Received From County Officials</u> |                                |                              |                     |
| <u>Fees In-Lieu-of Salary</u>              |                                |                              |                     |
| County Clerk                               | \$ 0                           | \$ 0                         | \$ 915,576          |
| Circuit Court Clerk                        | 0                              | 0                            | 240,139             |
| General Sessions Court Clerk               | 0                              | 0                            | 734,383             |
| Clerk and Master                           | 0                              | 0                            | 363,175             |
| Juvenile Court Clerk                       | 0                              | 0                            | 88,611              |
| Register                                   | 0                              | 0                            | 612,382             |
| Sheriff                                    | 0                              | 0                            | 49,134              |
| Trustee                                    | 0                              | 0                            | 1,623,146           |
| Total Fees Received From County Officials  | <u>\$ 0</u>                    | <u>\$ 0</u>                  | <u>\$ 4,626,546</u> |
| <u>State of Tennessee</u>                  |                                |                              |                     |
| <u>General Government Grants</u>           |                                |                              |                     |
| Juvenile Services Program                  | \$ 0                           | \$ 0                         | \$ 9,000            |
| <u>Public Safety Grants</u>                |                                |                              |                     |
| Law Enforcement Training Programs          | 0                              | 0                            | 47,400              |
| <u>Health and Welfare Grants</u>           |                                |                              |                     |
| Other Health and Welfare Grants            | 0                              | 0                            | 700,526             |

(Continued)

## Exhibit K-5

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

|                                   | <u>Capital Projects Funds</u>  |                              |                     |
|-----------------------------------|--------------------------------|------------------------------|---------------------|
|                                   | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total               |
| <u>State of Tennessee (Cont.)</u> |                                |                              |                     |
| <u>Public Works Grants</u>        |                                |                              |                     |
| State Aid Program                 | \$ 0                           | \$ 0                         | \$ 724,326          |
| <u>Other State Revenues</u>       |                                |                              |                     |
| Income Tax                        | 0                              | 0                            | 198,181             |
| Beer Tax                          | 0                              | 0                            | 18,415              |
| Vehicle Certificate of Title Fees | 0                              | 0                            | 17,191              |
| Alcoholic Beverage Tax            | 0                              | 0                            | 144,961             |
| State Revenue Sharing - T.V.A.    | 0                              | 0                            | 1,180,826           |
| Contracted Prisoner Boarding      | 0                              | 0                            | 2,270,727           |
| Gasoline and Motor Fuel Tax       | 0                              | 0                            | 2,448,432           |
| Petroleum Special Tax             | 0                              | 0                            | 58,413              |
| Registrar's Salary Supplement     | 0                              | 0                            | 15,164              |
| Other State Grants                | 0                              | 0                            | 69,623              |
| Other State Revenues              | 0                              | 0                            | 29,001              |
| Total State of Tennessee          | <u>\$ 0</u>                    | <u>\$ 0</u>                  | <u>\$ 7,932,186</u> |
| <u>Federal Government</u>         |                                |                              |                     |
| <u>Federal Through State</u>      |                                |                              |                     |
| Homeland Security Grants          | \$ 0                           | \$ 0                         | \$ 399,405          |
| Law Enforcement Grants            | 0                              | 0                            | 97,537              |
| Other Federal through State       | 0                              | 0                            | 30,501              |
| <u>Direct Federal Revenue</u>     |                                |                              |                     |
| Tax Credit Bond Rebate            | 0                              | 0                            | 199,245             |
| Other Direct Federal Revenue      | 0                              | 0                            | 25,523              |
| Total Federal Government          | <u>\$ 0</u>                    | <u>\$ 0</u>                  | <u>\$ 752,211</u>   |

(Continued)

Exhibit K-5

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

|  | <u>Capital Projects Funds</u>  |                              |                      |
|--|--------------------------------|------------------------------|----------------------|
|  | Highway<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total                |
| <hr/>  |                                |                              |                      |
| <u>Other Governments and Citizens Groups</u> |                                |                              |                      |
| <u>Other Governments</u>                     |                                |                              |                      |
| Paving and Maintenance                       | \$ 0                           | \$ 0                         | \$ 40,000            |
| Contributions                                | 0                              | 0                            | 1,159,605            |
| <u>Citizens Groups</u>                       |                                |                              |                      |
| Donations                                    | 0                              | 0                            | 33,463               |
| Total Other Governments and Citizens Groups  | <u>\$ 0</u>                    | <u>\$ 0</u>                  | <u>\$ 1,233,068</u>  |
| Total  | <u>\$ 1,087,078</u>            | <u>\$ 1,386,292</u>          | <u>\$ 56,160,664</u> |

Exhibit K-6

Maury County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

|  | Special Revenue Funds        |                               |                      | Capital<br>Projects<br>Fund      |               |
|--|------------------------------|-------------------------------|----------------------|----------------------------------|---------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Education<br>Capital<br>Projects | Total         |
| <u>Local Taxes</u>                                       |                              |                               |                      |                                  |               |
| <u>County Property Taxes</u>                             |                              |                               |                      |                                  |               |
| Current Property Tax                                     | \$ 22,138,123                | \$ 0                          | \$ 0                 | \$ 0                             | \$ 22,138,123 |
| Trustee's Collections - Prior Year                       | 461,465                      | 0                             | 0                    | 0                                | 461,465       |
| Trustee's Collections - Bankruptcy                       | 6,170                        | 0                             | 0                    | 0                                | 6,170         |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 313,442                      | 0                             | 0                    | 0                                | 313,442       |
| Interest and Penalty                                     | 96,649                       | 0                             | 0                    | 0                                | 96,649        |
| Pickup Taxes   | 117,192                      | 0                             | 0                    | 0                                | 117,192       |
| <u>County Local Option Taxes</u>                         |                              |                               |                      |                                  |               |
| Local Option Sales Tax                                   | 15,460,182                   | 0                             | 0                    | 0                                | 15,460,182    |
| Mixed Drink Tax  | 136,727                      | 0                             | 0                    | 0                                | 136,727       |
| <u>Statutory Local Taxes</u>                             |                              |                               |                      |                                  |               |
| Interstate Telecommunications Tax                        | 8,493                        | 0                             | 0                    | 0                                | 8,493         |
| Total Local Taxes  | \$ 38,738,443                | \$ 0                          | \$ 0                 | \$ 0                             | \$ 38,738,443 |
| <u>Licenses and Permits</u>                              |                              |                               |                      |                                  |               |
| <u>Licenses</u>  |                              |                               |                      |                                  |               |
| Marriage Licenses  | \$ 5,453                     | \$ 0                          | \$ 0                 | \$ 0                             | \$ 5,453      |
| Total Licenses and Permits                               | \$ 5,453                     | \$ 0                          | \$ 0                 | \$ 0                             | \$ 5,453      |
| <u>Charges for Current Services</u>                      |                              |                               |                      |                                  |               |
| <u>Fees</u>  |                              |                               |                      |                                  |               |
| Vending Machine Collections                              | \$ 319                       | \$ 0                          | \$ 0                 | \$ 0                             | \$ 319        |
| <u>Education Charges</u>                                 |                              |                               |                      |                                  |               |
| Tuition - Regular Day Students                           | 16,215                       | 0                             | 0                    | 0                                | 16,215        |
| Lunch Payments - Children                                | 0                            | 0                             | 712,932              | 0                                | 712,932       |

(Continued)



## Exhibit K-6

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

|   | Special Revenue Funds        |                               |                      | Capital<br>Projects<br>Fund      |              |
|---|------------------------------|-------------------------------|----------------------|----------------------------------|--------------|
|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Education<br>Capital<br>Projects | Total        |
| <u>Charges for Current Services (Cont.)</u> |                              |                               |                      |                                  |              |
| <u>Education Charges (Cont.)</u>            |                              |                               |                      |                                  |              |
| Lunch Payments - Adults                     | \$ 0                         | \$ 0                          | \$ 167,727           | \$ 0                             | \$ 167,727   |
| Income from Breakfast                       | 0                            | 0                             | 90,748               | 0                                | 90,748       |
| A la Carte Sales                            | 0                            | 0                             | 397,739              | 0                                | 397,739      |
| Receipts from Individual Schools            | 219,403                      | 0                             | 0                    | 0                                | 219,403      |
| Other Charges for Services                  | 87,295                       | 0                             | 4,459                | 0                                | 91,754       |
| Total Charges for Current Services          | \$ 323,232                   | \$ 0                          | \$ 1,373,605         | \$ 0                             | \$ 1,696,837 |
| <u>Other Local Revenues</u>                 |                              |                               |                      |                                  |              |
| <u>Recurring Items</u>                      |                              |                               |                      |                                  |              |
| Investment Income                           | \$ 0                         | \$ 0                          | \$ 11,950            | \$ 0                             | \$ 11,950    |
| Lease/Rentals                               | 11,991                       | 0                             | 0                    | 0                                | 11,991       |
| Sale of Materials and Supplies              | 12,992                       | 0                             | 0                    | 0                                | 12,992       |
| Miscellaneous Refunds                       | 69,424                       | 0                             | 40,899               | 0                                | 110,323      |
| <u>Nonrecurring Items</u>                   |                              |                               |                      |                                  |              |
| Sale of Equipment                           | 32,774                       | 0                             | 0                    | 0                                | 32,774       |
| Sale of Property                            | 58,110                       | 0                             | 0                    | 0                                | 58,110       |
| Damages Recovered from Individuals          | 5,429                        | 0                             | 0                    | 0                                | 5,429        |
| Contributions and Gifts                     | 7,759                        | 0                             | 0                    | 0                                | 7,759        |
| <u>Other Local Revenues</u>                 |                              |                               |                      |                                  |              |
| Other Local Revenues                        | 9,938                        | 0                             | 0                    | 0                                | 9,938        |
| Total Other Local Revenues                  | \$ 208,417                   | \$ 0                          | \$ 52,849            | \$ 0                             | \$ 261,266   |

(Continued)

## Exhibit K-6

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

|  | Special Revenue Funds        |                               |                      | Capital<br>Projects<br>Fund      |               |
|--|------------------------------|-------------------------------|----------------------|----------------------------------|---------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Education<br>Capital<br>Projects | Total         |
| <u>State of Tennessee</u>                        |                              |                               |                      |                                  |               |
| <u>General Government Grants</u>                 |                              |                               |                      |                                  |               |
| On-behalf Contributions for OPEB                 | \$ 531,452                   | \$ 0                          | \$ 0                 | \$ 0                             | \$ 531,452    |
| <u>State Education Funds</u>                     |                              |                               |                      |                                  |               |
| Basic Education Program                          | 55,450,263                   | 0                             | 0                    | 0                                | 55,450,263    |
| Early Childhood Education                        | 977,581                      | 0                             | 0                    | 0                                | 977,581       |
| School Food Service                              | 0                            | 0                             | 59,649               | 0                                | 59,649        |
| Energy Efficient School Initiative               | 49,310                       | 0                             | 0                    | 0                                | 49,310        |
| Other State Education Funds                      | 288,228                      | 0                             | 0                    | 0                                | 288,228       |
| Career Ladder Program                            | 247,753                      | 0                             | 0                    | 0                                | 247,753       |
| Total State of Tennessee                         | \$ 57,544,587                | \$ 0                          | \$ 59,649            | \$ 0                             | \$ 57,604,236 |
| <u>Federal Government</u>                        |                              |                               |                      |                                  |               |
| <u>Federal Through State</u>                     |                              |                               |                      |                                  |               |
| USDA School Lunch Program                        | \$ 0                         | \$ 0                          | \$ 3,603,968         | \$ 0                             | \$ 3,603,968  |
| USDA - Commodities                               | 0                            | 0                             | 283,007              | 0                                | 283,007       |
| Breakfast  | 0                            | 0                             | 1,356,159            | 0                                | 1,356,159     |
| Vocational Education - Basic Grants to States    | 0                            | 211,900                       | 0                    | 0                                | 211,900       |
| Other Vocational                                 | 0                            | 5,000                         | 0                    | 0                                | 5,000         |
| Title I Grants to Local Education Agencies       | 0                            | 2,881,492                     | 0                    | 0                                | 2,881,492     |
| Special Education - Grants to States             | 77,768                       | 2,774,356                     | 0                    | 0                                | 2,852,124     |
| Special Education Preschool Grants               | 0                            | 102,553                       | 0                    | 0                                | 102,553       |
| English Language Acquisition Grants              | 0                            | 38,806                        | 0                    | 0                                | 38,806        |
| Safe and Drug-free Schools - State Grants        | 132,746                      | 0                             | 0                    | 0                                | 132,746       |
| Eisenhower Professional Development State Grants | 0                            | 382,297                       | 0                    | 0                                | 382,297       |
| Other Federal through State                      | 8,000                        | 109,028                       | 0                    | 0                                | 117,028       |

(Continued)

Exhibit K-6

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

|  |                                       | <u>Special Revenue Funds</u>           |                              | <u>Capital<br/>Projects<br/>Fund</u>      |                |
|--|---------------------------------------|--|------------------------------|---|----------------|
|  | <u>General<br/>Purpose<br/>School</u> | <u>School<br/>Federal<br/>Projects</u> | <u>Central<br/>Cafeteria</u> | <u>Education<br/>Capital<br/>Projects</u> | <u>Total</u>   |
| <u>Federal Government (Cont.)</u>            |                                       |  |                              |   |                |
| <u>Direct Federal Revenue</u>                |                                       |  |                              |   |                |
| ROTC Reimbursement                           | \$ 157,263                            | \$ 0                                   | \$ 0                         | \$ 0                                      | \$ 157,263     |
| Total Federal Government                     | \$ 375,777                            | \$ 6,505,432                           | \$ 5,243,134                 | \$ 0                                      | \$ 12,124,343  |
| <u>Other Governments and Citizens Groups</u> |                                       |  |                              |   |                |
| <u>Other Governments</u>                     |                                       |  |                              |   |                |
| Contributions                                | \$ 228,473                            | \$ 0                                   | \$ 0                         | \$ 22,474,122                             | \$ 22,702,595  |
| Total Other Governments and Citizens Groups  | \$ 228,473                            | \$ 0                                   | \$ 0                         | \$ 22,474,122                             | \$ 22,702,595  |
| Total  | \$ 97,424,382                         | \$ 6,505,432                           | \$ 6,729,237                 | \$ 22,474,122                             | \$ 133,133,173 |

## Exhibit K-7

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

|   |    |        |           |
|---|----|--------|-----------|
| Board and Committee Members Fees          | \$ | 72,480 |           |
| Social Security                           |    | 4,494  |           |
| Pensions                                  |    | 1,554  |           |
| Employer Medicare                         |    | 1,051  |           |
| Legal Notices, Recording, and Court Costs |    | 1,933  |           |
| Travel                                    |    | 357    |           |
| Office Supplies                           |    | 180    |           |
| In Service/Staff Development              |    | 100    |           |
| Total County Commission                   |    |        | \$ 82,149 |

Board of Equalization

|   |    |     |     |
|---|----|-----|-----|
| Board and Committee Members Fees          | \$ | 480 |     |
| Social Security                           |    | 30  |     |
| Employer Medicare                         |    | 7   |     |
| Legal Notices, Recording, and Court Costs |    | 78  |     |
| Total Board of Equalization               |    |     | 595 |

Other Boards and Committees

|   |    |       |       |
|---|----|-------|-------|
| Legal Services                            | \$ | 454   |       |
| Legal Notices, Recording, and Court Costs |    | 1,404 |       |
| Postal Charges                            |    | 345   |       |
| Office Supplies                           |    | 400   |       |
| Other Supplies and Materials              |    | 3,646 |       |
| Total Other Boards and Committees         |    |       | 6,249 |

County Mayor/Executive

|   |    |        |  |
|---|----|--------|--|
| County Official/Administrative Officer    | \$ | 96,740 |  |
| Assistant(s)                              |    | 46,704 |  |
| Clerical Personnel                        |    | 37,824 |  |
| Longevity Pay                             |    | 750    |  |
| Overtime Pay                              |    | 7,467  |  |
| Social Security                           |    | 11,544 |  |
| Pensions                                  |    | 8,754  |  |
| Life Insurance                            |    | 166    |  |
| Medical Insurance                         |    | 20,023 |  |
| Dental Insurance                          |    | 764    |  |
| Disability Insurance                      |    | 363    |  |
| Unemployment Compensation                 |    | 96     |  |
| Employer Medicare                         |    | 2,700  |  |
| Communication                             |    | 447    |  |
| Dues and Memberships                      |    | 4,200  |  |
| Legal Notices, Recording, and Court Costs |    | 46     |  |
| Maintenance Agreements                    |    | 1,597  |  |
| Postal Charges                            |    | 147    |  |
| Printing, Stationery, and Forms           |    | 605    |  |
| Travel                                    |    | 1,170  |  |
| Office Supplies                           |    | 1,556  |  |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)County Mayor/Executive (Cont.)

|                              |    |       |            |
|------------------------------|----|-------|------------|
| Periodicals                  | \$ | 192   |            |
| In Service/Staff Development |    | 994   |            |
| Furniture and Fixtures       |    | 3,606 |            |
| Office Equipment             |    | 493   |            |
| Total County Mayor/Executive |    |       | \$ 248,948 |

Personnel Office

|   |    |        |         |
|---|----|--------|---------|
| County Official/Administrative Officer    | \$ | 72,226 |         |
| Clerical Personnel                        |    | 97,130 |         |
| Longevity Pay                             |    | 1,150  |         |
| Overtime Pay                              |    | 588    |         |
| Social Security                           |    | 10,269 |         |
| Pensions                                  |    | 7,753  |         |
| Life Insurance                            |    | 196    |         |
| Medical Insurance                         |    | 23,499 |         |
| Dental Insurance                          |    | 929    |         |
| Disability Insurance                      |    | 350    |         |
| Unemployment Compensation                 |    | 218    |         |
| Employer Medicare                         |    | 2,402  |         |
| Dues and Memberships                      |    | 348    |         |
| Legal Notices, Recording, and Court Costs |    | 1,536  |         |
| Maintenance Agreements                    |    | 730    |         |
| Postal Charges                            |    | 384    |         |
| Printing, Stationery, and Forms           |    | 140    |         |
| Travel                                    |    | 246    |         |
| Other Contracted Services                 |    | 469    |         |
| Office Supplies                           |    | 933    |         |
| In Service/Staff Development              |    | 1,923  |         |
| Furniture and Fixtures                    |    | 564    |         |
| Total Personnel Office                    |    |        | 223,983 |

County Attorney

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 80,020 |         |
| Longevity Pay                          |    | 400    |         |
| Social Security                        |    | 4,721  |         |
| Pensions                               |    | 3,716  |         |
| Life Insurance                         |    | 55     |         |
| Medical Insurance                      |    | 8,255  |         |
| Dental Insurance                       |    | 255    |         |
| Disability Insurance                   |    | 178    |         |
| Unemployment Compensation              |    | 48     |         |
| Employer Medicare                      |    | 1,104  |         |
| Dues and Memberships                   |    | 250    |         |
| Postal Charges                         |    | 286    |         |
| Electricity                            |    | 750    |         |
| Office Supplies                        |    | 3,000  |         |
| Other Supplies and Materials           |    | 1,251  |         |
| Indirect Cost                          |    | 4,119  |         |
| Total County Attorney                  |    |        | 108,408 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

|   |    |        |            |
|---|----|--------|------------|
| County Official/Administrative Officer      | \$ | 72,858 |            |
| Clerical Personnel                          |    | 79,262 |            |
| Part-time Personnel                         |    | 1,115  |            |
| Longevity Pay                               |    | 900    |            |
| Overtime Pay                                |    | 4,799  |            |
| Election Commission                         |    | 3,780  |            |
| Election Workers                            |    | 85,652 |            |
| Social Security                             |    | 12,313 |            |
| Pensions                                    |    | 7,343  |            |
| Life Insurance                              |    | 221    |            |
| Medical Insurance                           |    | 24,820 |            |
| Dental Insurance                            |    | 1,018  |            |
| Disability Insurance                        |    | 338    |            |
| Unemployment Compensation                   |    | 336    |            |
| Employer Medicare                           |    | 2,880  |            |
| Communication                               |    | 494    |            |
| Contracts with Public Carriers              |    | 4,000  |            |
| Data Processing Services                    |    | 6,150  |            |
| Dues and Memberships                        |    | 275    |            |
| Legal Notices, Recording, and Court Costs   |    | 6,626  |            |
| Maintenance Agreements                      |    | 11,883 |            |
| Maintenance and Repair Services - Buildings |    | 16,770 |            |
| Maintenance and Repair Services - Equipment |    | 21,613 |            |
| Pest Control                                |    | 230    |            |
| Postal Charges                              |    | 8,402  |            |
| Printing, Stationery, and Forms             |    | 7,761  |            |
| Rentals                                     |    | 1,700  |            |
| Travel                                      |    | 2,989  |            |
| Data Processing Supplies                    |    | 3,115  |            |
| Electricity                                 |    | 5,042  |            |
| Natural Gas                                 |    | 2,351  |            |
| Office Supplies                             |    | 926    |            |
| Periodicals                                 |    | 167    |            |
| In Service/Staff Development                |    | 380    |            |
| Furniture and Fixtures                      |    | 2,047  |            |
| Other Capital Outlay                        |    | 5,000  |            |
| Total Election Commission                   |    |        | \$ 405,556 |

Register of Deeds

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 80,951  |
| Clerical Personnel                     |    | 135,529 |
| Longevity Pay                          |    | 2,400   |
| Social Security                        |    | 13,306  |
| Pensions                               |    | 10,112  |
| Life Insurance                         |    | 276     |
| Medical Insurance                      |    | 31,038  |
| Dental Insurance                       |    | 1,313   |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

|                           |    |        |            |
|---------------------------|----|--------|------------|
| Disability Insurance      | \$ | 440    |            |
| Unemployment Compensation |    | 183    |            |
| Employer Medicare         |    | 3,112  |            |
| Data Processing Services  |    | 10,100 |            |
| Dues and Memberships      |    | 772    |            |
| Maintenance Agreements    |    | 4,741  |            |
| Postal Charges            |    | 792    |            |
| Data Processing Supplies  |    | 982    |            |
| Office Supplies           |    | 2,197  |            |
| Data Processing Equipment |    | 25,291 |            |
| Total Register of Deeds   |    |        | \$ 323,535 |

Development

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer     | \$ | 55,465 |         |
| Assistant(s)                               |    | 46,966 |         |
| Secretary(ies)                             |    | 42,355 |         |
| Clerical Personnel                         |    | 34,849 |         |
| Longevity Pay                              |    | 2,400  |         |
| Other Salaries and Wages                   |    | 99,586 |         |
| Social Security                            |    | 17,130 |         |
| Pensions                                   |    | 12,822 |         |
| Life Insurance                             |    | 356    |         |
| Medical Insurance                          |    | 39,342 |         |
| Dental Insurance                           |    | 1,654  |         |
| Disability Insurance                       |    | 600    |         |
| Unemployment Compensation                  |    | 352    |         |
| Employer Medicare                          |    | 4,006  |         |
| Communication                              |    | 2,160  |         |
| Consultants                                |    | 58,821 |         |
| Dues and Memberships                       |    | 1,067  |         |
| Legal Notices, Recording, and Court Costs  |    | 4,644  |         |
| Maintenance Agreements                     |    | 5,048  |         |
| Maintenance and Repair Services - Vehicles |    | 2,572  |         |
| Postal Charges                             |    | 1,319  |         |
| Printing, Stationery, and Forms            |    | 800    |         |
| Travel                                     |    | 628    |         |
| Gasoline                                   |    | 5,658  |         |
| Office Supplies                            |    | 1,542  |         |
| Periodicals                                |    | 629    |         |
| Refunds                                    |    | 500    |         |
| In Service/Staff Development               |    | 762    |         |
| Furniture and Fixtures                     |    | 150    |         |
| Office Equipment                           |    | 6,789  |         |
| Other Equipment                            |    | 513    |         |
| Total Development                          |    |        | 451,485 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

|   |    |         |            |
|---|----|---------|------------|
| Supervisor/Director                         | \$ | 51,402  |            |
| Custodial Personnel                         |    | 84,816  |            |
| Longevity Pay                               |    | 5,350   |            |
| Overtime Pay                                |    | 4,927   |            |
| Other Salaries and Wages                    |    | 163,143 |            |
| Social Security                             |    | 18,976  |            |
| Pensions                                    |    | 13,623  |            |
| Life Insurance                              |    | 437     |            |
| Medical Insurance                           |    | 45,401  |            |
| Dental Insurance                            |    | 2,015   |            |
| Disability Insurance                        |    | 633     |            |
| Unemployment Compensation                   |    | 425     |            |
| Employer Medicare                           |    | 4,438   |            |
| Communication                               |    | 9,201   |            |
| Laundry Service                             |    | 3,718   |            |
| Licenses                                    |    | 955     |            |
| Maintenance Agreements                      |    | 21,074  |            |
| Maintenance and Repair Services - Buildings |    | 81,795  |            |
| Maintenance and Repair Services - Equipment |    | 981     |            |
| Maintenance and Repair Services - Vehicles  |    | 2,015   |            |
| Pest Control                                |    | 2,737   |            |
| Internet Connectivity                       |    | 30      |            |
| Disposal Fees                               |    | 5,983   |            |
| Other Contracted Services                   |    | 3,867   |            |
| Custodial Supplies                          |    | 11,067  |            |
| Diesel Fuel                                 |    | 25      |            |
| Electricity                                 |    | 139,212 |            |
| Gasoline                                    |    | 6,059   |            |
| Natural Gas                                 |    | 14,515  |            |
| Office Supplies                             |    | 232     |            |
| Boiler Insurance                            |    | 9,590   |            |
| Building and Contents Insurance             |    | 78,109  |            |
| Total County Buildings                      |    |         | \$ 786,751 |

Other General Administration

|  |    |         |
|--|----|---------|
| Audit Services                             | \$ | 29,144  |
| Consultants                                |    | 1,175   |
| Data Processing Services                   |    | 108,699 |
| Dues and Memberships                       |    | 11,972  |
| Maintenance Agreements                     |    | 7,200   |
| Maintenance and Repair Services - Vehicles |    | 1,963   |
| Other Contracted Services                  |    | 32,044  |
| Gasoline                                   |    | 1,605   |
| Natural Gas                                |    | 70      |
| Indirect Cost                              |    | 5,000   |
| Judgments                                  |    | 12,891  |
| Liability Insurance                        |    | 184,081 |

(Continued)



## Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Other General Administration (Cont.)

|                                    |    |         |            |
|------------------------------------|----|---------|------------|
| Premiums on Corporate Surety Bonds | \$ | 270     |            |
| Vehicle and Equipment Insurance    |    | 84,515  |            |
| Workers' Compensation Insurance    |    | 447,507 |            |
| Other Charges                      |    | 7,280   |            |
| Total Other General Administration |    |         | \$ 935,416 |

Preservation of Records

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 56,574 |         |
| Assistant(s)                           |    | 55,722 |         |
| Part-time Personnel                    |    | 10,277 |         |
| Longevity Pay                          |    | 1,250  |         |
| Social Security                        |    | 7,625  |         |
| Pensions                               |    | 5,246  |         |
| Life Insurance                         |    | 166    |         |
| Medical Insurance                      |    | 11,643 |         |
| Dental Insurance                       |    | 509    |         |
| Disability Insurance                   |    | 250    |         |
| Unemployment Compensation              |    | 179    |         |
| Employer Medicare                      |    | 1,783  |         |
| Communication                          |    | 494    |         |
| Janitorial Services                    |    | 2,450  |         |
| Maintenance Agreements                 |    | 2,598  |         |
| Travel                                 |    | 300    |         |
| Custodial Supplies                     |    | 144    |         |
| Library Books/Media                    |    | 1,988  |         |
| Office Supplies                        |    | 6,812  |         |
| Periodicals                            |    | 192    |         |
| Furniture and Fixtures                 |    | 1,433  |         |
| Office Equipment                       |    | 700    |         |
| Total Preservation of Records          |    |        | 168,335 |

FinanceAccounting and Budgeting

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 109,732 |  |
| Assistant(s)                           |    | 47,360  |  |
| Accountants/Bookkeepers                |    | 88,287  |  |
| Clerical Personnel                     |    | 109,583 |  |
| Longevity Pay                          |    | 2,700   |  |
| Overtime Pay                           |    | 1,288   |  |
| Social Security                        |    | 20,873  |  |
| Pensions                               |    | 15,737  |  |
| Life Insurance                         |    | 367     |  |
| Medical Insurance                      |    | 39,868  |  |
| Dental Insurance                       |    | 1,691   |  |
| Disability Insurance                   |    | 747     |  |
| Unemployment Compensation              |    | 377     |  |
| Employer Medicare                      |    | 4,882   |  |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

|   |    |       |            |
|---|----|-------|------------|
| Communication                             | \$ | 354   |            |
| Legal Notices, Recording, and Court Costs |    | 750   |            |
| Maintenance Agreements                    |    | 1,642 |            |
| Postal Charges                            |    | 3,476 |            |
| Printing, Stationery, and Forms           |    | 25    |            |
| Travel                                    |    | 168   |            |
| Other Contracted Services                 |    | 488   |            |
| Office Supplies                           |    | 3,145 |            |
| In Service/Staff Development              |    | 1,900 |            |
| Other Charges                             |    | 539   |            |
| Furniture and Fixtures                    |    | 849   |            |
| Office Equipment                          |    | 117   |            |
| Total Accounting and Budgeting            |    |       | \$ 456,945 |

Purchasing

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 53,514  |         |
| Accountants/Bookkeepers                |    | 116,036 |         |
| Longevity Pay                          |    | 2,800   |         |
| Social Security                        |    | 10,651  |         |
| Pensions                               |    | 7,408   |         |
| Life Insurance                         |    | 159     |         |
| Medical Insurance                      |    | 16,681  |         |
| Dental Insurance                       |    | 733     |         |
| Disability Insurance                   |    | 340     |         |
| Unemployment Compensation              |    | 144     |         |
| Employer Medicare                      |    | 2,491   |         |
| Communication                          |    | 592     |         |
| Dues and Memberships                   |    | 410     |         |
| Maintenance Agreements                 |    | 457     |         |
| Travel                                 |    | 29      |         |
| Office Supplies                        |    | 792     |         |
| Premiums on Corporate Surety Bonds     |    | 50      |         |
| In Service/Staff Development           |    | 200     |         |
| Other Charges                          |    | 42      |         |
| Furniture and Fixtures                 |    | 45      |         |
| Office Equipment                       |    | 300     |         |
| Total Purchasing                       |    |         | 213,874 |

Property Assessor's Office

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 82,248  |  |
| Clerical Personnel                     |    | 133,065 |  |
| Longevity Pay                          |    | 4,850   |  |
| Overtime Pay                           |    | 17      |  |
| Other Salaries and Wages               |    | 180,943 |  |
| In-service Training                    |    | 2,000   |  |
| Social Security                        |    | 24,061  |  |
| Pensions                               |    | 16,125  |  |

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Life Insurance                             | \$ | 533    |            |
| Medical Insurance                          |    | 67,789 |            |
| Dental Insurance                           |    | 2,644  |            |
| Disability Insurance                       |    | 833    |            |
| Unemployment Compensation                  |    | 517    |            |
| Employer Medicare                          |    | 5,627  |            |
| Audit Services                             |    | 25,389 |            |
| Communication                              |    | 492    |            |
| Data Processing Services                   |    | 18,000 |            |
| Dues and Memberships                       |    | 2,744  |            |
| Maintenance Agreements                     |    | 2,090  |            |
| Maintenance and Repair Services - Vehicles |    | 2,406  |            |
| Postal Charges                             |    | 4,442  |            |
| Printing, Stationery, and Forms            |    | 459    |            |
| Travel                                     |    | 573    |            |
| Data Processing Supplies                   |    | 4,408  |            |
| Gasoline                                   |    | 3,148  |            |
| Office Supplies                            |    | 2,925  |            |
| Software                                   |    | 3,000  |            |
| In Service/Staff Development               |    | 350    |            |
| Other Charges                              |    | 484    |            |
| Data Processing Equipment                  |    | 344    |            |
| Furniture and Fixtures                     |    | 697    |            |
| Office Equipment                           |    | 372    |            |
| Total Property Assessor's Office           |    |        | \$ 593,575 |

Reappraisal Program

|  |    |        |
|--|----|--------|
| Clerical Personnel                         | \$ | 31,933 |
| Temporary Personnel                        |    | 873    |
| Longevity Pay                              |    | 1,750  |
| Other Salaries and Wages                   |    | 69,006 |
| Social Security                            |    | 6,409  |
| Pensions                                   |    | 4,744  |
| Life Insurance                             |    | 166    |
| Medical Insurance                          |    | 17,465 |
| Dental Insurance                           |    | 762    |
| Disability Insurance                       |    | 224    |
| Unemployment Compensation                  |    | 144    |
| Employer Medicare                          |    | 1,499  |
| Communication                              |    | 676    |
| Data Processing Services                   |    | 10,293 |
| Maintenance Agreements                     |    | 579    |
| Maintenance and Repair Services - Vehicles |    | 1,924  |
| Printing, Stationery, and Forms            |    | 204    |
| Gasoline                                   |    | 875    |
| Office Supplies                            |    | 118    |
| Other Charges                              |    | 98     |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program (Cont.)

|                           |    |    |            |
|---------------------------|----|----|------------|
| Furniture and Fixtures    | \$ | 98 |            |
| Other Equipment           |    | 42 |            |
| Total Reappraisal Program |    |    | \$ 149,882 |

County Trustee's Office

|   |    |         |         |
|---|----|---------|---------|
| County Official/Administrative Officer    | \$ | 80,951  |         |
| Clerical Personnel                        |    | 135,477 |         |
| Temporary Personnel                       |    | 13,009  |         |
| Longevity Pay                             |    | 1,550   |         |
| Overtime Pay                              |    | 892     |         |
| Social Security                           |    | 13,678  |         |
| Pensions                                  |    | 10,056  |         |
| Life Insurance                            |    | 266     |         |
| Medical Insurance                         |    | 34,688  |         |
| Dental Insurance                          |    | 1,250   |         |
| Disability Insurance                      |    | 471     |         |
| Unemployment Compensation                 |    | 252     |         |
| Employer Medicare                         |    | 3,199   |         |
| Data Processing Services                  |    | 4,097   |         |
| Dues and Memberships                      |    | 772     |         |
| Legal Notices, Recording, and Court Costs |    | 52      |         |
| Maintenance Agreements                    |    | 584     |         |
| Postal Charges                            |    | 2,855   |         |
| Printing, Stationery, and Forms           |    | 95      |         |
| Travel                                    |    | 815     |         |
| Other Contracted Services                 |    | 14,821  |         |
| Office Supplies                           |    | 1,404   |         |
| In Service/Staff Development              |    | 500     |         |
| Data Processing Equipment                 |    | 56      |         |
| Total County Trustee's Office             |    |         | 321,790 |

County Clerk's Office

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 80,951  |  |
| Longevity Pay                          |    | 8,350   |  |
| Other Salaries and Wages               |    | 479,638 |  |
| Social Security                        |    | 34,103  |  |
| Pensions                               |    | 26,285  |  |
| Life Insurance                         |    | 751     |  |
| Medical Insurance                      |    | 90,809  |  |
| Dental Insurance                       |    | 3,555   |  |
| Disability Insurance                   |    | 1,224   |  |
| Unemployment Compensation              |    | 605     |  |
| Employer Medicare                      |    | 7,976   |  |
| Advertising                            |    | 1,791   |  |
| Data Processing Services               |    | 19,209  |  |
| Dues and Memberships                   |    | 822     |  |
| Maintenance Agreements                 |    | 3,308   |  |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Maintenance and Repair Services - Equipment | \$ | 151    |            |
| Postal Charges                              |    | 22,154 |            |
| Printing, Stationery, and Forms             |    | 678    |            |
| Travel                                      |    | 861    |            |
| Data Processing Supplies                    |    | 11,020 |            |
| Office Supplies                             |    | 7,491  |            |
| Periodicals                                 |    | 237    |            |
| In Service/Staff Development                |    | 200    |            |
| Data Processing Equipment                   |    | 1,146  |            |
| Office Equipment                            |    | 23,498 |            |
| Total County Clerk's Office                 |    |        | \$ 826,813 |

Data Processing

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 83,658  |         |
| Data Processing Personnel              |    | 125,926 |         |
| Longevity Pay                          |    | 2,250   |         |
| Social Security                        |    | 13,027  |         |
| Pensions                               |    | 9,787   |         |
| Life Insurance                         |    | 166     |         |
| Medical Insurance                      |    | 17,465  |         |
| Dental Insurance                       |    | 737     |         |
| Disability Insurance                   |    | 464     |         |
| Unemployment Compensation              |    | 144     |         |
| Employer Medicare                      |    | 3,047   |         |
| Communication                          |    | 31,275  |         |
| Data Processing Services               |    | 1,048   |         |
| Maintenance Agreements                 |    | 43,892  |         |
| Internet Connectivity                  |    | 41,671  |         |
| Data Processing Supplies               |    | 6,463   |         |
| Office Supplies                        |    | 89      |         |
| Data Processing Equipment              |    | 64,282  |         |
| Total Data Processing                  |    |         | 445,391 |

Administration of JusticeCircuit Court

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 80,951  |  |
| Clerical Personnel                     |    | 585,292 |  |
| Part-time Personnel                    |    | 48,145  |  |
| Longevity Pay                          |    | 7,600   |  |
| Overtime Pay                           |    | 41      |  |
| Jury and Witness Expense               |    | 33,740  |  |
| Other Per Diem and Fees                |    | 12,825  |  |
| Social Security                        |    | 45,533  |  |
| Pensions                               |    | 28,854  |  |
| Life Insurance                         |    | 918     |  |
| Medical Insurance                      |    | 93,409  |  |
| Dental Insurance                       |    | 4,220   |  |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

|   |    |        |              |
|---|----|--------|--------------|
| Disability Insurance                      | \$ | 1,482  |              |
| Unemployment Compensation                 |    | 1,075  |              |
| Employer Medicare                         |    | 10,649 |              |
| Data Processing Services                  |    | 39,576 |              |
| Dues and Memberships                      |    | 742    |              |
| Legal Notices, Recording, and Court Costs |    | 687    |              |
| Postal Charges                            |    | 11,018 |              |
| Printing, Stationery, and Forms           |    | 11,910 |              |
| Travel                                    |    | 352    |              |
| Office Supplies                           |    | 8,305  |              |
| Periodicals                               |    | 452    |              |
| In Service/Staff Development              |    | 475    |              |
| Other Charges                             |    | 5,594  |              |
| Office Equipment                          |    | 1,100  |              |
| Total Circuit Court                       |    |        | \$ 1,034,945 |

General Sessions Court

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Judge(s)                        | \$ | 484,614 |         |
| Clerical Personnel              |    | 130,288 |         |
| Temporary Personnel             |    | 940     |         |
| Part-time Personnel             |    | 79,362  |         |
| Longevity Pay                   |    | 1,850   |         |
| Overtime Pay                    |    | 743     |         |
| Other Salaries and Wages        |    | 117,564 |         |
| Social Security                 |    | 42,261  |         |
| Pensions                        |    | 32,986  |         |
| Life Insurance                  |    | 492     |         |
| Medical Insurance               |    | 53,629  |         |
| Dental Insurance                |    | 2,015   |         |
| Disability Insurance            |    | 1,577   |         |
| Unemployment Compensation       |    | 597     |         |
| Employer Medicare               |    | 11,733  |         |
| Communication                   |    | 7,309   |         |
| Data Processing Services        |    | 7,164   |         |
| Dues and Memberships            |    | 1,115   |         |
| Licenses                        |    | 1,200   |         |
| Maintenance Agreements          |    | 1,759   |         |
| Pest Control                    |    | 391     |         |
| Printing, Stationery, and Forms |    | 135     |         |
| Travel                          |    | 2,115   |         |
| Electricity                     |    | 7,021   |         |
| Office Supplies                 |    | 1,976   |         |
| Periodicals                     |    | 869     |         |
| In Service/Staff Development    |    | 780     |         |
| Other Charges                   |    | 83      |         |
| Furniture and Fixtures          |    | 803     |         |
| Office Equipment                |    | 480     |         |
| Total General Sessions Court    |    |         | 993,851 |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

|  |    |         |            |
|--|----|---------|------------|
| County Official/Administrative Officer | \$ | 80,951  |            |
| Longevity Pay                          |    | 2,500   |            |
| Other Salaries and Wages               |    | 227,209 |            |
| Social Security                        |    | 19,031  |            |
| Pensions                               |    | 14,244  |            |
| Life Insurance                         |    | 375     |            |
| Medical Insurance                      |    | 39,790  |            |
| Dental Insurance                       |    | 1,738   |            |
| Disability Insurance                   |    | 655     |            |
| Unemployment Compensation              |    | 349     |            |
| Employer Medicare                      |    | 4,451   |            |
| Accounting Services                    |    | 275     |            |
| Data Processing Services               |    | 17,572  |            |
| Dues and Memberships                   |    | 1,166   |            |
| Maintenance Agreements                 |    | 1,829   |            |
| Postal Charges                         |    | 4,889   |            |
| Printing, Stationery, and Forms        |    | 184     |            |
| Travel                                 |    | 812     |            |
| Other Contracted Services              |    | 585     |            |
| Office Supplies                        |    | 6,501   |            |
| Periodicals                            |    | 530     |            |
| Premiums on Corporate Surety Bonds     |    | 1,462   |            |
| In Service/Staff Development           |    | 1,090   |            |
| Other Charges                          |    | 25      |            |
| Furniture and Fixtures                 |    | 433     |            |
| Office Equipment                       |    | 887     |            |
| Total Chancery Court                   |    |         | \$ 429,533 |

Victim Assistance Programs

|                                  |    |        |        |
|----------------------------------|----|--------|--------|
| Other Salaries and Wages         | \$ | 16,859 |        |
| Social Security                  |    | 1,036  |        |
| Pensions                         |    | 778    |        |
| Life Insurance                   |    | 18     |        |
| Medical Insurance                |    | 2,090  |        |
| Dental Insurance                 |    | 85     |        |
| Disability Insurance             |    | 8      |        |
| Unemployment Compensation        |    | 48     |        |
| Employer Medicare                |    | 242    |        |
| Contributions                    |    | 35,807 |        |
| Travel                           |    | 1,087  |        |
| Office Supplies                  |    | 1,811  |        |
| Total Victim Assistance Programs |    |        | 59,869 |

Public Safety

Sheriff's Department

|  |    |           |  |
|--|----|-----------|--|
| County Official/Administrative Officer | \$ | 89,050    |  |
| Deputy(ies)                            |    | 2,163,920 |  |

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

|   |            |
|---|------------|
| Investigator(s)                             | \$ 547,030 |
| Captain(s)                                  | 153,531    |
| Lieutenant(s)                               | 238,665    |
| Sergeant(s)                                 | 579,413    |
| Dispatchers/Radio Operators                 | 241,255    |
| Clerical Personnel                          | 180,546    |
| Part-time Personnel                         | 13,610     |
| Longevity Pay                               | 49,900     |
| Overtime Pay                                | 191,019    |
| In-service Training                         | 47,400     |
| Social Security                             | 271,401    |
| Pensions                                    | 201,616    |
| Life Insurance                              | 5,024      |
| Medical Insurance                           | 563,817    |
| Dental Insurance                            | 22,699     |
| Disability Insurance                        | 9,058      |
| Unemployment Compensation                   | 4,652      |
| Employer Medicare                           | 63,473     |
| Communication                               | 48,942     |
| Data Processing Services                    | 27,726     |
| Dues and Memberships                        | 2,540      |
| Evaluation and Testing                      | 8,800      |
| Maintenance Agreements                      | 20,637     |
| Maintenance and Repair Services - Equipment | 1,183      |
| Maintenance and Repair Services - Vehicles  | 36,678     |
| Postal Charges                              | 790        |
| Printing, Stationery, and Forms             | 1,866      |
| Travel                                      | 15,125     |
| Veterinary Services                         | 856        |
| Other Contracted Services                   | 2,999      |
| Animal Food and Supplies                    | 330        |
| Data Processing Supplies                    | 8,901      |
| Diesel Fuel                                 | 51         |
| Gasoline                                    | 166,094    |
| Law Enforcement Supplies                    | 24,567     |
| Lubricants                                  | 4,416      |
| Office Supplies                             | 7,857      |
| Tires and Tubes                             | 20,071     |
| Uniforms                                    | 40,132     |
| Vehicle Parts                               | 65,170     |
| Workers' Compensation Insurance             | 9,654      |
| In Service/Staff Development                | 21,477     |
| Other Charges                               | 655        |
| Communication Equipment                     | 9,829      |
| Data Processing Equipment                   | 14,816     |
| Furniture and Fixtures                      | 2,888      |
| Law Enforcement Equipment                   | 39,346     |

(Continued)



## Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

|                            |    |       |              |
|----------------------------|----|-------|--------------|
| Motor Vehicles             | \$ | 1,527 |              |
| Office Equipment           |    | 9,652 |              |
| Other Equipment            |    | 136   |              |
| Total Sheriff's Department |    |       | \$ 6,252,790 |

Drug Enforcement

|                        |    |     |     |
|------------------------|----|-----|-----|
| Other Charges          | \$ | 150 |     |
| Total Drug Enforcement |    |     | 150 |

Administration of the Sexual Offender Registry

|  |    |       |       |
|--|----|-------|-------|
| Contracts with Government Agencies                   | \$ | 2,200 |       |
| Total Administration of the Sexual Offender Registry |    |       | 2,200 |

Jail

|   |    |           |  |
|---|----|-----------|--|
| County Official/Administrative Officer      | \$ | 3,029     |  |
| Sergeant(s)                                 |    | 222,359   |  |
| Maintenance Personnel                       |    | 56,900    |  |
| Longevity Pay                               |    | 16,600    |  |
| Overtime Pay                                |    | 161,962   |  |
| Other Salaries and Wages                    |    | 1,967,925 |  |
| Social Security                             |    | 147,970   |  |
| Pensions                                    |    | 108,999   |  |
| Life Insurance                              |    | 3,335     |  |
| Medical Insurance                           |    | 366,566   |  |
| Dental Insurance                            |    | 15,388    |  |
| Disability Insurance                        |    | 4,667     |  |
| Unemployment Compensation                   |    | 3,911     |  |
| Employer Medicare                           |    | 34,606    |  |
| Communication                               |    | 5,434     |  |
| Contracts with Government Agencies          |    | 460,270   |  |
| Maintenance Agreements                      |    | 27,986    |  |
| Maintenance and Repair Services - Buildings |    | 79,255    |  |
| Maintenance and Repair Services - Equipment |    | 1,101     |  |
| Maintenance and Repair Services - Vehicles  |    | 5,718     |  |
| Medical and Dental Services                 |    | 643,196   |  |
| Pest Control                                |    | 2,397     |  |
| Postal Charges                              |    | 1,627     |  |
| Printing, Stationery, and Forms             |    | 2,993     |  |
| Internet Connectivity                       |    | 109       |  |
| Transportation - Other than Students        |    | 11,447    |  |
| Travel                                      |    | 1,425     |  |
| Disposal Fees                               |    | 6,939     |  |
| Other Contracted Services                   |    | 1,225     |  |
| Custodial Supplies                          |    | 39,645    |  |
| Diesel Fuel                                 |    | 987       |  |
| Drugs and Medical Supplies                  |    | 245,801   |  |
| Electricity                                 |    | 256,769   |  |

(Continued)

## Exhibit K-7

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

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

|                              |    |         |              |
|------------------------------|----|---------|--------------|
| Food Supplies                | \$ | 391,136 |              |
| Gasoline                     |    | 25,339  |              |
| Law Enforcement Supplies     |    | 7,091   |              |
| Lubricants                   |    | 680     |              |
| Natural Gas                  |    | 42,281  |              |
| Prisoners Clothing           |    | 20,720  |              |
| Tires and Tubes              |    | 3,247   |              |
| Uniforms                     |    | 15,903  |              |
| Vehicle Parts                |    | 11,030  |              |
| Other Supplies and Materials |    | 771     |              |
| In Service/Staff Development |    | 1,622   |              |
| Other Charges                |    | 2,719   |              |
| Communication Equipment      |    | 2,893   |              |
| Food Service Equipment       |    | 3,247   |              |
| Law Enforcement Equipment    |    | 2,540   |              |
| Office Equipment             |    | 824     |              |
| Total Jail                   |    |         | \$ 5,440,584 |

Juvenile Services

|                                      |    |        |         |
|--------------------------------------|----|--------|---------|
| Assistant(s)                         | \$ | 33,721 |         |
| Probation Officer(s)                 |    | 32,929 |         |
| Youth Service Officer(s)             |    | 47,284 |         |
| Longevity Pay                        |    | 850    |         |
| Overtime Pay                         |    | 2,008  |         |
| Social Security                      |    | 6,998  |         |
| Pensions                             |    | 5,396  |         |
| Life Insurance                       |    | 166    |         |
| Medical Insurance                    |    | 19,395 |         |
| Dental Insurance                     |    | 764    |         |
| Disability Insurance                 |    | 252    |         |
| Unemployment Compensation            |    | 143    |         |
| Employer Medicare                    |    | 1,637  |         |
| Communication                        |    | 1,578  |         |
| Consultants                          |    | 7,000  |         |
| Travel                               |    | 5,283  |         |
| Drugs and Medical Supplies           |    | 237    |         |
| Instructional Supplies and Materials |    | 8,137  |         |
| Office Supplies                      |    | 1,253  |         |
| In Service/Staff Development         |    | 815    |         |
| Furniture and Fixtures               |    | 395    |         |
| Office Equipment                     |    | 4,183  |         |
| Total Juvenile Services              |    |        | 180,424 |

Civil Defense

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Contributions                   | \$ | 283,450 |         |
| Building and Contents Insurance |    | 863     |         |
| Vehicle and Equipment Insurance |    | 26,017  |         |
| Total Civil Defense             |    |         | 310,330 |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management

|   |    |        |            |
|---|----|--------|------------|
| Clerical Personnel                          | \$ | 70,333 |            |
| Longevity Pay                               |    | 400    |            |
| Overtime Pay                                |    | 889    |            |
| Social Security                             |    | 4,426  |            |
| Pensions                                    |    | 3,309  |            |
| Life Insurance                              |    | 110    |            |
| Medical Insurance                           |    | 5,822  |            |
| Dental Insurance                            |    | 255    |            |
| Disability Insurance                        |    | 155    |            |
| Unemployment Compensation                   |    | 86     |            |
| Employer Medicare                           |    | 1,035  |            |
| Communication                               |    | 7,257  |            |
| Consultants                                 |    | 1,500  |            |
| Dues and Memberships                        |    | 415    |            |
| Maintenance Agreements                      |    | 3,441  |            |
| Maintenance and Repair Services - Equipment |    | 1,359  |            |
| Maintenance and Repair Services - Vehicles  |    | 15,051 |            |
| Postal Charges                              |    | 6      |            |
| Printing, Stationery, and Forms             |    | 710    |            |
| Travel                                      |    | 2,063  |            |
| Disposal Fees                               |    | 142    |            |
| Other Contracted Services                   |    | 27,831 |            |
| Diesel Fuel                                 |    | 226    |            |
| Electricity                                 |    | 14,745 |            |
| Gasoline                                    |    | 6,203  |            |
| Natural Gas                                 |    | 360    |            |
| Office Supplies                             |    | 1,306  |            |
| Small Tools                                 |    | 1,320  |            |
| Tires and Tubes                             |    | 909    |            |
| Uniforms                                    |    | 1,637  |            |
| Vehicle Parts                               |    | 112    |            |
| Other Supplies and Materials                |    | 10,005 |            |
| Vehicle and Equipment Insurance             |    | 14,488 |            |
| In Service/Staff Development                |    | 4,605  |            |
| Other Charges                               |    | 40,997 |            |
| Office Equipment                            |    | 5,961  |            |
| Other Equipment                             |    | 90,669 |            |
| Total Other Emergency Management            |    |        | \$ 340,138 |

Public Safety Grants Program

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Data Processing Services           | \$ | 1,622  |        |
| Medical and Dental Services        |    | 445    |        |
| Uniforms                           |    | 18,287 |        |
| Law Enforcement Equipment          |    | 9,088  |        |
| Total Public Safety Grants Program |    |        | 29,442 |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

|   |    |         |            |
|---|----|---------|------------|
| Medical Personnel                           | \$ | 312,069 |            |
| Clerical Personnel                          |    | 127,629 |            |
| Part-time Personnel                         |    | 54,283  |            |
| Longevity Pay                               |    | 2,650   |            |
| Social Security                             |    | 30,420  |            |
| Pensions                                    |    | 20,195  |            |
| Life Insurance                              |    | 713     |            |
| Medical Insurance                           |    | 72,619  |            |
| Dental Insurance                            |    | 2,930   |            |
| Disability Insurance                        |    | 878     |            |
| Unemployment Compensation                   |    | 1,049   |            |
| Employer Medicare                           |    | 7,114   |            |
| Advertising                                 |    | 360     |            |
| Communication                               |    | 9,791   |            |
| Dues and Memberships                        |    | 200     |            |
| Evaluation and Testing                      |    | 650     |            |
| Janitorial Services                         |    | 31,668  |            |
| Licenses                                    |    | 94      |            |
| Maintenance Agreements                      |    | 8,146   |            |
| Maintenance and Repair Services - Buildings |    | 1,221   |            |
| Maintenance and Repair Services - Equipment |    | 969     |            |
| Medical and Dental Services                 |    | 1,315   |            |
| Pest Control                                |    | 561     |            |
| Travel                                      |    | 7,122   |            |
| Electricity                                 |    | 41,536  |            |
| Instructional Supplies and Materials        |    | 38,565  |            |
| Natural Gas                                 |    | 4,968   |            |
| Office Supplies                             |    | 1,105   |            |
| Periodicals                                 |    | 213     |            |
| Other Supplies and Materials                |    | 163     |            |
| Liability Insurance                         |    | 170     |            |
| Workers' Compensation Insurance             |    | 5,765   |            |
| Other Charges                               |    | 72      |            |
| Furniture and Fixtures                      |    | 5,569   |            |
| Total Local Health Center                   |    |         | \$ 792,772 |

Rabies and Animal Control

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 47,846  |
| Part-time Personnel                    |    | 49,030  |
| Longevity Pay                          |    | 1,850   |
| Overtime Pay                           |    | 476     |
| Other Salaries and Wages               |    | 211,006 |
| Social Security                        |    | 19,171  |
| Pensions                               |    | 10,009  |
| Life Insurance                         |    | 437     |
| Medical Insurance                      |    | 46,404  |
| Dental Insurance                       |    | 1,997   |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Rabies and Animal Control (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Disability Insurance                               | \$ | 541    |            |
| Unemployment Compensation                          |    | 672    |            |
| Employer Medicare                                  |    | 4,483  |            |
| Advertising  |    | 335    |            |
| Data Processing Services                           |    | 1,935  |            |
| Licenses   |    | 260    |            |
| Maintenance Agreements                             |    | 3,305  |            |
| Maintenance and Repair Services - Buildings        |    | 2,838  |            |
| Maintenance and Repair Services - Equipment        |    | 350    |            |
| Maintenance and Repair Services - Vehicles         |    | 471    |            |
| Medical and Dental Services                        |    | 677    |            |
| Printing, Stationery, and Forms                    |    | 50     |            |
| Internet Connectivity                              |    | 1,964  |            |
| Travel   |    | 67     |            |
| Veterinary Services                                |    | 27,851 |            |
| Disposal Fees                                      |    | 2,206  |            |
| Custodial Supplies                                 |    | 9,858  |            |
| Drugs and Medical Supplies                         |    | 30,362 |            |
| Electricity  |    | 31,941 |            |
| Gasoline   |    | 5,956  |            |
| Law Enforcement Supplies                           |    | 100    |            |
| Natural Gas  |    | 9,713  |            |
| Office Supplies                                    |    | 2,226  |            |
| Uniforms   |    | 632    |            |
| Other Supplies and Materials                       |    | 7,659  |            |
| Building and Contents Insurance                    |    | 432    |            |
| Refunds  |    | 250    |            |
| In Service/Staff Development                       |    | 740    |            |
| Furniture and Fixtures                             |    | 829    |            |
| Office Equipment                                   |    | 40     |            |
| Other Equipment                                    |    | 639    |            |
| Total Rabies and Animal Control                    |    |        | \$ 537,608 |
| <br>   |    |        |            |
| <u>Appropriation to State</u>                      |    |        |            |
| Contracts with Government Agencies                 | \$ | 67,996 |            |
| Total Appropriation to State                       |    |        | 67,996     |
| <br>   |    |        |            |
| <u>Other Public Health and Welfare</u>             |    |        |            |
| Other Contracted Services                          | \$ | 2,250  |            |
| Total Other Public Health and Welfare              |    |        | 2,250      |
| <br>   |    |        |            |
| <u>Social, Cultural, and Recreational Services</u> |    |        |            |
| <u>Senior Citizens Assistance</u>                  |    |        |            |
| Contributions                                      | \$ | 34,000 |            |
| Total Senior Citizens Assistance                   |    |        | 34,000     |

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

|   |    |         |            |
|---|----|---------|------------|
| County Official/Administrative Officer      | \$ | 51,963  |            |
| Librarians                                  |    | 203,174 |            |
| Part-time Personnel                         |    | 78,516  |            |
| Longevity Pay                               |    | 4,100   |            |
| Overtime Pay                                |    | 312     |            |
| Social Security                             |    | 20,463  |            |
| Pensions                                    |    | 11,945  |            |
| Life Insurance                              |    | 394     |            |
| Medical Insurance                           |    | 46,285  |            |
| Dental Insurance                            |    | 1,857   |            |
| Disability Insurance                        |    | 547     |            |
| Unemployment Compensation                   |    | 792     |            |
| Employer Medicare                           |    | 4,786   |            |
| Communication                               |    | 3,752   |            |
| Dues and Memberships                        |    | 734     |            |
| Janitorial Services                         |    | 7,800   |            |
| Licenses                                    |    | 328     |            |
| Maintenance Agreements                      |    | 17,063  |            |
| Maintenance and Repair Services - Buildings |    | 8,932   |            |
| Pest Control                                |    | 646     |            |
| Postal Charges                              |    | 627     |            |
| Internet Connectivity                       |    | 900     |            |
| Travel                                      |    | 908     |            |
| Other Contracted Services                   |    | 5,722   |            |
| Custodial Supplies                          |    | 2,767   |            |
| Electricity                                 |    | 27,657  |            |
| Library Books/Media                         |    | 93,526  |            |
| Natural Gas                                 |    | 2,916   |            |
| Office Supplies                             |    | 8,161   |            |
| Periodicals                                 |    | 11,769  |            |
| In Service/Staff Development                |    | 125     |            |
| Other Charges                               |    | 2,135   |            |
| Furniture and Fixtures                      |    | 1,226   |            |
| Office Equipment                            |    | 4,173   |            |
| Total Libraries                             |    |         | \$ 627,001 |

Parks and Fair Boards

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 75,844  |
| Assistant(s)                           |    | 65,921  |
| Laborers                               |    | 173,670 |
| Clerical Personnel                     |    | 25,151  |
| Temporary Personnel                    |    | 32,627  |
| Longevity Pay                          |    | 4,850   |
| Overtime Pay                           |    | 1,296   |
| Social Security                        |    | 23,398  |
| Pensions                               |    | 15,448  |
| Life Insurance                         |    | 476     |

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Medical Insurance                           | \$ | 49,684 |            |
| Dental Insurance                            |    | 2,210  |            |
| Disability Insurance                        |    | 715    |            |
| Unemployment Compensation                   |    | 594    |            |
| Employer Medicare                           |    | 5,472  |            |
| Communication                               |    | 1,668  |            |
| Dues and Memberships                        |    | 550    |            |
| Laundry Service                             |    | 4,320  |            |
| Maintenance Agreements                      |    | 576    |            |
| Maintenance and Repair Services - Buildings |    | 20,345 |            |
| Maintenance and Repair Services - Equipment |    | 2,381  |            |
| Maintenance and Repair Services - Vehicles  |    | 4,810  |            |
| Pest Control                                |    | 646    |            |
| Printing, Stationery, and Forms             |    | 341    |            |
| Rentals                                     |    | 1,292  |            |
| Travel                                      |    | 162    |            |
| Other Contracted Services                   |    | 73,491 |            |
| Custodial Supplies                          |    | 9,357  |            |
| Diesel Fuel                                 |    | 2,663  |            |
| Electricity                                 |    | 62,380 |            |
| Equipment Parts - Light                     |    | 1,843  |            |
| Fertilizer, Lime, and Seed                  |    | 3,399  |            |
| Gasoline                                    |    | 11,391 |            |
| Lubricants                                  |    | 586    |            |
| Natural Gas                                 |    | 5,593  |            |
| Office Supplies                             |    | 152    |            |
| Uniforms                                    |    | 676    |            |
| Software                                    |    | 1,500  |            |
| Other Supplies and Materials                |    | 40,235 |            |
| In Service/Staff Development                |    | 199    |            |
| Other Charges                               |    | 28,672 |            |
| Building Improvements                       |    | 23,779 |            |
| Site Development                            |    | 1,045  |            |
| Other Capital Outlay                        |    | 35,916 |            |
| Total Parks and Fair Boards                 |    |        | \$ 817,324 |

Agriculture and Natural Resources

Agricultural Extension Service

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Board and Committee Members Fees     | \$ | 75      |         |
| Social Security                      |    | 5       |         |
| Employer Medicare                    |    | 1       |         |
| Contracts with Government Agencies   |    | 154,304 |         |
| Dues and Memberships                 |    | 380     |         |
| Maintenance Agreements               |    | 4,837   |         |
| Postal Charges                       |    | 236     |         |
| Total Agricultural Extension Service |    |         | 159,838 |

(Continued)

## Exhibit K-7

Maury 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

|                           |           |        |
|---------------------------|-----------|--------|
| Other Salaries and Wages  | \$ 28,612 |        |
| Social Security           | 1,764     |        |
| Pensions                  | 1,322     |        |
| Life Insurance            | 49        |        |
| Medical Insurance         | 5,098     |        |
| Dental Insurance          | 226       |        |
| Disability Insurance      | 65        |        |
| Unemployment Compensation | 61        |        |
| Employer Medicare         | 413       |        |
| Total Soil Conservation   |           | 37,610 |

Other OperationsTourism

|  |           |         |
|--|-----------|---------|
| County Official/Administrative Officer     | \$ 48,943 |         |
| Part-time Personnel                        | 16,125    |         |
| Longevity Pay                              | 1,000     |         |
| Other Salaries and Wages                   | 65,259    |         |
| Social Security                            | 8,129     |         |
| Pensions                                   | 5,322     |         |
| Life Insurance                             | 166       |         |
| Medical Insurance                          | 11,643    |         |
| Dental Insurance                           | 518       |         |
| Disability Insurance                       | 251       |         |
| Unemployment Compensation                  | 212       |         |
| Employer Medicare                          | 1,901     |         |
| Advertising                                | 116,197   |         |
| Communication                              | 11        |         |
| Dues and Memberships                       | 5,025     |         |
| Maintenance Agreements                     | 630       |         |
| Maintenance and Repair Services - Vehicles | 64        |         |
| Printing, Stationery, and Forms            | 7,376     |         |
| Rentals                                    | 300       |         |
| Travel                                     | 2,388     |         |
| Other Contracted Services                  | 58,467    |         |
| Electricity                                | 2,169     |         |
| Gasoline                                   | 136       |         |
| Office Supplies                            | 3,626     |         |
| Other Supplies and Materials               | 7,189     |         |
| In Service/Staff Development               | 1,378     |         |
| Other Charges                              | 2,716     |         |
| Furniture and Fixtures                     | 10,203    |         |
| Office Equipment                           | 1,970     |         |
| Total Tourism                              |           | 379,314 |

(Continued)



## Exhibit K-7

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

General Fund (Cont.)Other Operations (Cont.)Industrial Development

|                              |            |            |
|------------------------------|------------|------------|
| Contributions                | \$ 225,000 |            |
| Electricity                  | 1,069      |            |
| Total Industrial Development |            | \$ 226,069 |

Other Economic and Community Development

|  |        |     |
|--|--------|-----|
| Other Contracted Services                      | \$ 210 |     |
| Other Charges                                  | 81     |     |
| Total Other Economic and Community Development |        | 291 |

Airport

|               |           |        |
|---------------|-----------|--------|
| Contributions | \$ 40,000 |        |
| Total Airport |           | 40,000 |

Veterans' Services

|  |           |        |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 31,666 |        |
| Clerical Personnel                     | 33,508    |        |
| Longevity Pay                          | 1,000     |        |
| Social Security                        | 4,043     |        |
| Pensions                               | 3,057     |        |
| Life Insurance                         | 65        |        |
| Medical Insurance                      | 11,643    |        |
| Dental Insurance                       | 509       |        |
| Disability Insurance                   | 142       |        |
| Unemployment Compensation              | 88        |        |
| Employer Medicare                      | 945       |        |
| Maintenance Agreements                 | 1,248     |        |
| Postal Charges                         | 597       |        |
| Printing, Stationery, and Forms        | 35        |        |
| Travel                                 | 150       |        |
| Office Supplies                        | 616       |        |
| Total Veterans' Services               |           | 89,312 |

Contributions to Other Agencies

|                                       |           |        |
|---------------------------------------|-----------|--------|
| Contributions                         | \$ 84,520 |        |
| Total Contributions to Other Agencies |           | 84,520 |

Employee Benefits

|                              |        |        |
|------------------------------|--------|--------|
| Dental Insurance             | \$ 584 |        |
| Medical and Dental Services  | 27,529 |        |
| Other Supplies and Materials | 5,880  |        |
| Total Employee Benefits      |        | 33,993 |

Payments to Cities

|                                    |            |         |
|------------------------------------|------------|---------|
| Contracts with Government Agencies | \$ 250,000 |         |
| Total Payments to Cities           |            | 250,000 |

(Continued)

## Exhibit K-7

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

General Fund (Cont.)Other Operations (Cont.)Miscellaneous

|                             |    |         |            |
|-----------------------------|----|---------|------------|
| Medical and Dental Services | \$ | 119,700 |            |
| Other Contracted Services   |    | 52,527  |            |
| Trustee's Commission        |    | 335,403 |            |
| Tax Relief Program          |    | 135,152 |            |
| Total Miscellaneous         |    |         | \$ 642,782 |

Capital ProjectsPublic Safety Projects

|                              |    |     |     |
|------------------------------|----|-----|-----|
| Other Contracted Services    | \$ | 200 |     |
| Total Public Safety Projects |    |     | 200 |

Total General Fund \$ 26,648,816

Drug Control FundPublic SafetyDrug Enforcement

|  |    |        |           |
|--|----|--------|-----------|
| Communication                              | \$ | 5,656  |           |
| Contributions                              |    | 2,653  |           |
| Data Processing Services                   |    | 95     |           |
| Confidential Drug Enforcement Payments     |    | 16,000 |           |
| Maintenance Agreements                     |    | 11,885 |           |
| Maintenance and Repair Services - Vehicles |    | 1,900  |           |
| Pest Control                               |    | 357    |           |
| Printing, Stationery, and Forms            |    | 195    |           |
| Travel                                     |    | 2,801  |           |
| Animal Food and Supplies                   |    | 61     |           |
| Data Processing Supplies                   |    | 242    |           |
| Electricity                                |    | 1,961  |           |
| Gasoline                                   |    | 12,241 |           |
| Instructional Supplies and Materials       |    | 4,811  |           |
| Law Enforcement Supplies                   |    | 772    |           |
| Lubricants                                 |    | 266    |           |
| Tires and Tubes                            |    | 786    |           |
| Uniforms                                   |    | 2,601  |           |
| Vehicle Parts                              |    | 2,715  |           |
| Trustee's Commission                       |    | 1,134  |           |
| In Service/Staff Development               |    | 1,855  |           |
| Other Charges                              |    | 5,969  |           |
| Communication Equipment                    |    | 280    |           |
| Data Processing Equipment                  |    | 467    |           |
| Furniture and Fixtures                     |    | 184    |           |
| Law Enforcement Equipment                  |    | 27     |           |
| Motor Vehicles                             |    | 2,218  |           |
| Office Equipment                           |    | 2,104  |           |
| Total Drug Enforcement                     |    |        | \$ 82,236 |

Total Drug Control Fund 82,236

(Continued)

## Exhibit K-7

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

Adequate Facilities/ Development Tax FundCapital ProjectsGeneral Administration Projects

|                                       |    |        |           |
|---------------------------------------|----|--------|-----------|
| Building Construction                 | \$ | 1,660  |           |
| Other Construction                    |    | 38,090 |           |
| Total General Administration Projects |    |        | \$ 39,750 |

Public Safety Projects

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Building Construction        | \$ | 744,830 |         |
| Total Public Safety Projects |    |         | 744,830 |

Total Adequate Facilities/ Development Tax Fund \$ 784,580

Constitutional Officers - Fees FundAdministration of JusticeChancery Court

|   |    |        |           |
|---|----|--------|-----------|
| Special Commissioner Fees/Special Master Fees | \$ | 10,162 |           |
| Total Chancery Court                          |    |        | \$ 10,162 |

Total Constitutional Officers - Fees Fund 10,162

Highway/Public Works FundHighwaysAdministration

|  |    |        |            |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 89,050 |            |
| Purchasing Personnel                   |    | 40,334 |            |
| Longevity Pay                          |    | 1,500  |            |
| Other Salaries and Wages               |    | 53,761 |            |
| Social Security                        |    | 11,464 |            |
| Pensions                               |    | 8,531  |            |
| Life Insurance                         |    | 133    |            |
| Medical Insurance                      |    | 17,465 |            |
| Dental Insurance                       |    | 764    |            |
| Disability Insurance                   |    | 404    |            |
| Unemployment Compensation              |    | 94     |            |
| Employer Medicare                      |    | 2,681  |            |
| Dues and Memberships                   |    | 4,713  |            |
| Maintenance Agreements                 |    | 1,100  |            |
| Postal Charges                         |    | 322    |            |
| Travel                                 |    | 475    |            |
| Office Supplies                        |    | 1,563  |            |
| Premiums on Corporate Surety Bonds     |    | 542    |            |
| Other Charges                          |    | 34     |            |
| Office Equipment                       |    | 134    |            |
| Total Administration                   |    |        | \$ 235,064 |

Highway and Bridge Maintenance

|                             |    |         |  |
|-----------------------------|----|---------|--|
| Foremen                     | \$ | 71,089  |  |
| Mechanic(s)                 |    | 235,287 |  |
| Equipment Operators - Heavy |    | 336,088 |  |

(Continued)

Maury 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          | \$ | 375,286 |              |
| Truck Drivers                        |    | 295,679 |              |
| Laborers                             |    | 71,303  |              |
| Guards                               |    | 42,252  |              |
| Temporary Personnel                  |    | 18,648  |              |
| Longevity Pay                        |    | 19,850  |              |
| Overtime Pay                         |    | 33,395  |              |
| Other Salaries and Wages             |    | 125,453 |              |
| Social Security                      |    | 98,814  |              |
| Pensions                             |    | 73,875  |              |
| Life Insurance                       |    | 2,371   |              |
| Medical Insurance                    |    | 276,189 |              |
| Dental Insurance                     |    | 11,068  |              |
| Disability Insurance                 |    | 3,428   |              |
| Unemployment Compensation            |    | 2,584   |              |
| Employer Medicare                    |    | 23,110  |              |
| Advertising                          |    | 452     |              |
| Rentals                              |    | 1,480   |              |
| Other Contracted Services            |    | 51,475  |              |
| Asphalt                              |    | 303,949 |              |
| Concrete                             |    | 20,395  |              |
| Crushed Stone                        |    | 559,216 |              |
| Other Road Materials                 |    | 23,260  |              |
| Pipe                                 |    | 41,858  |              |
| Road Signs                           |    | 26,999  |              |
| Wood Products                        |    | 1,940   |              |
| In Service/Staff Development         |    | 883     |              |
| Total Highway and Bridge Maintenance |    |         | \$ 3,147,676 |

Operation and Maintenance of Equipment

|  |    |         |         |
|--|----|---------|---------|
| Communication                                | \$ | 5,160   |         |
| Freight Expenses                             |    | 452     |         |
| Maintenance and Repair Services - Buildings  |    | 2,309   |         |
| Maintenance and Repair Services - Equipment  |    | 19,138  |         |
| Maintenance and Repair Services - Vehicles   |    | 13,484  |         |
| Other Contracted Services                    |    | 5,063   |         |
| Custodial Supplies                           |    | 906     |         |
| Diesel Fuel                                  |    | 217,135 |         |
| Drugs and Medical Supplies                   |    | 2,077   |         |
| Equipment and Machinery Parts                |    | 163,740 |         |
| Garage Supplies                              |    | 9,206   |         |
| Gasoline                                     |    | 45,038  |         |
| Lubricants                                   |    | 24,170  |         |
| Road Signs                                   |    | 19      |         |
| Small Tools                                  |    | 21,521  |         |
| Tires and Tubes                              |    | 64,726  |         |
| Vehicle Parts                                |    | 143,991 |         |
| Other Supplies and Materials                 |    | 30,834  |         |
| Total Operation and Maintenance of Equipment |    |         | 768,969 |

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

|                                 |    |              |            |
|---------------------------------|----|--------------|------------|
| Laundry Service                 | \$ | 16,960       |            |
| Pest Control                    |    | 459          |            |
| Internet Connectivity           |    | 30           |            |
| Electricity                     |    | 12,132       |            |
| Natural Gas                     |    | 1,972        |            |
| Uniforms                        |    | 226          |            |
| Building and Contents Insurance |    | 2,589        |            |
| Liability Insurance             |    | 43,905       |            |
| Trustee's Commission            |    | 84,309       |            |
| Vehicle and Equipment Insurance |    | 32,599       |            |
| Workers' Compensation Insurance |    | 248,159      |            |
| Other Charges                   |    | <u>6,874</u> |            |
| Total Other Charges             |    |              | \$ 450,214 |

Capital Outlay

|                      |    |                |         |
|----------------------|----|----------------|---------|
| Highway Construction | \$ | <u>725,470</u> |         |
| Total Capital Outlay |    |                | 725,470 |

Capital Projects

Highway and Street Capital Projects

|   |    |                |                |
|---|----|----------------|----------------|
| Other Capital Outlay                      | \$ | <u>101,624</u> |                |
| Total Highway and Street Capital Projects |    |                | <u>101,624</u> |

Total Highway/Public Works Fund \$ 5,429,017

General Debt Service Fund

Principal on Debt

General Government

|                          |    |                  |              |
|--------------------------|----|------------------|--------------|
| Principal on Bonds       | \$ | 1,093,856        |              |
| Principal on Notes       |    | <u>1,360,021</u> |              |
| Total General Government |    |                  | \$ 2,453,877 |

Education

|                             |    |                |           |
|-----------------------------|----|----------------|-----------|
| Principal on Bonds          | \$ | 3,956,144      |           |
| Principal on Notes          |    | 1,057,206      |           |
| Principal on Capital Leases |    | 785,787        |           |
| Principal on Other Loans    |    | <u>275,052</u> |           |
| Total Education             |    |                | 6,074,189 |

Interest on Debt

General Government

|                          |    |               |         |
|--------------------------|----|---------------|---------|
| Interest on Bonds        | \$ | 508,672       |         |
| Interest on Notes        |    | <u>54,401</u> |         |
| Total General Government |    |               | 563,073 |

Education

|                   |    |           |  |
|-------------------|----|-----------|--|
| Interest on Bonds | \$ | 3,518,733 |  |
|-------------------|----|-----------|--|

(Continued)

## Exhibit K-7

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

General Debt Service Fund (Cont.)Interest on Debt (Cont.)Education (Cont.)

|                            |           |              |
|----------------------------|-----------|--------------|
| Interest on Notes          | \$ 43,861 |              |
| Interest on Capital Leases | 11,824    |              |
| Interest on Other Loans    | 213,700   |              |
| Total Education            |           | \$ 3,788,118 |

Other Debt ServiceGeneral Government

|                          |          |         |
|--------------------------|----------|---------|
| Bank Charges             | \$ 2,250 |         |
| Trustee's Commission     | 233,101  |         |
| Total General Government |          | 235,351 |

Education

|                             |               |            |
|-----------------------------|---------------|------------|
| Contributions               | \$ 22,474,122 |            |
| Underwriter's Discount      | 188,606       |            |
| Other Debt Issuance Charges | 92,457        |            |
| Other Debt Service          | 1,435         |            |
| Total Education             |               | 22,756,620 |

Total General Debt Service Fund \$ 35,871,228

General Capital Projects FundCapital ProjectsGeneral Administration Projects

|                                       |            |            |
|---------------------------------------|------------|------------|
| Building Improvements                 | \$ 142,619 |            |
| Communication Equipment               | 29,049     |            |
| Total General Administration Projects |            | \$ 171,668 |

Capital Projects - DonatedCapital Projects Donated to School Department

|   |              |           |
|---|--------------|-----------|
| Data Processing Equipment                           | \$ 2,665,288 |           |
| Total Capital Projects Donated to School Department |              | 2,665,288 |

Total General Capital Projects Fund 2,836,956

Highway Capital Projects FundOther OperationsMiscellaneous

|                      |           |           |
|----------------------|-----------|-----------|
| Trustee's Commission | \$ 10,787 |           |
| Total Miscellaneous  |           | \$ 10,787 |

Capital ProjectsHighway and Street Capital Projects

|   |            |           |
|---|------------|-----------|
| Other Contracted Services                 | \$ 297,074 |           |
| Asphalt                                   | 846,425    |           |
| Crushed Stone                             | 144,365    |           |
| Other Charges                             | 96,149     |           |
| Highway Construction                      | 472,335    |           |
| Other Capital Outlay                      | 28,434     |           |
| Total Highway and Street Capital Projects |            | 1,884,782 |

Total Highway Capital Projects Fund 1,895,569

(Continued)

## Exhibit K-7

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

Other Capital Projects FundFinanceData Processing

|                          |           |           |
|--------------------------|-----------|-----------|
| Administration Equipment | \$ 13,717 |           |
| Voting Machines          | 40,000    |           |
| Total Data Processing    |           | \$ 53,717 |

Public SafetySheriff's Department

|                            |          |         |
|----------------------------|----------|---------|
| Communication Equipment    | \$ 3,320 |         |
| Motor Vehicles             | 466,781  |         |
| Total Sheriff's Department |          | 470,101 |

Social, Cultural, and Recreational ServicesLibraries

|                      |           |        |
|----------------------|-----------|--------|
| Other Capital Outlay | \$ 32,531 |        |
| Total Libraries      |           | 32,531 |

Parks and Fair Boards

|                             |           |        |
|-----------------------------|-----------|--------|
| Building Improvements       | \$ 40,000 |        |
| Maintenance Equipment       | 10,194    |        |
| Total Parks and Fair Boards |           | 50,194 |

Other OperationsAirport

|                     |           |        |
|---------------------|-----------|--------|
| Airport Improvement | \$ 40,000 |        |
| Total Airport       |           | 40,000 |

Other Charges

|                     |        |        |
|---------------------|--------|--------|
| Other Charges       | \$ 961 |        |
| Other Equipment     | 22,800 |        |
| Total Other Charges |        | 23,761 |

Miscellaneous

|                      |           |        |
|----------------------|-----------|--------|
| Trustee's Commission | \$ 27,363 |        |
| Total Miscellaneous  |           | 27,363 |

Capital Projects - DonatedCapital Projects Donated to School Department

|   |            |         |
|---|------------|---------|
| Motor Vehicles                                      | \$ 644,970 |         |
| Total Capital Projects Donated to School Department |            | 644,970 |

|                                   |  |              |
|-----------------------------------|--|--------------|
| Total Other Capital Projects Fund |  | \$ 1,342,637 |
|-----------------------------------|--|--------------|

|   |  |               |
|---|--|---------------|
| Total Governmental Funds - Primary Government |  | \$ 74,901,201 |
|---|--|---------------|

## Exhibit K-8

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

|  |            |               |
|--|------------|---------------|
| Lieutenant(s)                                  | \$ 2,657   |               |
| Teachers                                       | 31,889,689 |               |
| Career Ladder Program                          | 238,237    |               |
| Career Ladder Extended Contracts               | 1,156      |               |
| Homebound Teachers                             | 85,806     |               |
| Salary Supplements                             | 861,049    |               |
| Educational Assistants                         | 769,593    |               |
| Educational Incentive - Other County Employees | 370,554    |               |
| Other Salaries and Wages                       | 70,174     |               |
| Certified Substitute Teachers                  | 217,548    |               |
| Non-certified Substitute Teachers              | 523,584    |               |
| Social Security                                | 2,107,902  |               |
| Pensions                                       | 2,957,043  |               |
| Life Insurance                                 | 36,368     |               |
| Medical Insurance                              | 5,717,854  |               |
| Dental Insurance                               | 183,982    |               |
| Employer Medicare                              | 492,505    |               |
| Other Contracted Services                      | 1,886,788  |               |
| Instructional Supplies and Materials           | 395,741    |               |
| Textbooks - Bound                              | 77,808     |               |
| Other Supplies and Materials                   | 18,047     |               |
| In Service/Staff Development                   | 11,958     |               |
| Fee Waivers                                    | 50,865     |               |
| Other Charges                                  | 94         |               |
| Data Processing Equipment                      | 236,721    |               |
| Motor Vehicles                                 | 160,185    |               |
| Regular Instruction Equipment                  | 83,604     |               |
| Total Regular Instruction Program              |            | \$ 49,447,512 |

Alternative Instruction Program

|                                       |            |         |
|---------------------------------------|------------|---------|
| Teachers                              | \$ 337,417 |         |
| Career Ladder Program                 | 1,042      |         |
| Educational Assistants                | 57,128     |         |
| Non-certified Substitute Teachers     | 42,399     |         |
| Social Security                       | 31,000     |         |
| Pensions                              | 39,880     |         |
| Life Insurance                        | 514        |         |
| Medical Insurance                     | 92,327     |         |
| Dental Insurance                      | 3,442      |         |
| Employer Medicare                     | 7,298      |         |
| Other Contracted Services             | 515        |         |
| Instructional Supplies and Materials  | 2,708      |         |
| Total Alternative Instruction Program |            | 615,670 |

(Continued)



## Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

|   |    |           |              |
|---|----|-----------|--------------|
| Teachers                                    | \$ | 4,091,611 |              |
| Career Ladder Program                       |    | 22,067    |              |
| Homebound Teachers                          |    | 43,046    |              |
| Educational Assistants                      |    | 865,949   |              |
| Speech Pathologist                          |    | 606,270   |              |
| Other Salaries and Wages                    |    | 49,384    |              |
| Certified Substitute Teachers               |    | 729       |              |
| Non-certified Substitute Teachers           |    | 38,565    |              |
| Social Security                             |    | 334,376   |              |
| Pensions                                    |    | 449,258   |              |
| Life Insurance                              |    | 8,497     |              |
| Medical Insurance                           |    | 1,223,404 |              |
| Dental Insurance                            |    | 45,099    |              |
| Employer Medicare                           |    | 78,876    |              |
| Contracts with Private Agencies             |    | 193,501   |              |
| Maintenance and Repair Services - Equipment |    | 1,240     |              |
| Other Contracted Services                   |    | 49,417    |              |
| Instructional Supplies and Materials        |    | 169,436   |              |
| Other Supplies and Materials                |    | 76,552    |              |
| Special Education Equipment                 |    | 89,020    |              |
| Total Special Education Program             |    |           | \$ 8,436,297 |

Career and Technical Education Program

|  |    |           |           |
|--|----|-----------|-----------|
| Lieutenant(s)                                | \$ | 111       |           |
| Teachers                                     |    | 1,935,631 |           |
| Career Ladder Program                        |    | 9,493     |           |
| Educational Assistants                       |    | 8,355     |           |
| Certified Substitute Teachers                |    | 386       |           |
| Non-certified Substitute Teachers            |    | 5,313     |           |
| Social Security                              |    | 118,271   |           |
| Pensions                                     |    | 164,715   |           |
| Life Insurance                               |    | 2,444     |           |
| Medical Insurance                            |    | 308,773   |           |
| Dental Insurance                             |    | 10,392    |           |
| Employer Medicare                            |    | 27,170    |           |
| Operating Lease Payments                     |    | 1,000     |           |
| Maintenance and Repair Services - Equipment  |    | 3,334     |           |
| Other Contracted Services                    |    | 126,424   |           |
| Instructional Supplies and Materials         |    | 324,204   |           |
| T&I Construction Materials                   |    | 1,570     |           |
| Textbooks - Bound                            |    | 28,409    |           |
| Other Supplies and Materials                 |    | 26,532    |           |
| Other Charges                                |    | 12,001    |           |
| Vocational Instruction Equipment             |    | 659,775   |           |
| Total Career and Technical Education Program |    |           | 3,774,303 |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Other

|                                      |    |         |            |
|--------------------------------------|----|---------|------------|
| Supervisor/Director                  | \$ | 38,426  |            |
| Teachers                             |    | 148,486 |            |
| Social Security                      |    | 11,179  |            |
| Pensions                             |    | 15,389  |            |
| Life Insurance                       |    | 210     |            |
| Medical Insurance                    |    | 25,806  |            |
| Dental Insurance                     |    | 922     |            |
| Employer Medicare                    |    | 2,614   |            |
| Operating Lease Payments             |    | 114     |            |
| Instructional Supplies and Materials |    | 1,424   |            |
| Total Other                          |    |         | \$ 244,570 |

Support ServicesAttendance

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Supervisor/Director          | \$ | 18,532  |         |
| Social Workers               |    | 36,160  |         |
| Clerical Personnel           |    | 101,147 |         |
| Other Salaries and Wages     |    | 103,575 |         |
| Social Security              |    | 15,801  |         |
| Pensions                     |    | 13,041  |         |
| Life Insurance               |    | 426     |         |
| Medical Insurance            |    | 62,497  |         |
| Dental Insurance             |    | 2,225   |         |
| Employer Medicare            |    | 3,801   |         |
| Communication                |    | 3,983   |         |
| Postal Charges               |    | 3,829   |         |
| Travel                       |    | 5,435   |         |
| Other Contracted Services    |    | 4,488   |         |
| Other Supplies and Materials |    | 6,271   |         |
| In Service/Staff Development |    | 1,935   |         |
| Other Charges                |    | 5,330   |         |
| Attendance Equipment         |    | 1,026   |         |
| Total Attendance             |    |         | 389,502 |

Health Services

|                               |    |         |  |
|-------------------------------|----|---------|--|
| Supervisor/Director           | \$ | 60,000  |  |
| Medical Personnel             |    | 420,358 |  |
| Secretary(ies)                |    | 613     |  |
| Clerical Personnel            |    | 27,000  |  |
| Other Salaries and Wages      |    | 9,830   |  |
| Certified Substitute Teachers |    | 66      |  |
| Social Security               |    | 40,250  |  |
| Pensions                      |    | 22,343  |  |
| Life Insurance                |    | 630     |  |
| Medical Insurance             |    | 85,818  |  |
| Dental Insurance              |    | 5,571   |  |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Employer Medicare                           | \$ | 7,378  |            |
| Communication                               |    | 4,415  |            |
| Maintenance and Repair Services - Equipment |    | 1,402  |            |
| Travel                                      |    | 12,495 |            |
| Drugs and Medical Supplies                  |    | 3,860  |            |
| Other Supplies and Materials                |    | 11,347 |            |
| In Service/Staff Development                |    | 3,620  |            |
| Other Charges                               |    | 19,695 |            |
| Health Equipment                            |    | 86     |            |
| Total Health Services                       |    |        | \$ 736,777 |

Other Student Support

|                                  |    |           |           |
|----------------------------------|----|-----------|-----------|
| Career Ladder Program            | \$ | 4,859     |           |
| Guidance Personnel               |    | 1,162,457 |           |
| Career Ladder Extended Contracts |    | 875       |           |
| Other Salaries and Wages         |    | 85,286    |           |
| Social Security                  |    | 75,311    |           |
| Pensions                         |    | 100,388   |           |
| Life Insurance                   |    | 1,451     |           |
| Medical Insurance                |    | 204,683   |           |
| Dental Insurance                 |    | 6,364     |           |
| Employer Medicare                |    | 17,613    |           |
| Evaluation and Testing           |    | 97,352    |           |
| Other Supplies and Materials     |    | 5,782     |           |
| Other Equipment                  |    | 3,698     |           |
| Total Other Student Support      |    |           | 1,766,119 |

Regular Instruction Program

|                                   |    |           |  |
|-----------------------------------|----|-----------|--|
| Supervisor/Director               | \$ | 357,444   |  |
| Career Ladder Program             |    | 34,454    |  |
| Career Ladder Extended Contracts  |    | 1,300     |  |
| Librarians                        |    | 1,050,485 |  |
| Secretary(ies)                    |    | 35,354    |  |
| Clerical Personnel                |    | 62,677    |  |
| Other Salaries and Wages          |    | 281,947   |  |
| Non-certified Substitute Teachers |    | 259       |  |
| Social Security                   |    | 108,882   |  |
| Pensions                          |    | 154,675   |  |
| Life Insurance                    |    | 1,588     |  |
| Medical Insurance                 |    | 265,927   |  |
| Dental Insurance                  |    | 7,910     |  |
| Employer Medicare                 |    | 26,534    |  |
| Communication                     |    | 12,019    |  |
| Operating Lease Payments          |    | 27,019    |  |
| Postal Charges                    |    | 835       |  |
| Travel                            |    | 85,028    |  |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

|                                   |    |         |              |
|-----------------------------------|----|---------|--------------|
| Other Contracted Services         | \$ | 148,744 |              |
| Library Books/Media               |    | 43,188  |              |
| Periodicals                       |    | 44,297  |              |
| Other Supplies and Materials      |    | 26,731  |              |
| In Service/Staff Development      |    | 65,635  |              |
| Other Charges                     |    | 23,002  |              |
| Other Equipment                   |    | 24,036  |              |
| Total Regular Instruction Program |    |         | \$ 2,889,970 |

Alternative Instruction Program

|                                       |    |        |         |
|---------------------------------------|----|--------|---------|
| Supervisor/Director                   | \$ | 81,258 |         |
| Guidance Personnel                    |    | 23,727 |         |
| Clerical Personnel                    |    | 25,092 |         |
| Social Security                       |    | 8,298  |         |
| Pensions                              |    | 9,901  |         |
| Life Insurance                        |    | 156    |         |
| Medical Insurance                     |    | 29,453 |         |
| Dental Insurance                      |    | 831    |         |
| Employer Medicare                     |    | 1,941  |         |
| Communication                         |    | 456    |         |
| In Service/Staff Development          |    | 75     |         |
| Total Alternative Instruction Program |    |        | 181,188 |

Special Education Program

|                                 |    |         |           |
|---------------------------------|----|---------|-----------|
| Supervisor/Director             | \$ | 81,646  |           |
| Career Ladder Program           |    | 4,856   |           |
| Psychological Personnel         |    | 389,475 |           |
| Assessment Personnel            |    | 166,051 |           |
| Secretary(ies)                  |    | 33,652  |           |
| Clerical Personnel              |    | 17,949  |           |
| Other Salaries and Wages        |    | 100,061 |           |
| Social Security                 |    | 46,831  |           |
| Pensions                        |    | 64,066  |           |
| Life Insurance                  |    | 736     |           |
| Medical Insurance               |    | 113,513 |           |
| Dental Insurance                |    | 3,745   |           |
| Employer Medicare               |    | 10,952  |           |
| Communication                   |    | 4,497   |           |
| Postal Charges                  |    | 674     |           |
| Travel                          |    | 32,009  |           |
| Other Supplies and Materials    |    | 15,684  |           |
| In Service/Staff Development    |    | 6,076   |           |
| Other Charges                   |    | 3,131   |           |
| Other Equipment                 |    | 2,328   |           |
| Total Special Education Program |    |         | 1,097,932 |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

|  |    |        |            |
|--|----|--------|------------|
| Supervisor/Director                          | \$ | 91,755 |            |
| Clerical Personnel                           |    | 34,352 |            |
| Social Security                              |    | 8,323  |            |
| Pensions                                     |    | 10,524 |            |
| Life Insurance                               |    | 108    |            |
| Medical Insurance                            |    | 13,161 |            |
| Dental Insurance                             |    | 528    |            |
| Employer Medicare                            |    | 1,947  |            |
| Communication                                |    | 547    |            |
| Postal Charges                               |    | 193    |            |
| Travel                                       |    | 14,177 |            |
| Other Supplies and Materials                 |    | 1,935  |            |
| In Service/Staff Development                 |    | 970    |            |
| Other Charges                                |    | 1,652  |            |
| Total Career and Technical Education Program |    |        | \$ 180,172 |

Other Programs

|                            |    |         |         |
|----------------------------|----|---------|---------|
| On-behalf Payments to OPEB | \$ | 531,452 |         |
| Total Other Programs       |    |         | 531,452 |

Board of Education

|                                  |    |           |           |
|----------------------------------|----|-----------|-----------|
| Secretary to Board               | \$ | 4,034     |           |
| Other Salaries and Wages         |    | 235,697   |           |
| Board and Committee Members Fees |    | 23,900    |           |
| Social Security                  |    | 25,114    |           |
| Pensions                         |    | 9,342     |           |
| Medical Insurance                |    | 425       |           |
| Dental Insurance                 |    | 16        |           |
| Unemployment Compensation        |    | 118,563   |           |
| Employer Medicare                |    | 5,871     |           |
| Other Fringe Benefits            |    | 1,013,009 |           |
| Audit Services                   |    | 20,000    |           |
| Dues and Memberships             |    | 20,332    |           |
| Legal Services                   |    | 75,403    |           |
| Travel                           |    | 4,089     |           |
| Liability Insurance              |    | 15,299    |           |
| Trustee's Commission             |    | 722,440   |           |
| Workers' Compensation Insurance  |    | 218,843   |           |
| In Service/Staff Development     |    | 3,117     |           |
| Other Charges                    |    | 1,849     |           |
| Total Board of Education         |    |           | 2,517,343 |

Director of Schools

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 181,000 |  |
| Secretary(ies)                         |    | 36,394  |  |
| Other Salaries and Wages               |    | 61,813  |  |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

|                              |    |        |            |
|------------------------------|----|--------|------------|
| Social Security              | \$ | 17,311 |            |
| Pensions                     |    | 20,619 |            |
| Life Insurance               |    | 143    |            |
| Medical Insurance            |    | 28,108 |            |
| Dental Insurance             |    | 1,067  |            |
| Employer Medicare            |    | 4,048  |            |
| Communication                |    | 3,460  |            |
| Dues and Memberships         |    | 2,207  |            |
| Postal Charges               |    | 235    |            |
| Travel                       |    | 7,980  |            |
| Other Contracted Services    |    | 33,492 |            |
| Office Supplies              |    | 420    |            |
| Other Supplies and Materials |    | 843    |            |
| In Service/Staff Development |    | 4,167  |            |
| Other Charges                |    | 1,977  |            |
| Total Director of Schools    |    |        | \$ 405,284 |

Office of the Principal

|                                  |    |           |           |
|----------------------------------|----|-----------|-----------|
| Principals                       | \$ | 1,680,653 |           |
| Lieutenant(s)                    |    | 104       |           |
| Career Ladder Program            |    | 11,067    |           |
| Career Ladder Extended Contracts |    | 1,090     |           |
| Assistant Principals             |    | 2,073,916 |           |
| Secretary(ies)                   |    | 676,904   |           |
| Clerical Personnel               |    | 607,866   |           |
| Social Security                  |    | 303,407   |           |
| Pensions                         |    | 387,454   |           |
| Life Insurance                   |    | 5,171     |           |
| Medical Insurance                |    | 750,009   |           |
| Dental Insurance                 |    | 24,492    |           |
| Employer Medicare                |    | 71,746    |           |
| Communication                    |    | 27,803    |           |
| Other Contracted Services        |    | 113,175   |           |
| Office Supplies                  |    | 19,184    |           |
| Other Charges                    |    | 1,516     |           |
| Total Office of the Principal    |    |           | 6,755,557 |

Fiscal Services

|                         |    |         |  |
|-------------------------|----|---------|--|
| Supervisor/Director     | \$ | 28,924  |  |
| Accountants/Bookkeepers |    | 198,882 |  |
| Clerical Personnel      |    | 26,163  |  |
| Social Security         |    | 15,615  |  |
| Pensions                |    | 10,392  |  |
| Life Insurance          |    | 288     |  |
| Medical Insurance       |    | 51,896  |  |
| Dental Insurance        |    | 1,547   |  |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

|   |    |           |              |
|---|----|-----------|--------------|
| Employer Medicare                           | \$ | 3,652     |              |
| Communication                               |    | 664       |              |
| Maintenance and Repair Services - Equipment |    | 743       |              |
| Postal Charges                              |    | 4,502     |              |
| Travel                                      |    | 1,221     |              |
| Other Contracted Services                   |    | 565,327   |              |
| Office Supplies                             |    | 18,318    |              |
| In Service/Staff Development                |    | 3,430     |              |
| Other Charges                               |    | 1,059,174 |              |
| Administration Equipment                    |    | 5,804     |              |
| Total Fiscal Services                       |    |           | \$ 1,996,542 |

Human Services/Personnel

|                                |    |        |         |
|--------------------------------|----|--------|---------|
| Supervisor/Director            | \$ | 77,394 |         |
| Clerical Personnel             |    | 99,830 |         |
| Social Security                |    | 10,635 |         |
| Pensions                       |    | 7,662  |         |
| Life Insurance                 |    | 216    |         |
| Medical Insurance              |    | 30,945 |         |
| Dental Insurance               |    | 991    |         |
| Employer Medicare              |    | 2,487  |         |
| Advertising                    |    | 1,138  |         |
| Communication                  |    | 597    |         |
| Operating Lease Payments       |    | 4,122  |         |
| Postal Charges                 |    | 891    |         |
| Travel                         |    | 4,195  |         |
| Other Contracted Services      |    | 30,774 |         |
| Office Supplies                |    | 2,458  |         |
| In Service/Staff Development   |    | 2,220  |         |
| Other Charges                  |    | 24,073 |         |
| Administration Equipment       |    | 2,864  |         |
| Total Human Services/Personnel |    |        | 303,492 |

Operation of Plant

|                          |    |           |  |
|--------------------------|----|-----------|--|
| Supervisor/Director      | \$ | 170,240   |  |
| Custodial Personnel      |    | 253,049   |  |
| Other Salaries and Wages |    | 68,211    |  |
| Social Security          |    | 29,690    |  |
| Pensions                 |    | 21,028    |  |
| Life Insurance           |    | 381       |  |
| Medical Insurance        |    | 104,198   |  |
| Dental Insurance         |    | 3,832     |  |
| Employer Medicare        |    | 6,944     |  |
| Communication            |    | 1,170     |  |
| Janitorial Services      |    | 1,732,008 |  |
| Postal Charges           |    | 120       |  |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

|                                 |    |           |              |
|---------------------------------|----|-----------|--------------|
| Travel                          | \$ | 6,877     |              |
| Disposal Fees                   |    | 111,390   |              |
| Other Contracted Services       |    | 314,484   |              |
| Electricity                     |    | 2,395,531 |              |
| Natural Gas                     |    | 197,745   |              |
| Water and Sewer                 |    | 294,437   |              |
| Other Supplies and Materials    |    | 7,957     |              |
| Building and Contents Insurance |    | 350,731   |              |
| In Service/Staff Development    |    | 2,112     |              |
| Other Charges                   |    | 16,586    |              |
| Plant Operation Equipment       |    | 139,366   |              |
| Total Operation of Plant        |    |           | \$ 6,228,087 |

Maintenance of Plant

|   |    |         |           |
|---|----|---------|-----------|
| Lieutenant(s)                               | \$ | 46      |           |
| Secretary(ies)                              |    | 33,202  |           |
| Maintenance Personnel                       |    | 874,352 |           |
| Social Security                             |    | 55,814  |           |
| Pensions                                    |    | 37,741  |           |
| Life Insurance                              |    | 1,560   |           |
| Medical Insurance                           |    | 170,409 |           |
| Dental Insurance                            |    | 6,413   |           |
| Employer Medicare                           |    | 13,054  |           |
| Communication                               |    | 12,178  |           |
| Laundry Service                             |    | 12,817  |           |
| Maintenance and Repair Services - Buildings |    | 168,058 |           |
| Maintenance and Repair Services - Equipment |    | 80,612  |           |
| Maintenance and Repair Services - Vehicles  |    | 7,439   |           |
| Travel                                      |    | 264     |           |
| Other Contracted Services                   |    | 41,837  |           |
| Other Supplies and Materials                |    | 320,873 |           |
| In Service/Staff Development                |    | 2,045   |           |
| Other Charges                               |    | 5,225   |           |
| Administration Equipment                    |    | 1,895   |           |
| Total Maintenance of Plant                  |    |         | 1,845,834 |

Transportation

|                     |    |           |  |
|---------------------|----|-----------|--|
| Supervisor/Director | \$ | 81,679    |  |
| Bus Drivers         |    | 1,893,908 |  |
| Clerical Personnel  |    | 143,798   |  |
| Social Security     |    | 130,119   |  |
| Pensions            |    | 80,271    |  |
| Life Insurance      |    | 5,475     |  |
| Medical Insurance   |    | 884,873   |  |
| Dental Insurance    |    | 33,258    |  |
| Employer Medicare   |    | 30,434    |  |

(Continued)



## Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

|  |    |         |              |
|--|----|---------|--------------|
| Communication                              | \$ | 3,937   |              |
| Operating Lease Payments                   |    | 1,300   |              |
| Maintenance and Repair Services - Vehicles |    | 310,578 |              |
| Postal Charges                             |    | 3       |              |
| Other Contracted Services                  |    | 93,062  |              |
| Diesel Fuel                                |    | 463,239 |              |
| Tires and Tubes                            |    | 121,594 |              |
| Vehicle Parts                              |    | 195,071 |              |
| Other Supplies and Materials               |    | 2,278   |              |
| Vehicle and Equipment Insurance            |    | 94,421  |              |
| In Service/Staff Development               |    | 312     |              |
| Other Charges                              |    | 186,003 |              |
| Transportation Equipment                   |    | 91,662  |              |
| Total Transportation                       |    |         | \$ 4,847,275 |

Central and Other

|   |    |         |           |
|---|----|---------|-----------|
| Supervisor/Director                         | \$ | 77,916  |           |
| Lieutenant(s)                               |    | 72      |           |
| Other Salaries and Wages                    |    | 554,920 |           |
| Social Security                             |    | 38,689  |           |
| Pensions                                    |    | 28,341  |           |
| Life Insurance                              |    | 654     |           |
| Medical Insurance                           |    | 86,702  |           |
| Dental Insurance                            |    | 3,083   |           |
| Employer Medicare                           |    | 9,048   |           |
| Communication                               |    | 138,743 |           |
| Maintenance and Repair Services - Equipment |    | 19,677  |           |
| Postal Charges                              |    | 422     |           |
| Travel                                      |    | 5,975   |           |
| Other Contracted Services                   |    | 350,002 |           |
| Office Supplies                             |    | 761     |           |
| Other Supplies and Materials                |    | 91,099  |           |
| In Service/Staff Development                |    | 5,913   |           |
| Administration Equipment                    |    | 131,133 |           |
| Data Processing Equipment                   |    | 263,431 |           |
| Total Central and Other                     |    |         | 1,806,581 |

Operation of Non-Instructional Services

Community Services

|                                   |    |        |  |
|-----------------------------------|----|--------|--|
| Supervisor/Director               | \$ | 9,000  |  |
| Teachers                          |    | 53,745 |  |
| Educational Assistants            |    | 20,885 |  |
| Non-certified Substitute Teachers |    | 80     |  |
| Social Security                   |    | 5,078  |  |
| Pensions                          |    | 6,206  |  |
| Employer Medicare                 |    | 1,188  |  |

(Continued)

## Exhibit K-8

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

|                                      |    |        |            |
|--------------------------------------|----|--------|------------|
| Travel                               | \$ | 662    |            |
| Instructional Supplies and Materials |    | 12,664 |            |
| Other Charges                        |    | 23,113 |            |
| Total Community Services             |    |        | \$ 132,621 |

Early Childhood Education

|                                      |    |         |           |
|--------------------------------------|----|---------|-----------|
| Lieutenant(s)                        | \$ | 276     |           |
| Teachers                             |    | 521,781 |           |
| Educational Assistants               |    | 266,100 |           |
| Certified Substitute Teachers        |    | 226     |           |
| Social Security                      |    | 47,886  |           |
| Pensions                             |    | 55,775  |           |
| Life Insurance                       |    | 1,255   |           |
| Medical Insurance                    |    | 190,181 |           |
| Dental Insurance                     |    | 6,354   |           |
| Employer Medicare                    |    | 11,200  |           |
| Travel                               |    | 648     |           |
| Other Contracted Services            |    | 1,749   |           |
| Instructional Supplies and Materials |    | 6,969   |           |
| Other Supplies and Materials         |    | 647     |           |
| In Service/Staff Development         |    | 2,650   |           |
| Other Equipment                      |    | 78      |           |
| Total Early Childhood Education      |    |         | 1,113,775 |

Capital OutlayRegular Capital Outlay

|                              |    |           |           |
|------------------------------|----|-----------|-----------|
| Building Improvements        | \$ | 2,013,247 |           |
| Furniture and Fixtures       |    | 220,649   |           |
| Total Regular Capital Outlay |    |           | 2,233,896 |

Other Debt ServiceEducation

|   |    |           |           |
|---|----|-----------|-----------|
| Debt Service Contribution to Primary Government | \$ | 1,159,605 |           |
| Total Education                                 |    |           | 1,159,605 |

Total General Purpose School Fund

\$ 101,637,356

School Federal Projects FundInstructionRegular Instruction Program

|                               |    |         |  |
|-------------------------------|----|---------|--|
| Supervisor/Director           | \$ | 7,725   |  |
| Teachers                      |    | 852,423 |  |
| Educational Assistants        |    | 186,741 |  |
| Other Salaries and Wages      |    | 257,328 |  |
| Certified Substitute Teachers |    | 625     |  |
| Social Security               |    | 78,771  |  |

(Continued)

## Exhibit K-8

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Regular Instruction Program (Cont.)

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Pensions                             | \$ | 100,964 |              |
| Life Insurance                       |    | 1,174   |              |
| Medical Insurance                    |    | 170,166 |              |
| Dental Insurance                     |    | 5,067   |              |
| Employer Medicare                    |    | 18,408  |              |
| Instructional Supplies and Materials |    | 236,554 |              |
| Other Supplies and Materials         |    | 16,576  |              |
| Other Charges                        |    | 1,259   |              |
| Regular Instruction Equipment        |    | 247,022 |              |
| Total Regular Instruction Program    |    |         | \$ 2,180,803 |

Special Education Program

|                                      |    |         |           |
|--------------------------------------|----|---------|-----------|
| Teachers                             | \$ | 104,078 |           |
| Educational Assistants               |    | 771,896 |           |
| Certified Substitute Teachers        |    | 1,007   |           |
| Non-certified Substitute Teachers    |    | 3,900   |           |
| Social Security                      |    | 52,914  |           |
| Pensions                             |    | 41,550  |           |
| Life Insurance                       |    | 2,583   |           |
| Medical Insurance                    |    | 422,032 |           |
| Dental Insurance                     |    | 14,892  |           |
| Employer Medicare                    |    | 12,454  |           |
| Other Contracted Services            |    | 118,215 |           |
| Instructional Supplies and Materials |    | 9,656   |           |
| Other Supplies and Materials         |    | 13,091  |           |
| Special Education Equipment          |    | 30,755  |           |
| Total Special Education Program      |    |         | 1,599,023 |

Career and Technical Education Program

|  |    |        |        |
|--|----|--------|--------|
| Instructional Supplies and Materials         | \$ | 18,166 |        |
| Vocational Instruction Equipment             |    | 70,082 |        |
| Total Career and Technical Education Program |    |        | 88,248 |

Support ServicesHealth Services

|                          |    |         |         |
|--------------------------|----|---------|---------|
| Medical Personnel        | \$ | 25,770  |         |
| Other Salaries and Wages |    | 161,503 |         |
| Social Security          |    | 11,518  |         |
| Pensions                 |    | 8,094   |         |
| Life Insurance           |    | 144     |         |
| Medical Insurance        |    | 21,875  |         |
| Dental Insurance         |    | 689     |         |
| Employer Medicare        |    | 2,694   |         |
| Total Health Services    |    |         | 232,287 |

(Continued)

## Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

|                              |    |        |            |
|------------------------------|----|--------|------------|
| Other Salaries and Wages     | \$ | 50,662 |            |
| Social Security              |    | 3,111  |            |
| Pensions                     |    | 4,100  |            |
| Unemployment Compensation    |    | 490    |            |
| Employer Medicare            |    | 727    |            |
| Travel                       |    | 19,309 |            |
| Other Contracted Services    |    | 15,000 |            |
| Other Supplies and Materials |    | 29,695 |            |
| In Service/Staff Development |    | 25,481 |            |
| Other Charges                |    | 5,285  |            |
| Other Equipment              |    | 10,729 |            |
| Total Other Student Support  |    |        | \$ 164,589 |

Regular Instruction Program

|                                   |    |         |           |
|-----------------------------------|----|---------|-----------|
| Supervisor/Director               | \$ | 87,668  |           |
| Secretary(ies)                    |    | 30,231  |           |
| Other Salaries and Wages          |    | 573,576 |           |
| Certified Substitute Teachers     |    | 3,497   |           |
| In-service Training               |    | 18,988  |           |
| Non-certified Substitute Teachers |    | 13,969  |           |
| Social Security                   |    | 43,959  |           |
| Pensions                          |    | 61,648  |           |
| Life Insurance                    |    | 437     |           |
| Medical Insurance                 |    | 101,518 |           |
| Dental Insurance                  |    | 3,040   |           |
| Employer Medicare                 |    | 10,236  |           |
| Operating Lease Payments          |    | 7,667   |           |
| Travel                            |    | 2,320   |           |
| Library Books/Media               |    | 7,037   |           |
| Other Supplies and Materials      |    | 23,658  |           |
| In Service/Staff Development      |    | 190,524 |           |
| Other Equipment                   |    | 2,566   |           |
| Total Regular Instruction Program |    |         | 1,182,539 |

Special Education Program

|                          |    |         |  |
|--------------------------|----|---------|--|
| Psychological Personnel  | \$ | 128,780 |  |
| Assessment Personnel     |    | 121,912 |  |
| Clerical Personnel       |    | 33,026  |  |
| Other Salaries and Wages |    | 64,634  |  |
| Social Security          |    | 21,589  |  |
| Pensions                 |    | 30,169  |  |
| Life Insurance           |    | 232     |  |
| Medical Insurance        |    | 47,870  |  |
| Dental Insurance         |    | 1,428   |  |
| Employer Medicare        |    | 5,048   |  |
| Travel                   |    | 9,271   |  |

(Continued)

## Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Special Education Program (Cont.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| Other Supplies and Materials    | \$ | 12,786 |            |
| In Service/Staff Development    |    | 21,342 |            |
| Total Special Education Program |    |        | \$ 498,087 |

Career and Technical Education Program

|  |    |       |        |
|--|----|-------|--------|
| Supervisor/Director                          | \$ | 7,277 |        |
| Social Security                              |    | 451   |        |
| Pensions                                     |    | 364   |        |
| Employer Medicare                            |    | 106   |        |
| Travel                                       |    | 5,000 |        |
| Total Career and Technical Education Program |    |       | 13,198 |

Transportation

|                           |    |         |         |
|---------------------------|----|---------|---------|
| Other Salaries and Wages  | \$ | 313,865 |         |
| Social Security           |    | 19,908  |         |
| Pensions                  |    | 13,086  |         |
| Life Insurance            |    | 774     |         |
| Medical Insurance         |    | 184,157 |         |
| Dental Insurance          |    | 9,996   |         |
| Employer Medicare         |    | 4,549   |         |
| Other Contracted Services |    | 2,843   |         |
| Total Transportation      |    |         | 549,178 |

Total School Federal Projects Fund \$ 6,507,952

Central Cafeteria FundSupport ServicesBoard of Education

|                                 |    |        |           |
|---------------------------------|----|--------|-----------|
| Workers' Compensation Insurance | \$ | 40,288 |           |
| Total Board of Education        |    |        | \$ 40,288 |

Operation of Non-Instructional ServicesFood Service

|                           |    |         |  |
|---------------------------|----|---------|--|
| Supervisor/Director       | \$ | 70,200  |  |
| Accountants/Bookkeepers   |    | 96,410  |  |
| Cafeteria Personnel       |    | 962,079 |  |
| Temporary Personnel       |    | 49      |  |
| Longevity Pay             |    | 33,250  |  |
| Other Salaries and Wages  |    | 762,317 |  |
| Social Security           |    | 117,218 |  |
| Pensions                  |    | 63,464  |  |
| Life Insurance            |    | 5,377   |  |
| Medical Insurance         |    | 548,584 |  |
| Dental Insurance          |    | 20,437  |  |
| Unemployment Compensation |    | 9,328   |  |
| Employer Medicare         |    | 27,414  |  |

(Continued)

## Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

|   |    |           |              |
|---|----|-----------|--------------|
| Other Fringe Benefits                       | \$ | 678       |              |
| Maintenance and Repair Services - Equipment |    | 25,996    |              |
| Postal Charges                              |    | 2,231     |              |
| Travel                                      |    | 7,644     |              |
| Other Contracted Services                   |    | 31,599    |              |
| Food Preparation Supplies                   |    | 247,821   |              |
| Food Supplies                               |    | 2,651,510 |              |
| Office Supplies                             |    | 8,893     |              |
| USDA - Commodities                          |    | 283,007   |              |
| In Service/Staff Development                |    | 7,306     |              |
| Food Service Equipment                      |    | 410,703   |              |
| Total Food Service                          |    |           | \$ 6,393,515 |

Total Central Cafeteria Fund \$ 6,433,803

Education Capital Projects Fund

Capital Projects

Education Capital Projects

|                                  |    |            |               |
|----------------------------------|----|------------|---------------|
| Building Construction            | \$ | 699,040    |               |
| Building Improvements            |    | 5,704,759  |               |
| Land                             |    | 3,160,536  |               |
| Other Capital Outlay             |    | 16,818,849 |               |
| Total Education Capital Projects |    |            | \$ 26,383,184 |

Total Education Capital Projects Fund 26,383,184

Other Capital Projects Fund

Capital Outlay

Regular Capital Outlay

|                              |    |        |           |
|------------------------------|----|--------|-----------|
| Building Improvements        | \$ | 80,822 |           |
| Total Regular Capital Outlay |    |        | \$ 80,822 |

Total Other Capital Projects Fund 80,822

Total Governmental Funds - Maury County School Department \$ 141,043,117

## Exhibit K-9

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2017

|   |  |
|---|--|
|   | Governmental<br>Activities -<br>Internal<br>Service Fund |
|   | Central<br>Maintenance<br>Garage<br>Fund                 |
| <u>Revenues</u>                             |  |
| <u>Charges for Current Services</u>         |  |
| <u>General Service Charges</u>              |  |
| Other General Service Charges               | \$ 1,857,958   |
| Total Charges for Current Services          | <u>\$ 1,857,958</u>                                      |
| <u>Other Local Revenues</u>                 |  |
| <u>Recurring Items</u>                      |  |
| Sale of Materials and Supplies              | \$ 9,674   |
| Miscellaneous Refunds                       | 439  |
| Total Other Local Revenues                  | <u>\$ 10,113</u>   |
| Total Revenues                              | <u><u>\$ 1,868,071</u></u>                               |
| <u>Expenses</u>                             |  |
| <u>General Government</u>                   |  |
| <u>Other General Administration</u>         |  |
| County Official/Administrative Office       | \$ 71,795  |
| Mechanic(s)                                 | 211,626  |
| Clerical Personnel                          | 34,454   |
| Longevity Pay                               | 5,250  |
| Overtime Pay                                | 3,023  |
| Social Security                             | 19,797   |
| Pensions                                    | 10,936   |
| Life Insurance                              | 386  |
| Medical Insurance                           | 43,309   |
| Dental Insurance                            | 1,782  |
| Disability Insurance                        | 692  |
| Unemployment Compensation                   | 341  |
| Employer Medicare                           | 4,630  |
| Communication                               | 504  |
| Laundry Service                             | 4,780  |
| Maintenance Agreements                      | 5,619  |
| Maintenance and Repair Services - Building  | 991  |
| Maintenance and Repair Services - Equipment | 3,877  |

(Continued)

## Exhibit K-9

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

|   |  |
|---|--|
|   | Governmental<br>Activities -<br>Internal<br>Service Fund |
|   | <hr/> Central<br>Maintenance<br>Garage<br>Fund <hr/>     |
| <u>Expenses (Cont.)</u>                     |  |
| <u>General Government (Cont.)</u>           |  |
| <u>Other General Administration (Cont.)</u> |  |
| Postal Charges                              | \$ 252   |
| Travel                                      | 232  |
| Disposal Fees                               | 1,948  |
| Other Contracted Services                   | 157,859  |
| Diesel Fuel                                 | 507,101  |
| Electricity                                 | 21,603   |
| Equipment and Machinery Parts               | 234,152  |
| Garage Supplies                             | 2,060  |
| Gasoline                                    | 305,981  |
| Lubricants                                  | 20,703   |
| Natural Gas                                 | 6,313  |
| Office Supplies                             | 435  |
| Small Tools                                 | 325  |
| Tires and Tubes                             | 69,657   |
| Software                                    | 3,498  |
| Depreciation                                | 13,346   |
| In Service/Staff Development                | 153  |
| Furniture and Fixtures                      | 233  |
| Other Equipment                             | 8,933  |
| Other Capital Outlay                        | 5,960  |
|   | <hr/>  |
| Total Expenses                              | <hr/> \$ 1,784,536 <hr/>                                 |



Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund  
For the Year Ended June 30, 2017

|  | Business-type<br>Activities -<br>Enterprise<br>Fund<br><hr/> Solid<br>Waste<br>Disposal Fund <hr/> |
|--|--|
| <u>Revenues</u>                                    |  |
| <u>Operating Revenues</u>                          |  |
| <u>Charges for Current Services</u>                |  |
| <u>General Service Charges</u>                     |  |
| Transfer Waste Stations Collection Charge          | \$ 295   |
| Tipping Fees                                       | 2,041,604  |
| Other General Service Charges                      | 241,188  |
| Service Charges                                    | 5,582  |
| Total Charges for Current Services                 | <hr/> \$ 2,288,669 <hr/>   |
| <u>Other Local Revenues</u>                        |  |
| <u>Recurring Items</u>                             |  |
| Sale of Recycled Materials                         | \$ 210,676   |
| Miscellaneous Refunds                              | 81   |
| <u>Nonrecurring Items</u>                          |  |
| Sale of Equipment                                  | 11,906   |
| Sale of Property                                   | 4,000  |
| Total Other Local Revenues                         | <hr/> \$ 226,663 <hr/>   |
| Total Operating Revenues                           | <hr/> \$ 2,515,332 <hr/>   |
| <u>Nonoperating Revenues</u>                       |  |
| <u>Local Taxes</u>                                 |  |
| <u>County Property Taxes</u>                       |  |
| Current Property Tax                               | \$ 1,866,875   |
| Trustee's Collections - Prior Year                 | 39,104   |
| Trustee's Collections - Bankruptcy                 | 522  |
| Circuit/Clerk and Master Collections - Prior Years | 26,339   |
| Interest and Penalty                               | 8,086  |
| Pick-up Taxes                                      | 9,937  |
| <u>State of Tennessee</u>                          |  |
| <u>Public Works Grants</u>                         |  |
| Litter Program                                     | 50,521   |
| <u>Other State Revenues</u>                        |  |
| Other State Revenues                               | <hr/> 39,695 <hr/>   |
| Total Nonoperating Revenues                        | <hr/> \$ 2,041,079 <hr/>   |
| Total Revenues                                     | <hr/> \$ 4,556,411 <hr/>   |

(Continued)

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

|   | Business-type<br>Activities -<br>Enterprise<br>Fund<br><hr/> Solid<br>Waste<br>Disposal Fund <hr/> |
|---|--|
| <u>Expenses</u>                             |  |
| <u>Operating Expenses</u>                   |  |
| <u>Waste Pickup</u>                         |  |
| Foremen                                     | \$ 25,349  |
| Social Security                             | 1,586  |
| Life Insurance                              | 51   |
| Medical Insurance                           | 5,299  |
| Dental Insurance                            | 233  |
| Disability Insurance                        | 57   |
| Unemployment Compensation                   | 48   |
| Employer Medicare                           | 371  |
| Contributions                               | 6,000  |
| Travel                                      | 51   |
| Other Supplies and Materials                | 14,675   |
| In Service/Staff Development                | 190  |
| Total Waste Pickup                          | <hr/> \$ 53,910 <hr/>  |
| <u>Convenience Centers</u>                  |  |
| Equipment Operators                         | \$ 196,119   |
| Laborers                                    | 409,355  |
| Longevity Pay                               | 3,550  |
| Overtime Pay                                | 449  |
| Social Security                             | 37,426   |
| Pensions                                    | 3,464  |
| Life Insurance                              | 316  |
| Medical Insurance                           | 36,555   |
| Dental Insurance                            | 1,485  |
| Disability Insurance                        | 469  |
| Unemployment Compensation                   | 1,913  |
| Employer Medicare                           | 8,753  |
| Communication                               | 5,582  |
| Maintenance and Repair Services - Equipment | 20,962   |
| Maintenance and Repair Services - Vehicles  | 6,989  |
| Pest Control                                | 1,377  |
| Postal Charges                              | 384  |
| Rentals                                     | 3,598  |
| Other Contracted Services                   | 5,169  |
| Crushed Stone                               | 1,419  |
| Diesel Fuel                                 | 44,239   |
| Electricity                                 | 29,122   |

(Continued)

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

|   | Business-type<br>Activities -<br>Enterprise<br>Fund<br>Solid<br>Waste<br>Disposal Fund |
|---|--|
| <u>Expenses (Cont.)</u>                     |  |
| <u>Operating Expenses (Cont.)</u>           |  |
| <u>Convenience Centers (Cont.)</u>          |  |
| Equipment and Machinery Parts               | \$ 35,398  |
| Gasoline                                    | 2,791  |
| Lubricants                                  | 1,485  |
| Tires and Tubes                             | 30,449   |
| Vehicle Parts                               | 381  |
| Other Supplies and Materials                | 53,071   |
| Depreciation                                | 10,132   |
| Total Convenience Centers                   | <u>\$ 952,402</u>  |
| <u>Landfill Operation and Maintenance</u>   |  |
| County Official/Administrative Officer      | \$ 68,813  |
| Equipment Operators                         | 125,660  |
| Laborers                                    | 106,342  |
| Clerical Personnel                          | 65,522   |
| Longevity Pay                               | 5,250  |
| Overtime Pay                                | 1,041  |
| Social Security                             | 23,076   |
| Pensions                                    | 15,695   |
| Life Insurance                              | 497  |
| Medical Insurance                           | 54,325   |
| Dental Insurance                            | 2,291  |
| Disability Insurance                        | 739  |
| Unemployment Compensation                   | 526  |
| Employer Medicare                           | 5,397  |
| Communication                               | 9,366  |
| Dues and Memberships                        | 574  |
| Laundry Service                             | 6,306  |
| Licenses                                    | 50   |
| Maintenance Agreements                      | 669  |
| Maintenance and Repair Services - Buildings | 1,149  |
| Maintenance and Repair Services - Equipment | 62,807   |
| Maintenance and Repair Services - Vehicles  | 3,006  |
| Pest Control                                | 255  |
| Postal Charges                              | 384  |
| Rentals                                     | 62   |

(Continued)

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

|   | Business-type<br>Activities -<br>Enterprise<br>Fund<br><u>Solid<br/>Waste<br/>Disposal Fund</u> |
|---|---|
| <u>Expenses (Cont.)</u>                           |   |
| <u>Operating Expenses (Cont.)</u>                 |   |
| <u>Landfill Operation and Maintenance (Cont.)</u> |   |
| Disposal Fees                                     | \$ 1,765,384  |
| Permits   | 13,658  |
| Other Contracted Services                         | 28,715  |
| Crushed Stone                                     | 1,267   |
| Data Processing Supplies                          | 1,233   |
| Diesel Fuel                                       | 33,252  |
| Electricity                                       | 19,884  |
| Equipment and Machinery Parts                     | 23,444  |
| Gasoline  | 2,953   |
| Lubricants  | 2,291   |
| Natural Gas                                       | 8,777   |
| Office Supplies                                   | 1,183   |
| Tires and Tubes                                   | 20,263  |
| Vehicle Parts                                     | 389   |
| Other Supplies and Materials                      | 42,392  |
| Building and Contents Insurance                   | 4,315   |
| Liability Insurance                               | 12,423  |
| Refunds   | 6,161   |
| Trustee's Commission                              | 57,240  |
| Vehicle and Equipment Insurance                   | 12,074  |
| Workers' Compensation Insurance                   | 66,916  |
| Depreciation                                      | 299,665   |
| In Service/Staff Development                      | 410   |
| Other Charges                                     | 2,706   |
| Other Capital Outlay                              | 16,195  |
| Total Landfill Operation and Maintenance          | <u>\$ 3,002,992</u>   |
| Total Operating Expenses                          | <u>\$ 4,009,304</u>   |
| Total Expenses                                    | <u><u>\$ 4,009,304</u></u>  |

Maury County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2017

|  | Cities -<br>Sales Tax<br>Fund |
|--|-------------------------------|
| <u>Cash Receipts</u>                                       |                               |
| Local Option Sales Tax                                     | \$ 13,848,134                 |
| Total Cash Receipts  | <u>\$ 13,848,134</u>          |
| <u>Cash Disbursements</u>                                  |                               |
| Remittance of Revenues Collected                           | \$ 13,709,653                 |
| Trustee's Commission                                       | 138,481                       |
| Total Cash Disbursements                                   | <u>\$ 13,848,134</u>          |
| Excess of Cash Receipts Over<br>(Under) Cash Disbursements | \$ 0                          |
| Cash Balance, July 1, 2016                                 | <u>0</u>                      |
| Cash Balance, June 30, 2017                                | <u><u>\$ 0</u></u>            |

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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements, and have issued our report thereon dated February 14, 2018. Our report on the aggregate discretely presented component units is qualified because there was no documentation to support the valuation of several general ledger payroll liabilities in the General Purpose School and School Federal Projects funds. Our report includes a reference to other auditors who audited the financial statements of Maury Regional Hospital (major proprietary fund) and the discretely presented Maury County Board of Public Utilities Water System, as described in our report on Maury County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2017-002, 2017-003, and 2017-011.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2017-004(A), 2017-005, 2017-006, 2017-007, 2017-008, 2017-012, and 2017-013.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Maury County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001, 2017-004(B, C, and D), 2017-009, and 2017-010.

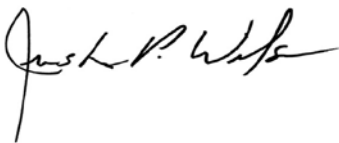
### **Maury County's Response to the Findings**

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

### **Purpose of this Report**

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 14, 2018

JPW/kp





JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

## **Independent Auditor's Report**

### **Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

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

To the County Mayor and Board of County Commissioners:

#### **Report on Compliance for Each Major Federal Program**

We have audited Maury County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Maury County's major federal programs for the year ended June 30, 2017. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Maury County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Maury County's compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, Maury County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

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

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

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

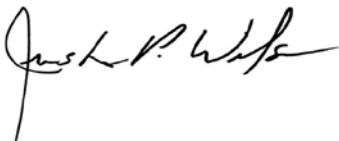
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements. We issued our report thereon dated February 14, 2018. Our report on the aggregate discretely presented component units financial statements was qualified because there was no documentation to support the valuation of several general ledger payroll liabilities in the General Purpose School and School Federal Projects funds. 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 the Uniform Guidance 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 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, except for the effect on the Schedule of Expenditures of Federal Awards of not being able to obtain documentation to support the valuation of several general ledger payroll liabilities in the General Purpose School and School Federal Projects funds, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 14, 2018

JPW/kp

Maury County, Tennessee, and the Maury County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2017

| Federal/Pass-through Agency/State<br>Grantor Program Title                 | Federal<br>CFDA<br>Number | Pass-through<br>Entity<br>Identifying<br>Number | Expenditures         |
|--|---------------------------|---|----------------------|
| U.S. Department of Agriculture:  |                           |   |                      |
| Passed-through State Department of Agriculture:                            |                           |   |                      |
| Child Nutrition Cluster: (4)   |                           |   |                      |
| National School Lunch Program (Commodities - Noncash Assistance)           | 10.555                    | (3)   | \$ 283,007 (7)       |
| Passed-through State Department of Education:                              |                           |   |                      |
| Child Nutrition Cluster: (4)   |                           |   |                      |
| School Breakfast Program   | 10.553                    | (3)   | 1,356,159            |
| National School Lunch Program  | 10.555                    | (3)   | 3,603,968 (7)        |
| Total U.S. Department of Agriculture                                       |                           |   | <u>\$ 5,243,134</u>  |
| U.S. Department of Housing and Urban Development:                          |                           |   |                      |
| Passed-through State Department of Economic and Community Development:     |                           |   |                      |
| Home Investment Partnerships Program                                       | 14.239                    | (3)   | \$ 2,250             |
| Total U.S. Department of Housing and Urban Development                     |                           |   | <u>\$ 2,250</u>      |
| U.S. Department of Justice:  |                           |   |                      |
| Direct Program:  |                           |   |                      |
| Bulletproof Vest Partnership Program                                       | 16.607                    | N/A   | \$ 9,144             |
| Passed-through State Commission on Children and Youth:                     |                           |   |                      |
| Juvenile Justice and Delinquency Prevention                                | 16.540                    | 31601-1723                                      | 4,000                |
| Passed through State Department of Finance and Administration:             |                           |   |                      |
| Crime Victim Assistance  | 16.575                    | (3)   | 24,251               |
| Passed-through City of Columbia:   |                           |   |                      |
| Edward Byrne Memorial Justice Assistance Grant Program                     | 16.738                    | (3)   | 9,088                |
| Total U.S. Department of Justice   |                           |   | <u>\$ 46,483</u>     |
| U.S. Department of Transportation:   |                           |   |                      |
| Passed-through State Department of Transportation:                         |                           |   |                      |
| Alcohol Open Container Requirements  | 20.607                    | (5)   | \$ 25,737            |
| Passed-through State Department of Military:                               |                           |   |                      |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703                    | 34101-35816                                     | 14,000               |
| Total U.S. Department of Transportation                                    |                           |   | <u>\$ 39,737</u>     |
| U.S. Department of Education:  |                           |   |                      |
| Passed-through State Department of Education:                              |                           |   |                      |
| Title I Grants to Local Educational Agencies                               | 84.010                    | (3)   | 2,884,751            |
| Special Education Cluster: (4)   |                           |   |                      |
| Special Education Grants to States   | 84.027                    | (3)   | 2,850,948            |
| Special Education Preschool Grants   | 84.173                    | (3)   | 102,553              |
| Career and Technical Education - Basis Grants to States                    | 84.048                    | N/A   | 218,519              |
| Twenty-first Century Community Learning Centers                            | 84.287                    | N/A   | 134,746              |
| English Language Acquisition State Grants                                  | 84.365                    | N/A   | 38,806               |
| Supporting Effective Instruction State Grant                               | 84.367                    | N/A   | 389,863              |
| Total U.S. Department of Education   |                           |   | <u>\$ 6,620,186</u>  |
| U.S. Department of Health and Human Services:                              |                           |   |                      |
| Passed-through State Department of Human Services:                         |                           |   |                      |
| Child Support Enforcement  | 93.563                    | (3)   | \$ 48,712            |
| Child Care and Development Block Grant                                     | 93.575                    | (3)   | 108,878              |
| Total U.S. Department of Health and Human Services                         |                           |   | <u>\$ 157,590</u>    |
| U.S. Department of Homeland Security:                                      |                           |   |                      |
| Passed-through State Department of Military:                               |                           |   |                      |
| Hazard Mitigation Grant  | 97.039                    | 34101-39512                                     | \$ 336,898           |
| Emergency Management Performance Grants                                    | 97.042                    | 34101-05617                                     | 44,350               |
| Homeland Security Grant Program  | 97.067                    | 34101-27216                                     | 18,157               |
| Total U.S. Department of Homeland Security                                 |                           |   | <u>\$ 399,405</u>    |
| Total Expenditures of Federal Awards                                       |                           |   | <u>\$ 12,508,785</u> |

(Continued)

Maury County, Tennessee, and the Maury County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

| Federal/Pass-through Agency/State<br>Grantor Program Title                                | Federal<br>CFDA<br>Number | Contract<br>Number | Expenditures        |
|---|---------------------------|--------------------|---------------------|
| <u>State Grants</u>   |                           |                    |                     |
| Read to be Ready Coaching Network - State Department of Education                         | N/A                       | (3)                | \$ 5,000            |
| Project Diabetes Initiative Services - State Department of Health                         | N/A                       | GG1751261          | 10,997              |
| Energy Efficient Schools Initiative - State Department of Education                       | N/A                       | (3)                | 49,310              |
| Juvenile Justice State Supplement - State Commission on Children<br>and Youth             | N/A                       | (3)                | 9,000               |
| Coordinated School Health Initiative - State Department of Education                      | N/A                       | (3)                | 100,000             |
| Early Childhood Education - State Department of Education                                 | N/A                       | (3)                | 977,581             |
| Safe Schools - State Department of Education  | N/A                       | (3)                | 50,692              |
| Family Resource Center - State Department of Education                                    | N/A                       | (3)                | 89,535              |
| Hazard Mitigation Grant - State Department of Military                                    | N/A                       | 34101-39512        | 56,148              |
| Health Department Program - State Department of Health                                    | N/A                       | (6)                | 700,526             |
| Litter Program - State Department of Transportation                                       | N/A                       | (3)                | 50,521              |
| Archives Development Grant - Tennessee Department of State, State<br>Library and Archives | N/A                       | (3)                | 3,475               |
| Access To Health and Healthy Active Built Environments - State Department<br>of Health    | N/A                       | GG-17-151074-00    | 10,000              |
| Total State Grants  |                           |                    | <u>\$ 2,112,785</u> |

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Maury County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Child Nutrition Cluster total is \$5,243,134; Special Education Cluster total is \$2,953,501.

(5) Z17THS230: \$22,661; Z16GHS220: \$3,076.

(6) GG-17-50568-00: \$648,398; GG-45609-00: \$52,128.

(7) Total for CFDA No. 10.555 is \$3,886,975.

Maury County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2017

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Benton County, Tennessee, for the year ended June 30, 2017.

***Prior-year Financial Statement Findings***

| Fiscal<br>Year | Page<br>Number | Finding<br>Number | Title of Finding | CFDA<br>Number | Current Status |
|----------------|----------------|-------------------|------------------|----------------|----------------|
|----------------|----------------|-------------------|------------------|----------------|----------------|

**OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

|      |     |          |  |     |   |
|------|-----|----------|--|-----|---|
| 2016 | 248 | 2016-001 | Material audit adjustments were required for proper financial statement presentation   | N/A | Corrected   |
| 2016 | 249 | 2016-002 | The office had weaknesses in posting financial transactions  | N/A | Corrected   |
| 2016 | 250 | 2016-003 | The office had deficiencies in budget operations   | N/A | Not corrected - see explanation on corrective action plan |
| 2016 | 251 | 2016-004 | Numerous reconciling differences between the funds maintained by the director of accounts and budgets and the trustee were not corrected | N/A | Corrected   |

**OFFICE OF DIRECTOR OF SCHOOLS**

|      |     |          |  |     |   |
|------|-----|----------|--|-----|---|
| 2016 | 253 | 2016-005 | Material audit adjustments were required for proper financial statement presentation | N/A | Not corrected - see explanation on corrective action plan |
| 2016 | 254 | 2016-006 | The office had deficiencies in budget operations                                     | N/A | Not corrected - see explanation on corrective action plan |
| 2016 | 255 | 2016-007 | The office had deficiencies in payroll procedures                                    | N/A | Not corrected - see explanation on corrective action plan |
| 2016 | 257 | 2016-008 | Deficiencies were noted in the maintenance of capital asset records                  | N/A | Not corrected - see explanation on corrective action plan |
| 2016 | 258 | 2016-009 | Accrued leave records were not maintained adequately                                 | N/A | Not corrected - see explanation on corrective action plan |

***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**MAURY COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the aggregate discretely presented component units is qualified.  
Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **YES**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553 and 10.555      Nutrition Cluster: School Breakfast Program  
and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2017-001                      **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**  
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations at the major appropriations category level (the legal level of control) of the following funds:

| <u>Fund/Major Appropriation Category</u>   | <u>Amount<br/>Overspent</u> |
|--|-----------------------------|
| General:                                   |                             |
| Drug Enforcement                           | \$ 150                      |
| Administration of Sexual Offender Registry | 200                         |
| Agricultural Extension Service             | 26,126                      |
| Employee Benefits                          | 1,493                       |
| Public Safety Projects                     | 100                         |
| General Debt Service:                      |                             |
| General Government                         | 6,617                       |
| Other Capital Projects:                    |                             |
| Miscellaneous                              | 293                         |

- B. Salaries exceeded appropriations in five line-items of the General Fund by amounts ranging from \$50 to \$1,093. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county shall not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments,



commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures; because management failed to correct the finding noted in the prior-year audit report; and because management failed to implement their corrective action plan.

### RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

### MANAGEMENT’S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur with this finding. We have received this finding for consecutive years now, and we will be trying our best to avoid getting this finding in the future. I have outlined a corrective and preventative action plan. We are excited about our office’s potential moving forward, and we are improving each day in an effort to minimize audit findings.

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### OFFICE OF DIRECTOR OF SCHOOLS

#### Background

The School Department’s finance director resigned on December 1, 2016. During the period between October 2016 and January 2017, several Finance Office employees either retired, transferred to other positions, or had their employment terminated. On December 1, 2016, the School Department contracted with VACO, a national management consulting firm, to resolve the ongoing accounting issues, and to assist in hiring personnel to rebuild the depleted Finance Office. The School Department hired a new chief financial officer on October 23, 2017. Four other positions in the Finance Office remain open and are being staffed by VACO employees at this time. Payments to VACO through the end of December 2017 total \$679,929.

#### FINDING 2017-002

#### **THE OFFICE DID NOT RECONCILE GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WITH PAYROLL REPORTS AND PAYMENTS AND DID NOT PROVIDE DOCUMENTATION SUPPORTING THOSE ACCOUNT BALANCES RESULTING IN A QUALIFIED OPINION**

*(Internal Control – Material Weakness Under Government Auditing Standards)*

General ledger payroll liability accounts were not reconciled with subsidiary payroll reports and payments each month in the General Purpose School and School Federal Projects funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Auditors adjusted these balances for identified errors but were unable to obtain sufficient evidence to document the remaining account balances. After these audit

adjustments, the general ledgers of the General Purpose School and School Federal Projects funds present unaudited account balances totaling \$2,638,202 and \$461,481, respectively, at June 30, 2017. Management was unable to provide documentation to support these balances. The effects on the School Department's governmental fund financial statements are not determinable since the above-noted balances did not have supporting documentation. Because of this omission, we have qualified our opinion on the School Department component opinion unit.

This deficiency resulted from a lack of management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, management's failure to correct the finding noted in the prior-year audit report, and because management failed to implement their corrective action plan.

### RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly. All general ledger account balances should have adequate supporting documentation.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

### FINDING 2017-003

### **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

In addition to the payroll liability accounts described in Finding 2017-002 above, certain other general ledger account balances in the General Purpose School, School Federal Projects, and Education Capital Projects funds were not materially correct, and audit adjustments were required for proper financial statement presentation. Audit adjustments were required to increase property tax receivables (\$20,837,586), the allowance for uncollectible property taxes (\$474,775), deferred property taxes (\$20,299,175), other receivables (\$1,062,060), and other deferred revenues (\$1,459,236) in the General Purpose School Fund. Audit adjustments were required to decrease cash with trustee (\$694,613) and receivables (\$300,242) in the School Federal Projects Fund. Audit adjustments were required to increase contracts payable (\$3,195,314) and retainage payable (\$41,375) in the Education Capital Projects Fund. Generally accepted accounting principles require the School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management failed to correct the finding noted in prior-year audit reports, and management's failure to implement their corrective action plan.

We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

### RECOMMENDATION

The School Department should have appropriate processes in place to ensure its general ledgers are materially correct.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

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### FINDING 2017-004

#### **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(A. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. and D. – Noncompliance Under *Government Auditing Standards*; C. – Material Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in the budget operations of the office:

- A. Several budget amendments were posted in the General Purpose School Fund that were not approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the county commission in the financial statements of this report.
- B. Total expenditures and other uses of the General Purpose School Fund exceeded total appropriations approved by the county commission by \$331,664.
- C. Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the General Purpose School Fund:

| <u>Major Appropriation Category</u> | <u>Amount<br/>Overspent</u> |
|-------------------------------------|-----------------------------|
| Career and Technical Education      | \$ 737,626                  |
| Other Student Support               | 10,175                      |
| Director of Schools                 | 25,853                      |
| Fiscal Services                     | 58,558                      |
| Central and Other                   | 23,967                      |
| Regular Capital Outlay              | 917,163                     |
| Education                           | 2,000                       |

- D. Salaries exceeded line-item appropriations in 14 instances in the General Purpose School Fund by amounts ranging from \$162 to \$60,000.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

These deficiencies exist because of a lack of management oversight; management’s failure to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures; management’s failure to correct the finding noted in the prior-year audit report, and management’s failure to implement their corrective action plan.

#### RECOMMENDATION

Only budget amendments approved by the county commission should be posted to fund accounts. Expenditures should be held within appropriations approved by the county commission.

#### MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

FINDING 2017-005

**THE SCHOOL DEPARTMENT OVERPAID SEVERAL FORMER EMPLOYEES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our procedures testing the reliability of the payroll process, auditors noted the following deficiencies:

- A. Some former School Department employees continued to receive payroll checks for several months after they had separated from service with the department. Auditors noted that seven employees remained on the payroll for periods ranging from one to ten months resulting in an overpayment of \$74,010. The School Board incurred additional expenses for the employer's portion of social security and Medicare premiums of \$5,450.
- B. Since the above-noted former employees remained on the payroll system beyond their actual service dates, the employees also obtained extended insurance benefits for which they were no longer eligible. The School Department paid premiums of \$6,314 for this unearned extended insurance benefit.
- C. The former employees also were not reported as having separated from department service in a timely manner to the Tennessee Consolidated Retirement System. The failure to properly report their respective separation dates allowed them to receive more retirement service credits than they earned. Additionally, the School Board incurred additional employer's share expenses by paying \$3,801 of the employees' retirement premiums after they separated from service.
- D. Several former School Department employees received lump sum payouts of accrued vacation leave in excess of the amounts prescribed in the employee handbook. The School Board's policy allows payouts of up to 60 days of accrued vacation leave upon separation from service; however, auditors noted four former employees were paid for accrued vacation days ranging from 74.5 up to 146.5 days. This deviation from board policy resulted in a total overpayment of \$49,809.
- E. One former School Department employee received a lump sum payout of accrued sick leave in excess of the amount prescribed in the employee handbook. The School Board's policy limits payouts of accrued sick leave to include only amounts earned in the Maury County School System for all employees hired after June 30, 2012. Auditors noted that this employee was hired by the Maury County School System on July 1, 2015; however, the employee received payment for sick leave transferred from another school system. This deviation from board policy resulted in a total overpayment of \$12,375.

The following table summarizes the above-noted overpayments:

| <u>Item</u> | <u>Description</u>                | <u>Overpayment</u> |
|-------------|-----------------------------------|--------------------|
| A.          | Payroll                           | \$ 74,010          |
| A.          | Social Security/Medicare Premiums | 5,450              |
| B.          | Insurance                         | 6,314              |
| C.          | Tennessee Consolidated Retirement | 3,801              |
| D.          | Vacation Days                     | 49,809             |
| E.          | Sick Days                         | <u>12,375</u>      |
| Total       |                                   | <u>\$ 151,759</u>  |

These deficiencies were the result of a lack of management oversight. Auditors noted that one of the former employees reported in part A., above, has been reemployed by the School Department and has signed an interest-free promissory note to repay \$28,163.

#### RECOMMENDATION

The School Department should improve their payroll processes to ensure all former employees are removed from the payroll system immediately upon separation from department service and removed from applicable insurance coverage and TCRS enrollment. All lump sum payments to former employees for accrued vacation and sick leave should adhere to School Board policies as stated in the employee handbook. The School Department should attempt to recover all known overpayments.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

#### FINDING 2017-006

#### **THE OFFICE FAILED TO PAY EMPLOYEE INSURANCE PREMIUMS IN A TIMELY MANNER**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

School Department employees can choose from a variety of voluntary payroll deduction benefits (life insurance, dental insurance, etc.). The School Department deducts the costs of these benefits from the employees' paychecks and is responsible for paying the monthly premiums to the various vendors. As noted in the prior-year's audit report, the School Department failed to pay these premiums in a timely manner resulting in several employees receiving notices of cancellation of their policies during the fall of 2016.

Auditors received a complaint that some School Department employees were again receiving notices of cancellation of their policies in August 2017. Our examination on August 24, 2017,

revealed that insurance premiums for May, June, and July 2017, had not been paid. The interim finance director advised that the School Department had fallen behind on making the premium payments resulting in American Fidelity Insurance Company issuing letters of non-payment to approximately 30 to 40 employees. The interim finance director further stated that the delay in issuing these vendor checks was due to difficulties in reconciling the insurance invoices with payroll reports. The School Department subsequently paid the outstanding invoices.

These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, the failure to correct the prior-year audit finding, and management's failure to implement their corrective action plan.

### RECOMMENDATION

Insurance billing invoices should be reconciled with payroll reports monthly. Voluntary payroll deductions should be paid to the appropriate vendor in a timely manner to avoid disruption or cancellation of benefits.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

### FINDING 2017-007

#### **CASH ON DEPOSIT WITH THE TRUSTEE WAS NOT RECONCILED PROPERLY**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not properly reconcile the general ledger cash accounts in the General Purpose School and School Federal Projects funds with county trustee reports. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. The office attempted to reconcile the cash accounts with the trustee's reports; however, the following reconciling deficiencies were noted:

- A. The office did not reconcile general ledger cash accounts with county trustee reports in a timely manner. Instead, personnel waited extended periods of time to reconcile the cash accounts with the trustee. Auditors received the final reconciliation for the month of June 2017 on December 26, 2017. The failure to currently reconcile cash accounts with the trustee reports allows errors to remain undiscovered and uncorrected.
- B. The office did not correct all identified errors and other reconciling items. Instead, these items were carried forward each month as part of the reconciliation of cash on deposit with the trustee. The failure to correct identified errors and other reconciling items allows cash with the trustee to be stated incorrectly on the balance sheet.

- C. Auditors determined that these reconciliations contained numerous errors as well as unidentified amounts. Auditors used substantive tests and alternative audit procedures to determine the correct year-end cash balances.

These deficiencies can be attributed in part to ineffective management oversight and a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles.

### RECOMMENDATION

The office should accurately reconcile the General Purpose School and School Federal Projects funds' general ledger cash accounts with county trustee reports monthly, and any errors discovered should be corrected promptly.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

### FINDING 2017-008

#### **THE OFFICE HAD WEAKNESSES IN POSTING FINANCIAL TRANSACTIONS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

During our examination, we noted the office had weaknesses in posting financial transactions such as the following:

- A. We observed several general journal entries in the General Purpose School and School Federal Projects funds that were posted to correct or reverse previous journal entries. Sound business practices dictate that financial transactions should be accurately posted in accordance with generally accepted accounting principles. The significant number of general journal entries indicates weaknesses in internal controls related to recording financial transactions.
- B. We noted numerous revenues in the General Purpose School Fund, which were misclassified. Auditors reclassified \$301,772 from Miscellaneous Refunds to Contributions and various other revenues, including state grants. Additionally, prior-year receivables were not properly reduced by the related funds received in the current-year.
- C. Some expenditures in the General Purpose School Fund were posted directly to fund equity accounts rather than to expenditure accounts. Other expenditures were reclassified to fund equity accounts by posting erroneous journal entries. These postings have the effect of understating expenditures.



- D. Auditors noted federal grant revenue (\$8,000), which was improperly netted against grant expenditures in the General Purpose School Fund. These postings have the effect of understating both grant revenues and expenditures.
- E. Several expenditures were coded to accounts that did not reflect the true nature of the expenditures. Auditors noted payroll expenditures erroneously recorded in several non-payroll line items of the General Purpose School Fund, including Other Contracted Services, Other Supplies and Materials, In-Service Staff Development, Other Charges, and Data Processing Equipment. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.
- F. Auditors noted that the balance sheet accounts in the School Federal Projects Fund were not accounted for in sub-funds. Sub-funds are necessary to properly account for the individual federal grant programs.
- G. The School Department maintains bank clearing accounts to facilitate the automated payment of various monthly payroll liabilities such as premiums for the Tennessee Consolidated Retirement System and employee insurances. Payments are posted increasing expenditures and decreasing the related payroll liability accounts. The cash is deposited into the clearing accounts, and the vendor receives payment by bank draft, usually within two or three days. Auditors noted deposits totaling \$233,755 made to these accounts during the year that were not withdrawn by the vendors as of June 30, 2017. Auditors examined bank statements for several months after year-end and determined that these deposits do not represent actual expenditures and were apparently deposited in error.

We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report. These deficiencies were the result of a lack of management oversight and a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles.

### RECOMMENDATION

Internal controls over the accounting process should be strengthened to correctly identify and accurately post transactions by nature, account, and fund when the transactions are initiated. All transactions should be properly classified in the accounting records using the current County Uniform Chart of Accounts. Federal grant guidelines require all federal grants to be accounted for separately. Management should reconcile the clearing account balances with vendor invoices and any errors discovered should be corrected promptly.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

**THE OFFICE FAILED TO COMPLY WITH STATE  
STATUTES WHEN ENTERING INTO LEASE-PURCHASE  
AGREEMENTS**

(Material Noncompliance Under *Government Auditing  
Standards*)

As part of our audit procedures for reviewing capital asset purchases and debt issuances, we examined documentation supporting the purchase of 3,162 Lenovo laptop computers and five lease-purchase agreements issued to finance the purchase of the computers. We noted the following deficiencies with these transactions, which were the result of a lack of management oversight.

- A. The School Department did not solicit competitive bids for the purchase of laptop computers. During the year, the School Department purchased 3,162 Lenovo laptop computers totaling \$2,665,289. School officials advised that the computers were purchased in a piggy-back purchase agreement utilizing the existing bid of another school system. Proper documentation of the original bid was not on file at the Maury County School Department; however, auditors were able to obtain this information from the school system, which originated the bid. Although the original bid had been awarded for Lenovo computers, the models purchased and prices paid by the Maury County School Department did not agree with the original bid. Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated (TCA)*, which requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000. As a result of not obtaining competitive bids, the best and lowest price may not have been obtained for the lease-purchase of the new computers.
- B. During the year, the director of schools entered into five lease-purchase agreements for the above-noted laptop computers. These lease-purchase agreements were not approved by the county commission. Section 7-51-904, *TCA*, requires such contracts, leases, or lease-purchase agreements to be approved by resolution of the county commission.
- C. The office did not file a Report on Debt Obligation with the state Comptroller's Office for the above-noted lease-purchase agreements. The county entered into these agreements between February 3, 2017 and June 6, 2017. 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 is issued, a description of the debt obligation, and an itemized description of the cost of issuance. As of the date of this report, the five Reports on Debt Obligation have not been filed with the state Comptroller's Office.

## RECOMMENDATION

Purchases exceeding \$10,000 should be competitively bid as required by state statutes. State statutes also require that lease-purchase agreements be approved by the county commission. Officials should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

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### FINDING 2017-010

### **THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN A CONTRACT FOR COMMERCIAL DRIVER'S LICENSE TESTING**

(Noncompliance Under *Government Audit Standards*)

While performing interim audit procedures for the School Department, it came to our attention that the department was party to a contract with the Tennessee Department of Safety and Homeland Security to provide commercial driver's license third-party testing. Under the terms of the contract, the School Department is to perform skills testing for Commercial Driver's License (CDL) applicants with testing to be performed by a certified examiner. Applicants are to be charged no more than \$75 for the administration of the three-part test. The School Department has designated two school transportation department employees as the certified examiners. The current contract with the Department of Safety and Homeland Security is for the period from May 6, 2014, through May 5, 2019. Discussions with management and other procedures resulted in the following deficiencies:

- A. Auditors reviewed the official minutes of the Board of Education and found no evidence that the contract had been approved. Additionally, the current contract was signed by the transportation director, not by the board's Executive Committee. Section 49-2-206, *Tennessee Code Annotated (TCA)*, states that it is the duty of the Executive Committee, the chair of the board of education and the director of schools, to sign contracts authorized by the Board of Education.
- B. The School Department did not document whether the fees collected were to be remitted to the county as county revenue or retained by the examiners as personal compensation for providing the training. In addition, no known receipt books were maintained by the examiners to document the amount of fees collected. Fees received by the examiners to administer the tests were not remitted to the county but were retained by the examiners. Auditors were unable to obtain reliable information to determine the amount of fees retained by the examiners.
- C. The fees retained by the examiners were not paid through the School Department's payroll system and were in addition to their regular salaries.

Since these supplemental payments were not paid through the department's payroll system, these payments were not subjected to income tax, social security, and Medicare deductions. Also, the department did not report and pay its required matching portions of social security and Medicare associated with these fee payments. This compensation was not reported to the federal government on Forms 1099 or W-2.

These deficiencies exist because of a lack of management oversight, which weakens internal controls over collections and increases the risks of fraud and misappropriation. In addition, the use of department resources and facilities exposes the School Department to other potential liabilities.

### RECOMMENDATION

All contracts for the School Department should be approved by the Board of Education and signed by its Executive Committee, the chairman of the board of education and the director of schools. The School Department should provide written documentation concerning the use of contract fees charged to applicants. Official prenumbered receipts should be issued for the collection of all fees as required by Section 9-2-103, *TCA*. All fees collected from department contracts should be remitted to the county trustee and appropriated by the county commission as required by Section 5-9-401, *TCA*. Any fees considered compensation for the certified examiners should be handled through the department's payroll process. All payroll related payments to department employees should be made through the department's payroll system to properly reflect the employee's total compensation. Also, all wages should be subject to the proper employee payroll taxes, the county's matching portions, and properly reported to the federal government.

### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

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### FINDING 2017-011

### **THE DEPARTMENT HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSET RECORDS**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

In prior years, the School Department maintained its capital assets records in a computerized spreadsheet rather than using a computer software application. During the current year, the School Department attempted to transition these records to a computer software application; however, the capital asset records presented to auditors failed to distinguish between prior-year assets and new additions and failed to classify assets by function. Auditors advised the school's finance director of these deficiencies and requested the capital asset records be corrected. The School Department subsequently provided revised capital asset records in an altered spreadsheet format, which did not clearly distinguish between prior-year assets, current additions, or asset disposals. Auditors revised the format of these records to a usable format. Additionally, the capital asset records contained the following deficiencies:

- A. The School Department failed to capitalize the completed construction of energy efficient upgrades (\$9,724,174) as well as an HVAC unit at E.A. Cox Middle School (\$34,399). The accumulated costs of these projects had previously been accounted for as Construction in Progress. Auditors proposed an adjustment reclassifying these assets from Construction in Progress to Buildings and Improvements.
- B. The School Department failed to capitalize 3,162 Lenovo laptop computers totaling \$2,665,289. This group purchase should be capitalized and depreciated according to School Department policy.

We presented the adjustments to school officials for their approval and posting to the capital asset records for proper presentation in the financial statements of this report. Generally accepted accounting principles require accountability for all School Department assets, such as building improvements and computer equipment. Without accurate inventory records, the School Department cannot adequately control its assets.

These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain capital asset records in accordance with generally accepted accounting principles, the failure to correct the prior-year's audit finding, and management's failure to implement their corrective action plan.

#### RECOMMENDATION

Management should provide the necessary oversight to ensure capital asset records are accurately maintained in compliance with generally accepted accounting principles.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

#### FINDING 2017-012

#### **ACCRUED LEAVE RECORDS WERE NOT MAINTAINED ADEQUATELY**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Department's personnel policy permits employees to accumulate earned but unused vacation and sick leave. School Department personnel provided auditors with accrued leave records, which auditors tested for accuracy. Auditors tested a sample of individual accounts and noted numerous deficiencies in these records; beginning leave balances did not agree with prior-year ending balances; employees who had retired, resigned, or whose employment had been terminated in the current-year had not been removed from the records; and earned and used amounts for individually tested employees did not agree with subsidiary payroll records. Auditors ultimately used alternative methods to determine accrued leave balances.

The failure to maintain adequate documentation of accumulated leave weakens internal controls over the payroll process and increases the risks of improper payments and inaccurate financial statement presentation of accrued leave balances. These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, the failure to correct the prior-year's audit finding, and management's failure to implement their corrective action plan.

#### RECOMMENDATION

The School Department should maintain a summary of accrued leave for all employees. These records should accurately reflect the value of the leave at the beginning of the year, amount earned, amount used, and the value of the leave at year-end.

#### MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding. Additional explanation is included in the Corrective Action Plan.

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#### OFFICE OF TRUSTEE

##### FINDING 2017-013

##### **INVESTMENT EARNINGS WERE NOT POSTED TO THE GENERAL LEDGER**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The general ledger did not accurately reflect interest earnings for the fiscal year. Although the office received monthly bank statements reporting interest earnings, these earnings were not posted to the general ledger for the months of January 2017 through June 2017. Therefore, the accounting records were understated by \$133,857 as of June 30, 2017. The investment earnings were posted to the accounting records subsequent to June 30, 2017. This deficiency can be attributed to a lack of management oversight.

#### RECOMMENDATION

All investment earnings should be posted to the general ledger in the period in which the interest becomes available.

#### MANAGEMENT'S RESPONSE – TRUSTEE

We concur with this finding. I felt it to be a good budgeting plan to carry interest to the next year once our budget was made for the current year.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

**Maury County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2017**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted. We have also included auditor's comments on selected corrective action plans that are presented following the applicable plan.

| Finding<br>Number | Title of Finding | Corrective Action<br>Plan Page Number |
|-------------------|------------------|---------------------------------------|
|-------------------|------------------|---------------------------------------|

**OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

|          |  |     |
|----------|--|-----|
| 2017-001 | The Office had Deficiencies in Budget Operations | 273 |
|----------|--|-----|

**OFFICE OF DIRECTOR OF SCHOOLS**

|          |   |     |
|----------|---|-----|
| 2017-002 | The Office did not Reconcile General Ledger Payroll Liability Accounts with Payroll Reports and Payments and did not Provide Documentation Supporting Those Account Balances Resulting in a Qualified Opinion | 274 |
| 2017-003 | Material Audit Adjustments were Required  | 275 |
| 2017-004 | The Office had Deficiencies in Budget Operations  | 277 |
| 2017-005 | The School Department Overpaid Several Former Employees   | 281 |
| 2017-006 | The Office Failed to Pay Employee Insurance Premiums in a Timely Manner   | 282 |
| 2017-007 | Cash on Deposit with the Trustee was not Reconciled Properly  | 284 |
| 2017-008 | The Office had Weaknesses in Posting Financial Transactions   | 286 |
| 2017-009 | The Office Failed to Comply with State Statutes When Entering into Lease-Purchase Agreements  | 287 |
| 2017-010 | The School Department had Deficiencies in a Contract for Commercial Driver's License Testing  | 290 |
| 2017-011 | The Department had Deficiencies in the Maintenance of Capital Asset Records   | 292 |
| 2017-012 | Accrued Leave Records were not Maintained Adequately  | 294 |



**AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOLS' CORRECTIVE ACTION PLANS**

|          |  |     |
|----------|--|-----|
| 2017-003 | Material Audit Adjustments were Required   | 276 |
| 2017-004 | The Office had Deficiencies in Budget Operations   | 280 |
| 2017-006 | The Office Failed to Pay Employee Insurance Premiums in a Timely Manner                      | 283 |
| 2017-007 | Cash on Deposit with the Trustee was not Reconciled Properly                                 | 285 |
| 2017-009 | The Office Failed to Comply with State Statutes When Entering into Lease-Purchase Agreements | 289 |
| 2017-010 | The School Department had Deficiencies in a Contract for Commercial Driver's License Testing | 291 |

**OFFICE OF TRUSTEE**

|          |   |     |
|----------|---|-----|
| 2017-013 | Investment Earnings were not Posted to the General Ledger | 295 |
|----------|---|-----|

## Management's Response to Finding 2017-001:

*We concur with this finding. We have received this finding for consecutive years now, and we will be trying our best to avoid getting this finding in the future. I have outlined a corrective and preventative action plan below. We are excited about our office's potential moving forward, and we are improving each day in an effort to minimize audit findings.*

### Corrective/Preventative Action Plan

#### Preparer and person responsible for implementation:

Douglas D. Lukonen, Director of Accounts & Budgets

*We have a few steps we are going to take to mitigate this finding going forward:*

- 1. I was not in office during this period, but the finding occurred because year-end budget amendments did not account for accounts payable entries which forced expenditures to exceed the budget. We will make sure that we adjust the budget on June 30<sup>th</sup> to account for any accounts payable journal entries moving forward.*
- 2. We are going to cut off the process of opening purchase orders mid-June, and we will only open them when there is an absolute emergency before the end of June.*
- 3. We will then make sure that all purchase orders are closed before June 30<sup>th</sup> of every fiscal year.*
- 4. Our office will bring overages to the budget committee for payroll line items at the time of occurrence. The budget committee directed such action per my recommendation on 2/13/2018 via Budget Committee Chairman Scott Sumners.*
- 5. We are in the process of updating our internal controls to promote transparency, reduce the potential for fraud, and improve reviewing functions in our office.*

#### **Best Practice:**

- a. We are in the process of adopting a new Private Act. The TN State legislature is currently reviewing the Private Act that passed the Maury County Commission.*

*Douglas D. Lukonen*  
Print

*X D D Lukonen*  
Sign

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

February 28, 2018

Re: FY17 Audit Responses

FINDING 2017-002

**THE OFFICE DID NOT RECONCILE GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WITH PAYROLL REPORTS AND PAYMENTS AND DID NOT PROVIDE DOCUMENTATION SUPPORTING THOSE ACCOUNT BALANCES RESULTING IN A QUALIFIED OPINION**  
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and Title for Implementing Corrective Action: Karen Gagliano, MCPS Chief  
Financial Officer


We concur with this finding   X  

We disagree with this finding       

The balances in the liability accounts have been identified as payroll deductions including Federal income tax, Social Security tax, and Medicare tax. Since October 2017, we have been remitting and reconciling this liability.

A lack of skill and knowledge of former MCPS staff resulted in the accounting staff failure. General ledger accounts had not been reconciled in previous years. With the implementation of Skyward, setup of beginning balances were incorrect by former MCPS staff. The lack of the reconciliation of the accounts was not discovered until Spring 2017. It was during this time that it was discovered that taxes and benefits had not been reported and/or submitted. Once it was realized, a new process was put into place and that process is being used currently to properly reconcile taxes and benefits. The new process established is that liabilities will be remitted by Finance personnel and there will be dual control, by both the Chief Financial Officer and Accountant, in place internally at MCPS to ensure the remitting and documentation requirements are followed by June 30, 2018.

Respectfully submitted,

  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-003

**MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and Title for Implementing Corrective Action: Karen Gagliano, MCPS Chief  
Financial Officer

We concur with this finding   X  

We disagree with this finding       

It is understood by MCPS management that this property tax entry is a once a year entry at fiscal year-end on June 30<sup>th</sup>. The district has from the trustee's office the document to be used.

Hereafter, the district MCPS Chief Financial Officer will lean heavily on the auditors and their support with clear instructions to ensure we are materially correct in our entry by June 30, 2018.

Repeat Finding from FY16: As the Vaco Chief Financial Officer worked throughout the Spring semester, documentation was requested and received from the trustee's office to make the entries per instructions from the auditors. However, due to Vaco personnel being stretched extremely thin, this entry was not made prior to closing the books. The new MCPS Chief Financial Officer is aware of the reporting that needs to be conducted and it will be completed before June 30 each fiscal year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Marczak", is written over a circular stamp. The stamp contains the text "Dr. Chris Marczak", "Superintendent", and "Maury county Public Schools".

Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

## AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOL'S CORRECTIVE ACTION PLAN

### **FINDING 2017-003                      MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED**

The failure to post property tax receivables, with their related allowance for uncollectible taxes and deferred revenues, was only one of many audit adjustments required to correct receivables. In the General Purpose School Fund, audit adjustments were required to correct \$1,752,256 of prior-year accounts receivable, which the School Department failed to account for properly during the year. Cash receipts related to these receivables were improperly posted as revenues in the current year, effectively double counting these revenues. Audit adjustments were posted to reduce both the receivable balance and the revenues for proper financial statement presentation. Other audit adjustments in the General Purpose School Fund were required to increase receivables by \$2,859,340 and deferred revenues by \$1,459,236 to properly recognize the May and June collections of local option sales taxes.

Audit adjustments were required in the Education Capital Projects Fund to recognize construction contracts payable of \$3,195,314 and retainage payable of \$41,375.

The School Department changed accounting software at the beginning of the fiscal year. School personnel inadvertently doubled all balance sheet account balances of the School Federal Projects Fund. These errors went undetected for the entire year. Audit adjustments were required to correct the balance sheet accounts at year-end.

The failure to properly post receivables and payables in the various funds distorts the financial statements and reduces their value in the decision-making process.

---

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-004

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS** (A– Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. and D. – Noncompliance Under *Government Auditing Standards*; C. – Material Noncompliance Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and Title for Implementing Corrective Action: Karen Gagliano, MCPS Chief  
Financial Officer

We concur with this finding \_\_X\_\_

We disagree with this finding \_\_\_\_\_

3A: Documentation received from the auditors was able to provide more information concerning their findings in this area.

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

For BA4542, we have documentation that is an approved copy from both the School Board and the County Commission and a signature from the County Commission Chairman, Michael Fulbright, with an amount \$73,550 dated 6/22/17.

For the second reference, with no BA number, we were able to determine that this is BA4590, as stated in Skyward, and discovered during the FERs process in working with Brian Runion, from the State, in August 2017 and was attributed to Coordinated School Health and not properly written as a BA in the FY17 budget for Coordinated School Health.

BA4555, 4530, 4587 and 4484 did have incorrect account codes and were confirmed to have been adjusted by the auditors.

3B: By our records, General Purpose School Fund budget amendments that were not found to have been approved by the County Commission resulted in an excess of \$254,114. This finding is a result of the lack of manpower in the finance department during this time period.

3C and 3D: There were budgeting inaccuracies at the district prior to fiscal year 2016/2017 which resulted in the overages listed in this finding.

Information provided by the auditors allowed district officials to see which accounts were charged, during the audit adjustment period by auditors, which explain the overages in section C:

| <u>Major Appropriation Category</u> | <u>Amount<br/>Overspent</u> | <u>Adjustments<br/>Per Auditor</u> |
|-------------------------------------|-----------------------------|------------------------------------|
| Career and Technical Education      | \$ 737,626                  | \$ 952,753                         |
| Other Student Support               | 10,175                      | 34,000                             |
| Director of Schools                 | 25,853                      | 30,129                             |
| Fiscal Services                     | 53,553                      | 11,184                             |
| Central and Other                   | 23,967                      | 294,827                            |
| Regular Capital Outlay              | 917,163                     | 1,315,122                          |
| Education                           | 2,000                       | 0                                  |

We will complete corrective action by June 30, 2018.

Repeat Finding from FY16: Due to the length of time required to complete the full cycle of correcting the line item entries on budget amendments, the district was not able to complete all corrections required by June 30th. We had awareness of the category entries and that we would be unable to meet the long budget amendment process required to correct the category entries. The Chief Financial Officer will work diligently to make corrections prior to June 30<sup>th</sup> from here forward.

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

When the district is able to revise the procedures' long cycle that is currently required for budget amendments, we anticipate there will not be issues moving forward. School board policy will be recommended to be revised to be more in sync with a true budget amendment process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Marczak", is written over a circular stamp. The stamp contains the text "Dr. Chris Marczak", "Superintendent", and "Maury county Public Schools".

Dr. Chris Marczak  
Superintendent  
Maury county Public Schools



AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOL'S CORRECTIVE ACTION PLAN

**FINDING 2017-004                      THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

- B.     As shown in Exhibit J-8 of the financial statements, total expenditures and other uses of the General Purpose School Fund exceeded total appropriations approved by the County Commission by \$327,664.
- C.     We fail to see how prior-year budgeting inaccuracies influenced current-year over-expenditures. Audit adjustments were required to properly reflect \$3,198,117 of current-year KEYS expenditures, which were not recorded in the general ledger. These included expenditures which were posted directly as decreases in equity without recording the corresponding expenditures, as well as journal entries, which improperly decreased recorded expenditures. The failure to account for these legitimate expenditures is the main reason that total expenditures and other uses exceeded total appropriations in the General Purpose School Fund.

Additionally, the School Department failed to recognize \$2,968,046 of expenditures, which had been charged against prior-year encumbrances in the General Purpose School Fund. Audit adjustments were required to properly reflect these current-year expenditures; however, these adjustments had no effect on the overspent budget categories since the encumbered expenditures were charged against the prior-year's budget.

School officials should ensure all expenditures are properly posted so they can stay within spending limits authorized by the budget document.

---

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-005

**THE SCHOOL DEPARTMENT OVERPAID SEVERAL FORMER EMPLOYEES** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak, Superintendent

Person Responsible and title Karen Gagliano, MCPS Chief Financial Officer

Person Responsible and title Amanda Alexander, MCPS Chief of Staff

We concur with this finding   x  

We disagree with this finding       

The seven employees that were erroneously left on the payroll system and therefore on the insurance benefits system was due to inconsistent (departing and arriving staff and lack of training) payroll staff. Defined roles were not in place during this time. Since then, the district has improved payroll processes by defining roles and by properly assigning tasks between Finance and Human Resources.

For findings D and E, the district has streamlined this by implementing policy and the language governing the exact days to pay for vacation and sick. We are working to ensure Board policy is clearly followed by MCPS Human Resource and Finance staff. Human Resources has taken over this task and will notify Payroll as to amount to be paid as per processes and Board policy. We will complete corrective action by June 30, 2018.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Marczak", is written over a circular stamp. The stamp contains the text "Dr. Chris Marczak", "Superintendent", and "Maury county Public Schools".  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-006

**THE OFFICE FAILED TO PAY EMPLOYEE INSURANCE PREMIUMS IN A TIMELY MANNER** (Internal Control Significant Deficiency Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak, Superintendent

Person Responsible and title Karen Gagliano, MCPS Chief Financial Officer

We concur with this finding \_\_X\_\_

We disagree with this finding \_\_\_\_\_

Vaco was hired December 5, 2016 and the interim Chief Financial Officer received a call from American Fidelity notifying the district that insurance premiums had not been paid to American Fidelity by former MCPS staff. Immediately the district remitted payments that were due to American Fidelity.

Subsequent to this correction where the premiums were remitted, and in working in close contact with the MCPS American Fidelity representative, the call center at American Fidelity was not informed internally, at American Fidelity, that premiums were current. Their breakdown in communication resulted in the American Fidelity call center personnel telling MCPS employees that their insurance had been cancelled. Upon receipt of an employee complaint that brought this to our attention in August 2017, our American Fidelity representative took over the communication with our employees to let them know their premiums were paid and the insurance was always in good standing.

The district held three employee town halls on October 16, 17, and 23, 2017 where all 1,500 employees were encouraged to attend an open forum and Q&A with payroll, accounting and human resources staff. Attendance at all three town halls was low (fewer than 20 of the 1,500) which clearly indicated the concerns had diminished.

Personnel currently in place has the skills and knowledge to pay the monthly premiums to vendors. Insurance billing invoices are being reconciled with payroll reports monthly by the financial benefit specialist and this task will be completed and remedied by June 30, 2018.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Marczak", is written over a circular stamp. The stamp contains the text "Dr. Chris Marczak", "Superintendent", and "Maury county Public Schools".  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

## AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOL'S CORRECTIVE ACTION PLAN

### **FINDING 2017-006                      THE OFFICE FAILED TO PAY EMPLOYEE INSURANCE PREMIUMS IN A TIMELY MANNER**

Our examination revealed that insurance premiums for May, June, and July 2017, had not been paid when due. The interim finance director advised that the School Department had fallen behind on making the premium payments resulting in American Fidelity Insurance Company issuing letters of non-payment to approximately 30 to 40 employees. The interim finance director further stated that the delay in issuing these vendor checks was due to difficulties in reconciling the insurance invoices with payroll reports. The School Department issued checks on August 17 and 18, 2017, to pay the overdue invoices for May and June, respectively. The School Department paid the July invoice two weeks later. School officials should ensure that all invoices for employee insurance premiums are paid promptly to avoid future notices of non-payment.

---

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-007

**CASH ON DEPOSIT WITH THE TRUSTEE WAS NOT RECONCILED PROPERLY** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and title Karen Gagliano, MCPS Chief Financial Officer

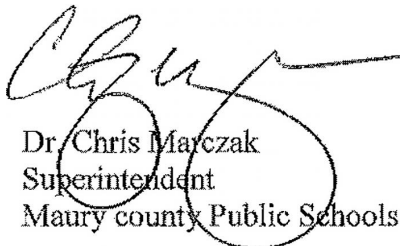
We concur with this finding   x  

We disagree with this finding       

Vaco began working with MCPS December 5, 2016 and was notified, that same month, by the county trustee that the district had not reconciled the General Purpose School Fund and the School Federal Projects Fund for 18 months. In Spring 2017, Auditors from the trustee's office took over the reconciling for a time in order to bring all financial information current. After about 90 days, the auditors were pulled out of the reconciliation project after their supervisor notified the auditors that their work was a conflict of interest. The district began reconciling our books in May. The action that was required on the part of the trustee's office listed in this finding was not completed by their office. It is to be noted that the reconciliation for June 2017 had previously been turned in to the auditors, but, it was realized that an updated reconciliation had not been done after MCPS made journal entries in June 2017 to reconcile to the Trustee account. The MCPS Cash Reconciliation person was now in the Benefits area. It was realized in December 2017 that the corrections to the June 2017 reconciliation needed to be redone.

We will ensure the accounts will be reconciled by June 30, each fiscal year, and for fiscal year 18-19 we will do this monthly. Any identified errors will be promptly corrected.

Respectfully submitted,

  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

## AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOL'S CORRECTIVE ACTION PLAN

### **FINDING 2017-007                      CASH ON DEPOSIT WITH THE TRUSTEE WAS NOT RECONCILED PROPERLY**

Management is responsible for the preparation of the financial statements and the maintenance of the underlying accounting records. Auditors are responsible for obtaining sufficient audit evidence and issuing an opinion on those financial statements. This division of responsibilities is well documented in the engagement letter signed by School Department officials at the inception of the annual audit. Auditors were engaged in performing audit procedures designed to verify the cash balances reported on the School Department's general ledgers. At no time were auditors engaged in preparing School Department records. When auditors became aware of statements made by the School Department's interim finance director, which indicated he did not understand this division of responsibilities, auditors immediately informed him that our independence standards prohibit us from performing accounting work on records that we must then opine upon.

---

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-008

**THE OFFICE HAD WEAKNESSES IN POSTING  
FINANCIAL TRANSACTIONS** (Internal Control – Significant  
Deficiency Under *Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and title Karen Gagliano, MCPS Chief Financial Officer

We concur with this finding   X  

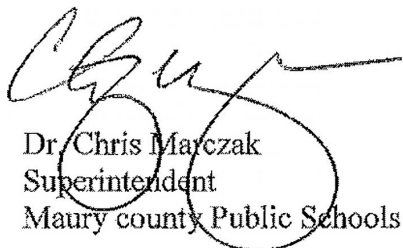
We disagree with this finding       

The district's newly arrived Vaco interim Chief Financial Officer identified and corrected entries which caused the number of entries to be higher than other years. The remedies to each entry was necessary as we identified these entries and corrected them. While we question that the number of entries would cause a finding, the number of entries was higher than previous years, so, each could be corrected.

Upon Vaco taking over the MCPS Finance Department December 5, 2017, it was noted that beginning balances were not entered properly in Skyward. As a result of the turnover of MCPS Finance Department staff, upon Vaco's arrival, there was no guidance from Finance department or staff members. It was discovered, after months of forensic work later in the school year, that the critical component to sub funds needed to be improved as per governmental accounting practices. With the lack of prior year information to follow up on, and the lack of experience by former MCPS Finance staff, these things did happen.

Moving forward, we are hiring and training personnel to properly manage financial transaction postings, closer, by properly classifying transactions and accounting for grants separately. This will be corrected by June 30, 2018.

Respectfully submitted,

  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-009

**THE OFFICE FAILED TO COMPLY WITH STATE  
STATUTES WHEN ENTERING INTO LEASE-PURCHASE  
AGREEMENTS** (Material Noncompliance Under *Government  
Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and title: Stan Breeden, Assistant Superintendent

We concur with this finding   X  

We disagree with this finding       

A: Piggy-back purchases on bids from other school districts are allowed as per Section 12-3-1203(b) *TCA* and Maury County Board of Education Policy 2.805 which states, "The Board, at its option, will join in cooperative purchasing with other school systems, GSA (Tennessee General Services Department), or approved purchasing cooperative, to take advantage of lower prices for bulk purchasing and to reduce the cost involved in bidding whenever such buying appears to be to the benefit of the system." In this particular instance, the intent was to utilize this provision for exactly the reasons stated in Board policy. Attempts were made to acquire proper documentation from the Lincoln County School District (see email dated 11/05/2016). However, what was obtained was the contract between Lincoln County Schools and Lenovo, not the bid documents as required per this finding. MCPS personnel failed to properly evaluate the provided documentation to determine it was inadequate.

B: Direction was sought from the School Board Attorney for this action. What follows is his response. This audit finding states that county commission approval was required by T.C.A. § 7-51-904. Respectfully, it does not appear that the cited statute applies to this transaction. T.C.A. § 7-51-901 *et seq.*, is a set of general statutes which apply to contracts, leases or lease-purchase agreements entered into by "municipalities". The Maury County Public School System does not fall within the definition of a "municipality" as used in this part of the Tennessee Code. If this section did apply, then it would seem that the required approval from the "governing body" would have been satisfied when the Board of Education approved the lease.

New information was provided by the auditors which indicates that the lease-purchase agreement was considered by the auditors to be a capital lease, and that all capital leases must be approved by the county commission. The auditors also state that any contract which obligates funding for a period which would exceed the current budget year must also be submitted for approval by the county commission. We believe that this opinion may have been formed in part because of an amortization schedule provided by Lenovo at the request of the auditors, which had nothing to do with the school system's transaction. Nevertheless, the school system classified this transaction as an operating lease, and did not see the lease as a debt instrument. The lease contains a "non-



**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

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**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

appropriation clause" which terminates the lease if funding is not approved by the county commission for the next fiscal year.

In the future, the school system will seek more information to differentiate between capital leases and operating leases and will seek county commission approval as appropriate.

Leases will be submitted to the county commission for approval and filed as a debt obligation with the State Comptroller's office.

In 2014 purchasing was moved from the Finance Department to the Operations Department at the request of the Finance Director, Patty Vargo, under the direction of the Director of Schools Eddie Hickman. At the time no additional staff were assigned to the Operations Department to handle this task and all duties were assumed by the Assistant Director for Operations (now Assistant Superintendent of Operations) and his administrative assistant. Meeting the requirements for purchasing as directed in Tennessee Code Annotated and MCBOE Policy requires both extensive understanding of procurement and time to complete all details to make sure state regulations and board policy are followed. As the district has grown, so has purchasing. Therefore, the recommendation from MCPS is to continue to utilize piggy-back bids for the economies they provide as detailed in board policy. District administration will recommend to the School Board to add to the budget for the 2018 – 2019 fiscal year the position of fulltime, dedicated purchasing agent for Maury County Public Schools.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Marczak", is written over a circular stamp. The stamp contains the text "Dr. Chris Marczak", "Superintendent", and "Maury county Public Schools".

Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

## AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOL'S CORRECTIVE ACTION PLAN

### **FINDING 2017-009                      THE OFFICE FAILED TO COMPLY WITH STATE STATUTES WHEN ENTERING INTO LEASE-PURCHASE AGREEMENTS**

- A.     As stated in the corrective action plan, piggy-back purchases on bids from other school districts are allowed under Section 12-3-1203(b), *Tennessee Code Annotated*. However, a proper piggy-back purchase requires that you purchase the same items at the same prices from the same vendor who was awarded the original bid. Although the School Department made purchases from the same vendor, the models purchased and prices paid by the School Department did not always agree with the original bid.
  
  - B.     Standards for financial reporting of governmental entities are established by the Governmental Accounting Standards Board (GASB). GASB Statement No. 62 establishes the criteria under which a lease must be capitalized. This statement requires capitalization of any lease whose term extends for the useful life of the underlying assets, and specifically directs that a "non-appropriation clause" is not a criteria to consider. The School Department leased computer equipment on a three-year lease. The capitalization policy of the School Department defines the useful life of computer equipment as three years; therefore, accounting standards require that this lease be treated as a debt instrument, and the computer equipment is to be capitalized. All debt agreements as well as any contract that obligates funds beyond the current budget year must be approved by the county commission. Furthermore, 7-51-901(4) defines a municipality as "any county or incorporated city or town of the State of Tennessee." Since this lease requires the approval of the county commission, we believe that the statute applies in this case.
-

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-010    **THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN A  
CONTRACT FOR COMMERCIAL DRIVER'S LICENSE TESTING**  
(Noncompliance Under *Government Audit Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and title: Stan Breeden, Assistant Superintendent

We concur with this finding   X  

We disagree with this finding       

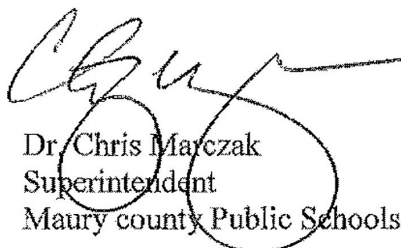
A: The transportation supervisor for the district is the administrator who has been signing third party contracts since 2012. There has been no instruction or direction given to the school district regarding this practice that instructs or notifies the district to change procedure.

B: Both Maury County testers were having all payments made to the school system from 2012 to April of 2015. The wording in their CDL Third Party Policy and Procedures was specific in saying checks must be "made out to the Third Party Examiner's Company or School System only." In April of 2015 the examiners were given an updated Third Party Policy that changed this wording to "Payment can be made by cash, check, credit card, or money order." (See 2012 and 2015 CDL Third Policy and Procedures – State of Tennessee Department of Safety and Homeland Security.) Both examiners state they questioned TN Department of Safety officials asking if this meant payment could be made directly to them and they were told yes. Based on this change in wording, both examiners began to take direct payment in the spring of 2015. This continued through 2017.

C: Due to checks being made directly to the examiners, fees were not paid through the School Department's payroll system.

Procedures have been changed, effective February 26, 2018, and fees for any third-party examiners for non-Maury County Schools employees are paid by check to Maury County Schools. The examiners are then paid through the payroll department in addition to their regular salaries. Beginning July 1, 2018, the contract to renew the third-party program will be sent to the Maury County School Board for approval and signature.

Respectfully submitted,

  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

AUDITOR'S COMMENTS ON DIRECTOR OF SCHOOL'S CORRECTIVE ACTION PLAN

**FINDING 2017-010                      THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN A  
CONTRACT FOR COMMERCIAL DRIVER'S LICENSE  
TESTING**

- A.        It is the responsibility of school officials to ensure compliance with all applicable state statutes in the operations of the School Department. Section 49-2-206, *Tennessee Code Annotated*, states that it is the duty of the Executive Committee, the chair of the board of education and the director of schools, to sign contracts authorized by the Board of Education.

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

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**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-011

**THE DEPARTMENT HAD DEFICIENCIES IN THE  
MAINTENANCE OF CAPITAL ASSET RECORDS (Internal  
Control – Material Weakness Under *Government Auditing Standards*)**

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and title Stan Breeden, MCPS Assistant Superintendent

Person Responsible and title Karen Gagliano, MCPS Chief Financial Officer

We concur with this finding   X  

We disagree with this finding       

During the 2016-2017 MCPS had in process 69 capital projects of which 50 were completed to be capitalized. Upon review, the energy efficient upgrades were given to the capital assets clerk by the capital projects clerk to be capitalized but were overlooked in error. The Cox Middle School HVAC unit was overlooked by the capital projects clerk and never given to capital assets clerk. An asset tag number was given to the capital projects clerk. These projects will be capitalized in Skyward by June 30<sup>th</sup>.

The district has not capitalized leased equipment previously.

Due to the increase in funding for construction and renovations, capital projects have grown substantially over the past three years with no additional staff added or changes in procedures to accommodate this growth. This growth has been:

2014 – 2015 – 28 projects in which 12 were capitalized

2015 – 2016 – 49 projects in which 37 were capitalized

2016 – 2017 – 69 projects in which 50 were capitalized

We will be adding an annual review by the MCPS Assistant Superintendent and MCPS Chief Financial Officer or designated accountant to review all capital project records and capital asset records annually to prevent oversights and omissions caused by clerical error by June 30, 2018.

Repeat finding from FY16: Although we did move from a spreadsheet system to Skyward tracking, this repeat occurred as a result of human error in the clerical department. With the MCPS Assistant Superintendent and MCPS Chief Financial Officer or designated accountant providing oversight review of clerical department work, we do not foresee this occurring as an audit finding.

**Dr. Christopher J. Marczak**

*Superintendent*



**Maury County Public Schools**

**501 West 8<sup>th</sup> Street, Columbia, TN 38401**

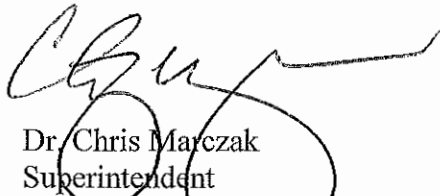
**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

Respectfully submitted,

  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

**Dr. Christopher J. Marczak**

*Superintendent*



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**Dr. Ronald L. Woodard**

*Assistant Superintendent of Instruction*

**Stan J. Breeden**

*Assistant Superintendent of Operations*

FINDING 2017-012

**ACCRUED LEAVE RECORDS WERE NOT MAINTAINED  
ADEQUATELY** (Internal Control – Significant Deficiency Under  
*Government Auditing Standards*)

Name and title of Person Preparing the Corrective Action Plan: Dr. Chris Marczak,  
Superintendent

Person Responsible and title Amanda Alexander, MCPS Chief of Staff

We concur with this finding \_\_X\_\_

We disagree with this finding \_\_\_\_\_

The Accrued Leave Report was formerly done by the Finance department. Beginning July 1, 2017, the Human Resources department took over this task due to an audit finding from the previous year.

Upon taking over the Accrued Leave Report, the HR department corrected beginning balances that had been on the previous spreadsheet to reflect balances in both Skyward and Zortec. The beginning balances for the 2016-2017 SY, although they do not match the previous year, are the correct balances and this should not be a repeat finding for the 2017-2018 SY.

Repeat finding from FY16: As we have worked with the auditors, we have discovered that this reappeared as a finding due to two issues. 1.) The HR department will ensure all employees who are terminated, retired, or who resign remain on the report during their fiscal year of service, however, those employees will not roll over the next fiscal year's report. 2.) Formulas will be added to the current spreadsheet format to ensure all pertinent cells are included in the ending balance calculation (i.e. personal days) as well as the total monetary amount for each employee. These issues will be corrected by June 30, 2018.

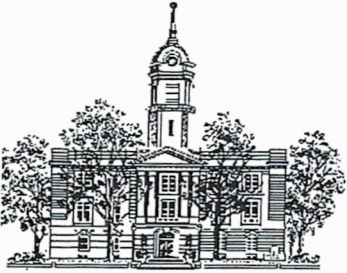
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Marczak", is written over a circular official stamp. The stamp contains the text "Dr. Chris Marczak", "Superintendent", and "Maury county Public Schools".  
Dr. Chris Marczak  
Superintendent  
Maury county Public Schools

# TRUSTEE OF MAURY COUNTY

ONE PUBLIC SQUARE  
COLUMBIA, TN 38401  
PHONE (931) 375-2201  
FAX (931) 375-2219

STEVE KONZ  
TRUSTEE  
JANICE PRUITT  
CHIEF DEPUTY  
MARY GRAPPIN  
OFFICE MANAGER  
LORETTA HUSKINS  
DEPUTY  
TRACY BATES  
DEPUTY



February 14, 2018

TO: Jeff Bailey, CPA

FROM: Steve Konz, Maury County Trustee

## MANAGEMENT'S CORRECTIVE ACTION PLAN

1. Steve Konz, Trustee – Maury County, TN
2. Steve Konz, Trustee – Maury County, TN
3. We will post interest in the proper year interest is earned.
4. Anticipated completion date of the corrective action is the current fiscal year – 2017-2018
5. This is a first year finding.

Respectfully,

A handwritten signature in cursive script that reads "Steve Konz Trustee".

Steve Konz

Maury County Trustee



## **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 Maury County.

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

Maury 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 Maury 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.