

**ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

KATIE ARMSTRONG, CPA, CGFM, CFE
EUGENE HAMPTON II, CPA, CGFM
RACHELLE CABADING, CFE
Auditor 4s

ROBIN BATES, CPA, CGFM, CFE
MARK HARVILL, CFE
KINSLEY HAYES
TERYN MCNEAL, CPA
CARRIE SABIN
DONYA WADE, CFE
JACOB KENNEDY, CISA
State Auditors

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MAURY COUNTY, TENNESSEE

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

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

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

OFFICE OF COUNTY CLERK

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

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

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

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

- ◆ Multiple employees operated from the same cash drawer.
-

BEST PRACTICE

Maury County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services to the citizens of Maury County.

INTRODUCTORY SECTION

Maury County Officials
June 30, 2013

Officials

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

Board of County Commissioners

Tommy Wolaver, Chairman
Gerald Adkison
Talvin Barner
June Beckum
Davis Burkhalter
Scott Cepicky
Jerry Dickey
John Goodloe
Andy Jackson
Dr. Lucy Ledbetter
Don Morrow

Kelly Powell
William Roddy
Sonny Shackelford
Ricky Sims
Mike Singleton
Gary Stovall
Debbie Turner
Judy Vick
Linda Whiteside
Andy Wilhoite
Kim Willis

Board of Education

Jim Morrison, Chairman
Howard Beaver
Lee Clayborne
Tommy Dudley
Loretta Goodloe
Victor Goodman

Ed Grocott
Steve Kindler
Jerry Lassiter
Wayne Lindsey
James Pennings

Budget Committee

John Goodloe, Chairman
Sonny Shackelford
Ricky Sims

Andy Wilhoite
Kim Willis
Tommy Wolaver

Audit Committee (appointed July 15, 2013)

Sonny Shackelford
Dr. Lucy Ledbetter
Mike Singleton

Kelley McCall
Joyce Dove

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Maury Regional Hospital and the Maury County Board of Public Utilities Water System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis of Matter

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

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

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 100 - 102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

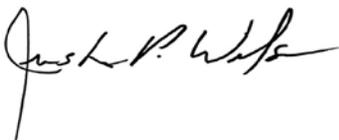
management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures,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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2014, on our consideration of Maury County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maury County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 5, 2014

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

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

(Continued)

Exhibit A

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

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

(Continued)

Exhibit B

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

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

(Continued)

Exhibit B

Maury County, Tennessee
Statement of Activities (Cont.)

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

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

Exhibit C-1

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

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

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

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 24,136,867
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 6,551,804	
Add: intangibles	1,098,294	
Add: construction in progress	1,336,111	
Add: buildings and improvements net of accumulated depreciation	28,499,600	
Add: infrastructure net of accumulated depreciation	27,856,311	
Add: other capital assets net of accumulated depreciation	1,283,987	
Less: capital assets of internal service fund that are also included in item (2) below	<u>(65,993)</u>	66,560,114
(2) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		622,348
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (8,857,916)	
Less: other loans payable	(3,903,738)	
Less: capital leases payable	(261,718)	
Less: bonds payable	(47,375,000)	
Add: deferred amount on refunding	1,320,508	
Add: due from component unit for debt payments	339,634	
Less: compensated absences payable	(1,172,287)	
Less: accrued interest on bonds, notes, and capital leases	(532,973)	
Less: other deferred revenue - premium on debt	<u>(2,173,739)</u>	(62,617,229)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>717,905</u>
Net position of governmental activities (Exhibit A)		<u>\$ 29,420,005</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, 2013

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

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

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 106,448
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,425,948	
Less: current-year depreciation expense	<u>(5,285,102)</u>	140,846
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: loss on disposal of capital assets		(13,669)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (741,711)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>717,905</u>	(23,806)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: change in premium on debt issuances	\$ 455,938	
Add: principal payments on bonds	3,605,000	
Add: principal payments on notes	3,833,726	
Add: principal payments on other loans	275,052	
Add: principal payments on capital leases	249,731	
Less: change in deferred amount on refunding debt	(283,097)	
Less: contribution for principal for primary government	<u>(325,377)</u>	7,810,973
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 27,935	
Change in compensated absences payable	<u>3,790</u>	31,725
(6) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>70,746</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,123,263</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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 16,891,137	\$ 0	\$ 0	\$ 16,891,137	\$ 16,543,780	\$ 15,605,608	\$ 1,285,529
Licenses and Permits	265,937	0	0	265,937	243,500	243,500	22,437
Fines, Forfeitures, and Penalties	292,478	0	0	292,478	416,600	416,600	(124,122)
Charges for Current Services	325,387	0	0	325,387	275,100	275,100	50,287
Other Local Revenues	402,722	0	0	402,722	590,141	394,486	8,236
Fees Received from County Officials	3,160,549	0	0	3,160,549	2,910,000	2,910,000	250,549
State of Tennessee	2,717,540	0	0	2,717,540	2,224,075	2,260,166	457,374
Federal Government	659,788	0	0	659,788	213,023	2,258,268	(1,598,480)
Other Governments and Citizens Groups	267,988	0	0	267,988	42,150	311,360	(43,372)
Total Revenues	\$ 24,983,526	\$ 0	\$ 0	\$ 24,983,526	\$ 23,458,369	\$ 24,675,088	\$ 308,438

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures							
General Government							
County Commission	\$ 79,351	\$ 0	\$ 0	\$ 79,351	\$ 89,325	\$ 85,412	\$ 6,061
Board of Equalization	1,130	0	0	1,130	1,615	1,615	485
Other Boards and Committees	5,973	(566)	0	5,407	13,100	13,056	7,649
County Mayor/Executive	228,548	0	0	228,548	239,898	239,898	11,350
Personnel Office	221,129	0	0	221,129	222,351	222,608	1,479
County Attorney	88,012	0	0	88,012	88,698	88,698	686
Election Commission	360,189	(13,400)	0	346,789	336,094	347,506	717
Register of Deeds	296,395	0	0	296,395	323,426	323,426	27,031
Development	473,556	(58,427)	0	415,129	446,911	428,434	13,305
County Buildings	762,948	(6,861)	1,000	757,087	757,506	769,655	12,568
Other General Administration	714,868	0	0	714,868	691,861	721,083	6,215
Preservation of Records	131,743	0	5,445	137,188	143,719	147,719	10,531
Finance							
Accounting and Budgeting	367,870	0	3,704	371,574	395,770	380,532	8,958
Purchasing	188,282	0	1,668	189,950	202,095	192,922	2,972
Property Assessor's Office	563,013	(26,150)	9,384	546,247	572,516	580,231	33,984

(Continued)

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

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

(Continued)

Exhibit C-5

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

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

(Continued)

Exhibit C-5

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

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

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

Exhibit D-1

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

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

(Continued)

Exhibit D-1

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

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

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

Exhibit D-2

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

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

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

(Continued)

Exhibit D-3

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

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

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

Exhibit E

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

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

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

MAURY COUNTY, TENNESSEE
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MAURY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

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

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

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Maury County reports the following major governmental funds:

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

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

Maury County reports the following major proprietary fund:

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

Additionally, Maury County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by the Constitutional Officers - Agency Fund. Maury County (excluding the Maury Regional Hospital) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State

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

2. Receivables and Payables

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Maury County for animal control spay/neuter vouchers (\$2,800).

3. **Prepaid Items**

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

4. **Capital Assets**

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

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

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

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

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

<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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. **Compensated Absences**

Primary Government

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

Discretely Presented Maury County School Department

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

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

7. Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

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

As of June 30, 2013, Maury County had \$49,418,737 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. **Restatement**

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

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

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

Primary Government

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

Discretely Presented Maury County School Department

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

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

Primary Government

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

Discretely Presented Maury County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

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

B. Cash Shortages

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

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

C. **Expenditures Exceeded Appropriations**

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

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

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

IV. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments**

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

Deposits

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

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

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

Investments

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

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

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

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

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

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

B. Capital Assets

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

Primary Government (Excluding Maury Regional Hospital)

Governmental Activities (Includes Internal Service Fund):

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

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

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

Business-type Activities (Excluding Maury Regional Hospital):

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

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

Governmental Activities:

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

Business-type Activities:

Solid Waste Disposal	\$	<u>264,746</u>
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Discretely Presented Maury County School Department

Governmental Activities:

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

Governmental Activities (Cont.):

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

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

Governmental Activities:

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

C. Construction Commitments

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

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

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

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

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

Due to/from Primary Government and Component Units:

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

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

Interfund Transfers:

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

Primary Government

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

Discretely Presented Maury County School Department

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

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

E. Capital Lease

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

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

Year Ending June 30	Governmental Funds
2014	\$ 274,279
Total Minimum Lease Payments	\$ 274,279
Less: Amount Representing Interest	(12,561)
Present Value of Minimum Lease Payments	<u>\$ 261,718</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 20 years for bonds, eight years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Funds.

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

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

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

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

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

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

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

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

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

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-13</u>
<u>Notes Payable</u>	
<u>Payable by School Department Contributions</u>	
<u>from the General Purpose School Fund to</u>	
<u>the General Debt Service Fund</u>	
Energy Efficiency Improvements	\$ 77,916
<u>Capital Leases</u>	
<u>Payable by School Department Contributions</u>	
<u>from the General Purpose School Fund to</u>	
<u>the General Debt Service Fund</u>	
Lighting Equipment	<u>261,718</u>
Total	<u>\$ 339,634</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, 2013, was as follows:

Governmental Activities:

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

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 61,570,659
Less: Due Within One Year	(7,091,077)
Add: Unamortized Premium on Debt	<u>2,173,739</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 56,653,321</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 certain outstanding general obligation bonds and a capital outlay note by replacing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds and note. The trustee is empowered and required to pay all principal and interest on the defeased bonds and note as originally scheduled. Accordingly, the trust accounts and the defeased bonds and note are not included in the county's financial statements. At June 30, 2013, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2004 General Obligation Bond	\$ 10,820,000
2006 General Obligation Capital Outlay Note	6,900,000

Maury County Solid Waste Disposal Fund (Enterprise Fund)

Changes in Long-term Obligations

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

Business-type Activities:

	<u>Postclosure Care Costs</u>	<u>Compensated Absences</u>
Balance, July 1, 2012	\$ 480,033	\$ 0
Additions	0	49,429
Reductions	(21,033)	0
Balance, June 30, 2013	<u>\$ 459,000</u>	<u>\$ 49,429</u>
Balance Due Within One Year	<u>\$ 40,894</u>	<u>\$ 32,171</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, 2013, was as follows:

Governmental Activities:

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

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 11,812,721
Less: Due Within One Year	<u>(1,374,609)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 10,438,112</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, 2013, were \$365,999 and \$98,270, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

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

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

V. **OTHER INFORMATION**

A. **Risk Management**

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

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

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

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

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

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

B. Accounting Changes

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

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

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

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

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

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

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

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

C. Subsequent Events

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

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

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

D. Contingent Liabilities

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

E. Change in Administration

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

F. Landfill Closure/Postclosure Care Costs

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

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

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

G. Joint Ventures

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

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

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

Administrative Offices:

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

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

H. Jointly Governed Organization

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

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

Funding Policy

Maury County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 6.47 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Maury County's annual pension cost of \$1,575,586 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was one year. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$1,575,586	100%	\$0
6-30-12	1,847,830	100	0
6-30-11	1,778,240	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.72 percent funded. The actuarial accrued liability for benefits was \$44.06 million, and the actuarial value of assets was \$43.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.56 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23.82 million, and the ratio of the UAAL to the covered payroll was 2.36 percent.

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

SCHOOL TEACHERS

Plan Description

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

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

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

Funding Policy

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

2. Deferred Compensation

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

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

J. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

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

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

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

Funded Status and Funding Progress

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

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial

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

K. Offices of Accounting and Budgeting, and Human Resources

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

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

L. Purchasing Laws

Offices of County Mayor and Road Superintendent

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

Office of Director of Schools

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

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

A. Organization

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Patient Service Revenue and Accounts Receivable

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

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

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

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

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

Other 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 \$4,130,000 in 2013. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

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

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

Deposits	\$ 37,577,938
Investments	<u>26,093,991</u>
Total	<u>\$ 63,671,929</u>

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

Cash and Cash Equivalents	\$ 28,530,791
Certificates of Deposit	317,771
Investments	756,065
Assets Limited As to Use	<u>34,067,302</u>
 Total	 <u><u>\$ 63,671,929</u></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, 2013, the hospital's bank balances for deposits totaled \$31,817,368, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Remaining deposits totaling \$1,022,723 are collateralized by securities held by the financial institution and pledged as collateral for the hospital's deposits.

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

Investment Type	Maturity	Amount
Mutual Funds - Fixed Income	Less than 1 year	\$ 4,455,351
Mutual Funds - Equity	N/A	452,491
Government Agency Bonds	Less than 1 year	1,508,100
Government Agency Bonds	1 to 5 years	8,305,243
Corporate Bonds	Less than 1 year	1,729,705
Corporate Bonds	1 to 5 years	<u>9,643,098</u>
 Total		 <u><u>\$ 26,093,991</u></u>

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

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

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

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

E. Property, Plant, and Equipment

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

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

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

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

F. Long-term Debt

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

Bonds Payable

Series 2012B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 1.5% to 2%, maturing over an 8-year period, with the final payment due April 1, 2020. \$ 3,430,000

Series 2006B, Maury County General Obligation Bonds issued on behalf of the hospital, with an interest rate of 4%, maturing over a 7-year period, with the final payment due June 1, 2014. 1,310,000

Series 2006, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates from 4.125% to 5%, maturing over a 15-year period, with the final payment due June 1, 2021. 11,260,000

Total Bonds Payable **\$ 16,000,000**

Plus unamortized gain on bond refunding \$ 35,871

Plus premium on bond refunding 237,804

Total Bonds Payable, Net of Unamortized Loss and Premiums **\$ 16,273,675**

Other Long-term Debt

Notes payable with interest rates of 6.29%, maturing through January 2014, and secured by equipment with a net book value of \$5,833 at June 30, 2013 \$ 6,699

Capital lease obligations - see Note H 2,837,289

Total Other Long-term Debt **\$ 2,843,988**

Total Debt	\$ 19,117,663
Less: current portion	<u>4,774,447</u>
Total Long-term Debt	<u>\$ 14,343,216</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 are secured by unlimited ad valorem taxes on all taxable property within the county.

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

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

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

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

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

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

G. Employee Benefit Plans

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

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

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

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

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

Three-year Trend Information

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

A schedule of funding progress for the plan follows:

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

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

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

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

H. Leases

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

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

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

Year Ending June 30	Amount
2014	\$ 627,207
2015	660,716
2016	660,714
2017	660,717
2018	<u>400,798</u>
Total Minimum Lease Payments	\$ 3,010,152
Less: Amount Representing Interest	<u>(172,863)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,837,289</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 \$4,390,000 for the year ended June 30, 2013.

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

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

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

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

I. Leased Healthcare Facilities

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

J. Commitments and Contingencies

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

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

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

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

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

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

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

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

K. Fair Value of Financial Instruments

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

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

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

L. Component Unit Information

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

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

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

M. Surgery Center Acquisition

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

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

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

A. Summary of Significant Accounting Policies

1. General

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

2. Basis of Accounting

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

3. Organization

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

4. Utility Plant and Equipment

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

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

5. **Cash and Cash Equivalents**

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

6. **Classification of Revenue**

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

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

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

7. **Use of Estimates**

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

8. **Inventory**

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

B. **Accounts Receivable**

Customer receivables are composed of the following aged categories:

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

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

C. Deposits and Investments

Deposits

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

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

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

D. Restricted Assets

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

E. Utility Plant, Property, and Equipment

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

<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 Capitalized Costs	40
Equipment and Fixtures:	
Trucks	5
Small Tools and Equipment	3 - 5 - 10
Office Furniture and Equipment	5 - 10

F. Capital Assets

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

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

G. Accrued Leave

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

H. Risk Management

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

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

I. Long-term Debt

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

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

Bonds Payable

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

Business-type Activities - Bonds Payable

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

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

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

J. Subsequent Events

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

(Dollar amounts in thousands)

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

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

Exhibit F-2

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

(Dollar amounts in thousands)

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

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

BUDGETARY INFORMATION

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

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

(Continued)

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	
\$	0 \$	0 \$	0 \$	0 \$	192,926
Equity in Pooled Cash and Investments	167,423	422,768	495,888	1,086,079	6,143,930
Accounts Receivable	0	0	6,679	6,679	41,450
Due from Other Governments	0	0	0	0	458,799
Property Taxes Receivable	0	0	1,762,078	1,762,078	4,406,039
Allowance for Uncollectible Property Taxes	0	0	(77,686)	(77,686)	(194,253)
Total Assets	167,423 \$	422,768 \$	2,186,959 \$	2,777,150 \$	11,048,891

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes
 Total Assets

LIABILITIES

\$	0 \$	0 \$	1,443 \$	1,443 \$	1,813
Accounts Payable	0	0	0	0	40,150
Payroll Deductions Payable	0	0	0	0	1,266
Due to State of Tennessee	0	0	0	0	1,098,050
Other Current Liabilities	0	0	0	0	1,141,279
Total Liabilities	0 \$	0 \$	1,443 \$	1,443 \$	1,141,279

DEFERRED INFLOWS OF RESOURCES

\$	0 \$	0 \$	1,638,864 \$	1,638,864 \$	4,097,944
Deferred Current Property Taxes	0	0	37,648	37,648	94,138
Deferred Delinquent Property Taxes	0	0	0	0	239,510
Other Deferred/Unavailable Revenue	0	0	0	0	4,431,592
Total Deferred Inflows of Resources	0 \$	0 \$	1,676,512 \$	1,676,512 \$	4,431,592

FUND BALANCES

\$	167,423 \$	0 \$	0 \$	167,423 \$	1,421,729
Restricted for General Government	0	0	0	0	238,312
Restricted for Public Safety	0	0	0	0	3,114,049
Restricted for Highways/Public Works	0	422,768	0	422,768	509,004
Restricted for Other Purposes	0	0	509,004	509,004	127,547
Committed:	0	0	0	0	65,379
Committed for Finance	0	0	0	0	5,476,020
Committed for Administration of Justice	0	0	0	0	
Total Fund Balances	167,423 \$	422,768 \$	509,004 \$	1,099,195 \$	11,048,891

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

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

(Continued)

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	
Revenues					
Local Taxes	\$ 0 \$	0 \$	1,793,314 \$	1,793,314 \$	5,060,817
Fines, Forfeitures, and Penalties	0	0	0	0	120,313
Charges for Current Services	0	0	0	0	846,938
Other Local Revenues	0	0	6,803	6,803	60,897
State of Tennessee	0	0	0	0	3,016,277
Federal Government	0	0	0	0	311,253
Total Revenues	\$ 0 \$	0 \$	1,800,117 \$	1,800,117 \$	9,416,495
Expenditures					
Current:					
General Government	\$ 0 \$	0 \$	135,818 \$	135,818 \$	135,818
Finance	0	0	118,911	118,911	631,687
Administration of Justice	0	0	0	0	315,663
Public Safety	0	0	730,937	730,937	865,626
Public Health and Welfare	0	0	52,352	52,352	52,352
Social, Cultural, and Recreational Services	0	0	64,000	64,000	64,000
Other Operations	0	0	135,806	135,806	246,693
Highways	0	0	230,000	230,000	5,924,122
Capital Projects	81,980	912,463	0	994,443	1,771,503
Capital Projects - Donated	0	0	760,883	760,883	760,883
Total Expenditures	\$ 81,980 \$	912,463 \$	2,228,707 \$	3,223,150 \$	10,768,347
Excess (Deficiency) of Revenues Over Expenditures	\$(81,980) \$	(912,463) \$	(428,590) \$	(1,423,053) \$	(1,351,852)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	3,380
Transfers In	0	1,054,717	0	1,054,717	1,054,717
Total Other Financing Sources (Uses)	\$ 0 \$	1,054,717 \$	0 \$	1,054,717 \$	1,058,097
Net Change in Fund Balances Fund Balance, July 1, 2012	\$(81,980) \$	142,254 \$	(428,590) \$	(368,316) \$	(293,755)
Fund Balance, July 1, 2012	249,403	280,514	937,594	1,467,511	5,769,775
Fund Balance, June 30, 2013	\$ 167,423 \$	422,768 \$	509,004 \$	1,099,195 \$	5,476,020

Exhibit G-3

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

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

Exhibit G-4

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

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

Exhibit G-5

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

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

Exhibit G-6

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

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

(Continued)

Exhibit G-6

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

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

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

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

Fiduciary Funds

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

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

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

Exhibit I-1

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

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

Exhibit I-2

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

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

Maury County School Department

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

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

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

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

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

Exhibit J-1

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

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

Exhibit J-2

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

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

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	9,634,075
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	3,019,939	
Add: construction in progress		1,547,609	
Add: building and improvements net of accumulated depreciation		98,198,885	
Add: other capital assets net of accumulated depreciation		<u>3,960,223</u>	106,726,656
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on notes payable on primary government debt	\$	(77,916)	
Less: contributions due on capital leases payable on primary government debt		(261,718)	
Less: other postemployment benefits liability		(8,335,586)	
Less: compensated absences payable		<u>(3,477,135)</u>	(12,152,355)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,461,423</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>105,669,799</u></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, 2013

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

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (1,777,421)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,903,562	
Less: current-year depreciation expense	<u>(4,896,799)</u>	(2,993,237)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		690,555
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (1,466,590)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>1,461,423</u>	(5,167)
(4) The issuance of long-term debt (e.g., notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: contribution payments on debt for primary government		325,377
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 18,286	
Change in compensated absences payable	227,658	
Change in other postemployment benefits liability	<u>(2,010,288)</u>	<u>(1,764,344)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (5,524,237)</u>

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

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

Exhibit J-7

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

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

Exhibit J-8

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

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

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 5,880,777	\$ (2,691)	\$ 4,736	\$ 5,882,822	\$ 6,160,084	\$ 5,996,385	\$ 113,563
Maintenance of Plant	1,420,481	(56,589)	48,878	1,412,770	1,335,451	1,460,451	47,681
Transportation	4,153,910	(52,696)	50,243	4,151,458	4,117,583	4,277,852	126,394
Central and Other	892,286	(59,447)	61,681	894,520	841,212	912,444	17,924
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,067,441	(5,877)	19,472	1,081,036	0	1,095,427	14,391
Capital Outlay							
Regular Capital Outlay	432,238	0	526,147	958,385	0	1,113,131	154,746
Principal on Debt							
Education	0	0	0	0	325,378	0	0
Interest on Debt							
Education	0	0	0	0	29,157	0	0
Other Debt Service							
Education	354,534	0	0	354,534	0	354,535	1
<u>Total Expenditures</u>	\$ 82,560,157	\$ (787,701)	\$ 898,517	\$ 82,670,973	\$ 79,853,682	\$ 84,341,651	\$ 1,670,678
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 41,814	\$ 787,701	\$ (898,517)	\$ (69,002)	\$ (630,641)	\$ (2,291,552)	\$ 2,222,550
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 10,440	\$ 0	\$ 0	\$ 10,440	\$ 0	\$ 10,441	\$ (1)
Transfers In	89,753	0	0	89,753	150,000	150,000	(60,247)
Transfers Out	0	0	0	0	(4,000)	0	0
<u>Total Other Financing Sources</u>	\$ 100,193	\$ 0	\$ 0	\$ 100,193	\$ 146,000	\$ 160,441	\$ (60,248)
<u>Net Change in Fund Balance</u>	\$ 142,007	\$ 787,701	\$ (898,517)	\$ 31,191	\$ (484,641)	\$ (2,131,111)	\$ 2,162,302
<u>Fund Balance, July 1, 2012</u>	7,406,182	(787,701)	0	6,618,481	5,709,214	5,709,214	909,267
<u>Fund Balance, June 30, 2013</u>	\$ 7,548,189	\$ 0	\$ (898,517)	\$ 6,649,672	\$ 5,224,573	\$ 3,578,103	\$ 3,071,569

Exhibit J-9

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

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

Exhibit J-10

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

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

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

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

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

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

Exhibit K-2

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

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

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

(Continued)

Exhibit K-2

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

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

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

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

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

Exhibit K-3

Maury County, Tennessee
Schedule of Investments
June 30, 2013

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

Exhibit K-4

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

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

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

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

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

Exhibit K-6

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

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

(Continued)

Exhibit K-6

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

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

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects			
Charges for Current Services (Cont.)										
Fees										
Subdivision Lot Fees	\$ 8,840	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,840
Recreation Fees	41,379	0	0	0	0	0	0	0	0	41,379
Copy Fees	2,623	0	0	0	0	0	0	0	0	2,623
Library Fees	15,165	0	0	0	0	0	0	0	0	15,165
Greenbelt Late Application Fee	250	0	0	0	0	0	0	0	0	250
Telephone Commissions	149,982	0	0	0	0	0	0	0	0	149,982
Vending Machine Collections	194	0	0	0	0	0	0	0	0	194
Tourism Fees	33,060	0	0	0	0	0	0	0	0	33,060
Constitutional Officers' Fees and Commissions	0	0	0	846,938	0	0	0	0	0	846,938
Data Processing Fee - Register	31,468	0	0	0	0	0	0	0	0	31,468
Data Processing Fee - Sheriff	5,725	0	0	0	0	0	0	0	0	5,725
Sexual Offender Registration Fees - Sheriff	4,200	0	0	0	0	0	0	0	0	4,200
Data Processing Fee - County Clerk	7,226	0	0	0	0	0	0	0	0	7,226
Total Charges for Current Services	\$ 325,357	\$ 0	\$ 0	\$ 846,938	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,172,325
Other Local Revenues										
Recurring Items										
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 241,192	\$ 0	\$ 0	\$ 0	\$ 241,192
Lease/Rentals	101,352	0	0	0	0	0	0	0	0	101,352
Sale of Materials and Supplies	604	0	0	0	44,388	0	0	0	0	44,992
Sale of Animals/Livestock	85,786	0	0	0	0	0	0	0	0	85,786
Miscellaneous Refunds	20,625	0	0	0	0	0	0	86	0	20,711
Nonrecurring Items										
Sale of Equipment	0	0	0	0	9,255	0	0	6,717	0	15,972
Damages Recovered from Individuals	0	0	0	0	351	0	0	0	0	351
Contributions and Gifts	40,901	0	0	0	0	0	0	0	0	40,901
Other Local Revenues										
Other Local Revenues	153,454	0	0	0	100	0	0	0	0	153,554
Total Other Local Revenues	\$ 402,722	\$ 0	\$ 0	\$ 0	\$ 54,094	\$ 241,192	\$ 6,803	\$ 6,803	\$ 0	\$ 704,811
Fees Received from County Officials										
Excess Fees										
County Clerk	\$ 286,853	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 286,853
Clerk and Master	121,104	0	0	0	0	0	0	0	0	121,104
Fees in-Lieu-of Salary	228,222	0	0	0	0	0	0	0	0	228,222
Circuit Court Clerk										

(Continued)

Exhibit K-6

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

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

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects			
Federal Government (Cont.)										
Direct Federal Revenue										
Asset Forfeiture Funds	\$ 0	\$ 9,713	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,713	
Tax Credit Bond Rebate	106,853	0	0	0	0	0	0	0	106,853	
Other Direct Federal Revenue	27,805	0	0	0	0	344	0	0	28,149	
Total Federal Government	\$ 659,788	\$ 9,713	\$ 0	\$ 0	\$ 301,540	\$ 344	\$ 0	\$ 0	\$ 971,386	
Other Governments and Citizens Groups										
Other Governments										
Contributions	\$ 186,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 354,534	\$ 0	\$ 0	\$ 541,292	
Citizens Groups	24,181	0	0	0	0	0	0	0	24,181	
Donations	57,049	0	0	0	0	0	0	0	57,049	
Other	267,988	0	0	0	0	354,534	0	0	622,522	
Total Other Governments and Citizens Groups	\$ 24,983,526	\$ 130,026	\$ 464,425	\$ 846,938	\$ 6,174,989	\$ 10,319,406	\$ 1,800,117	\$ 0	\$ 44,719,427	

Exhibit K-7

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

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

(Continued)

Exhibit K-7

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

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

Exhibit K-8

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	72,080	
Social Security		4,558	
Employer Medicare		1,066	
Legal Notices, Recording, and Court Costs		1,308	
Office Supplies		339	
Total County Commission			\$ 79,351

Board of Equalization

Board and Committee Members Fees	\$	890	
Social Security		110	
Employer Medicare		26	
Legal Notices, Recording, and Court Costs		104	
Total Board of Equalization			1,130

Other Boards and Committees

Legal Services	\$	300	
Legal Notices, Recording, and Court Costs		390	
Postal Charges		397	
Printing, Stationery, and Forms		87	
Office Supplies		545	
Other Supplies and Materials		3,355	
Office Equipment		899	
Total Other Boards and Committees			5,973

County Mayor/Executive

County Official/Administrative Officer	\$	87,978	
Assistant(s)		35,399	
Clerical Personnel		33,670	
Longevity Pay		1,150	
Other Salaries and Wages		15,429	
Social Security		10,847	
State Retirement		10,235	
Life Insurance		160	
Medical Insurance		19,471	
Dental Insurance		668	
Disability Insurance		571	
Unemployment Compensation		391	
Employer Medicare		2,537	
Dues and Memberships		2,100	
Legal Notices, Recording, and Court Costs		141	
Maintenance Agreements		402	
Printing, Stationery, and Forms		459	
Travel		1,049	
Office Supplies		621	
Periodicals		40	
Office Equipment		5,230	
Total County Mayor/Executive			228,548

Personnel Office

County Official/Administrative Officer	\$	65,856	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Clerical Personnel	\$	94,522	
Longevity Pay		1,750	
Social Security		9,832	
State Retirement		10,490	
Life Insurance		222	
Medical Insurance		25,962	
Dental Insurance		858	
Disability Insurance		589	
Unemployment Compensation		432	
Employer Medicare		2,299	
Dues and Memberships		320	
Legal Notices, Recording, and Court Costs		1,048	
Maintenance Agreements		3,437	
Postal Charges		347	
Printing, Stationery, and Forms		118	
Travel		1,440	
Other Contracted Services		276	
Office Supplies		1,074	
Periodicals		97	
Furniture and Fixtures		160	
Total Personnel Office			\$ 221,129

County Attorney

County Official/Administrative Officer	\$	63,246	
Longevity Pay		200	
Social Security		3,155	
State Retirement		4,105	
Life Insurance		55	
Medical Insurance		6,490	
Dental Insurance		223	
Disability Insurance		231	
Unemployment Compensation		108	
Employer Medicare		738	
Dues and Memberships		250	
Postal Charges		92	
Electricity		750	
Office Supplies		3,000	
Other Supplies and Materials		1,250	
Indirect Cost		4,119	
Total County Attorney			88,012

Election Commission

County Official/Administrative Officer	\$	66,036
Clerical Personnel		55,510
Part-time Personnel		15,314
Longevity Pay		1,700
Overtime Pay		2,427
Other Salaries and Wages		1,459
Election Commission		5,160
Election Workers		91,007

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Social Security	\$	11,824	
State Retirement		8,189	
Life Insurance		166	
Medical Insurance		19,471	
Dental Insurance		668	
Disability Insurance		442	
Unemployment Compensation		863	
Employer Medicare		2,765	
Communication		421	
Contracts with Public Carriers		4,000	
Data Processing Services		3,600	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		5,022	
Maintenance Agreements		11,739	
Maintenance and Repair Services - Buildings		158	
Maintenance and Repair Services - Equipment		20,502	
Pest Control		230	
Postal Charges		5,961	
Printing, Stationery, and Forms		10,080	
Rentals		2,010	
Travel		2,030	
Data Processing Supplies		1,957	
Electricity		5,517	
Natural Gas		2,215	
Office Supplies		1,496	
Total Election Commission			\$ 360,189

Register of Deeds

County Official/Administrative Officer	\$	73,374	
Clerical Personnel		124,403	
Longevity Pay		2,650	
Overtime Pay		447	
Social Security		12,408	
State Retirement		12,996	
Life Insurance		248	
Medical Insurance		31,966	
Dental Insurance		1,096	
Disability Insurance		718	
Unemployment Compensation		474	
Employer Medicare		2,902	
Data Processing Services		16,247	
Dues and Memberships		681	
Maintenance Agreements		4,741	
Postal Charges		724	
Data Processing Supplies		1,158	
Office Supplies		4,571	
Data Processing Equipment		31	
Furniture and Fixtures		4,560	
Total Register of Deeds			296,395

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Development

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

County Buildings

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

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Equipment	\$	290	
Maintenance and Repair Services - Vehicles		3,310	
Pest Control		2,193	
Disposal Fees		6,752	
Other Contracted Services		21,394	
Custodial Supplies		10,762	
Electricity		145,682	
Gasoline		11,537	
Natural Gas		19,950	
Office Supplies		260	
Small Tools		138	
Other Supplies and Materials		501	
Boiler Insurance		3,062	
Building and Contents Insurance		59,111	
Other Charges		441	
Other Capital Outlay		9,999	
Total County Buildings			\$ 762,948

Other General Administration

Audit Services	\$	26,819	
Consultants		1,100	
Data Processing Services		20,007	
Dues and Memberships		12,170	
Maintenance and Repair Services - Vehicles		3,602	
Other Contracted Services		329	
Gasoline		1,971	
Indirect Cost		5,000	
Judgments		48,193	
Liability Insurance		156,752	
Premiums on Corporate Surety Bonds		365	
Vehicle and Equipment Insurance		68,733	
Workers' Compensation Insurance		369,767	
Other Charges		60	
Total Other General Administration			714,868

Preservation of Records

County Official/Administrative Officer	\$	51,588	
Assistant(s)		31,720	
Part-time Personnel		6,575	
Longevity Pay		850	
Social Security		5,536	
State Retirement		5,445	
Life Insurance		111	
Medical Insurance		12,981	
Dental Insurance		445	
Disability Insurance		305	
Unemployment Compensation		295	
Employer Medicare		1,295	
Communication		421	
Janitorial Services		1,475	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Maintenance Agreements	\$	2,598	
Postal Charges		175	
Custodial Supplies		237	
Library Books/Media		1,985	
Office Supplies		3,466	
Periodicals		117	
Furniture and Fixtures		1,378	
Other Capital Outlay		2,745	
Total Preservation of Records			\$ 131,743

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	71,760	
Assistant(s)		52,297	
Accountants/Bookkeepers		74,793	
Clerical Personnel		78,499	
Longevity Pay		2,300	
Social Security		16,934	
State Retirement		17,796	
Life Insurance		262	
Medical Insurance		31,206	
Dental Insurance		1,135	
Disability Insurance		753	
Unemployment Compensation		817	
Employer Medicare		3,960	
Communication		1,155	
Dues and Memberships		400	
Maintenance Agreements		953	
Postal Charges		2,877	
Printing, Stationery, and Forms		24	
Travel		1,797	
Office Supplies		4,100	
Other Charges		275	
Furniture and Fixtures		180	
Office Equipment		3,597	
Total Accounting and Budgeting			367,870

Purchasing

County Official/Administrative Officer	\$	39,092	
Accountants/Bookkeepers		98,218	
Longevity Pay		2,600	
Social Security		8,566	
State Retirement		9,052	
Life Insurance		142	
Medical Insurance		17,715	
Dental Insurance		608	
Disability Insurance		530	
Unemployment Compensation		324	
Employer Medicare		2,003	
Communication		427	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Data Processing Services	\$	3,243	
Dues and Memberships		390	
Postal Charges		483	
Travel		241	
Office Supplies		643	
Furniture and Fixtures		408	
Office Equipment		3,597	
Total Purchasing			\$ 188,282

Property Assessor's Office

County Official/Administrative Officer	\$	73,374	
Clerical Personnel		125,495	
Longevity Pay		4,050	
Overtime Pay		1,716	
Other Salaries and Wages		163,816	
In-Service Training		1,750	
Social Security		22,302	
State Retirement		15,784	
Life Insurance		486	
Medical Insurance		62,647	
Dental Insurance		2,140	
Disability Insurance		1,225	
Unemployment Compensation		1,174	
Employer Medicare		5,216	
Audit Services		10,616	
Communication		158	
Data Processing Services		21,024	
Dues and Memberships		2,610	
Maintenance Agreements		1,176	
Maintenance and Repair Services - Vehicles		1,700	
Postal Charges		3,776	
Printing, Stationery, and Forms		299	
Travel		2,035	
Other Contracted Services		21,620	
Data Processing Supplies		4,149	
Gasoline		2,744	
Office Supplies		3,022	
Other Charges		80	
Data Processing Equipment		6,829	
Total Property Assessor's Office			563,013

Reappraisal Program

Clerical Personnel	\$	29,120	
Temporary Personnel		6,128	
Longevity Pay		1,850	
Overtime Pay		540	
Other Salaries and Wages		66,044	
Social Security		6,416	
State Retirement		6,104	
Life Insurance		148	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Medical Insurance	\$	17,480	
Dental Insurance		600	
Disability Insurance		312	
Unemployment Compensation		452	
Employer Medicare		1,501	
Communication		2	
Data Processing Services		10,136	
Maintenance Agreements		529	
Maintenance and Repair Services - Vehicles		280	
Postal Charges		1,625	
Printing, Stationery, and Forms		158	
Travel		30	
Data Processing Supplies		293	
Gasoline		1,357	
Total Reappraisal Program			\$ 151,105

County Trustee's Office

County Official/Administrative Officer	\$	73,374	
Clerical Personnel		130,544	
Temporary Personnel		13,398	
Longevity Pay		3,200	
Social Security		13,604	
State Retirement		13,232	
Life Insurance		259	
Medical Insurance		30,461	
Dental Insurance		1,045	
Disability Insurance		722	
Unemployment Compensation		619	
Employer Medicare		3,182	
Data Processing Services		4,014	
Dues and Memberships		696	
Legal Notices, Recording, and Court Costs		46	
Maintenance Agreements		529	
Postal Charges		1,345	
Travel		1,023	
Other Contracted Services		14,960	
Office Supplies		1,437	
Total County Trustee's Office			307,690

County Clerk's Office

State Retirement	\$	30,544	
Life Insurance		748	
Medical Insurance		90,866	
Dental Insurance		3,117	
Disability Insurance		1,712	
Unemployment Compensation		1,404	
Data Processing Services		14,789	
Dues and Memberships		746	
Maintenance Agreements		1,891	
Postal Charges		17,865	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Printing, Stationery, and Forms	\$	5,955	
Travel		57	
Data Processing Supplies		410	
Office Supplies		6,388	
Periodicals		220	
Data Processing Equipment		1,422	
Furniture and Fixtures		296	
Total County Clerk's Office			\$ 178,430

Data Processing

County Official/Administrative Officer	\$	76,278	
Data Processing Personnel		111,060	
Longevity Pay		1,850	
Social Security		11,631	
State Retirement		12,240	
Life Insurance		166	
Medical Insurance		19,471	
Dental Insurance		668	
Disability Insurance		685	
Unemployment Compensation		324	
Employer Medicare		2,720	
Communication		69,529	
Data Processing Services		18,706	
Maintenance Agreements		18,935	
Travel		389	
Data Processing Supplies		8,552	
Data Processing Equipment		61,592	
Total Data Processing			414,796

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,374	
Clerical Personnel		501,481	
Part-time Personnel		31,861	
Longevity Pay		7,750	
Jury and Witness Expense		34,862	
Other Per Diem and Fees		11,300	
Social Security		38,304	
State Retirement		33,026	
Life Insurance		919	
Medical Insurance		106,825	
Dental Insurance		3,524	
Disability Insurance		2,064	
Unemployment Compensation		2,313	
Employer Medicare		8,958	
Dues and Memberships		666	
Legal Notices, Recording, and Court Costs		383	
Postal Charges		10,143	
Printing, Stationery, and Forms		13,888	
Office Supplies		6,959	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Periodicals	\$	466	
Other Charges		3,091	
Furniture and Fixtures		173	
Office Equipment		392	
Total Circuit Court			\$ 892,722

General Sessions Court

Judge(s)	\$	459,720	
Clerical Personnel		123,365	
Temporary Personnel		57,860	
Part-time Personnel		16,887	
Longevity Pay		1,950	
Overtime Pay		572	
Other Salaries and Wages		101,659	
Social Security		39,757	
State Retirement		43,651	
Life Insurance		453	
Medical Insurance		49,917	
Dental Insurance		1,558	
Disability Insurance		1,989	
Unemployment Compensation		1,282	
Employer Medicare		10,905	
Communication		4,627	
Data Processing Services		36,492	
Dues and Memberships		475	
Licenses		1,638	
Maintenance Agreements		1,740	
Pest Control		391	
Printing, Stationery, and Forms		778	
Travel		4,353	
Electricity		8,761	
Office Supplies		1,550	
Periodicals		1,129	
Other Charges		1,710	
Furniture and Fixtures		1,656	
Total General Sessions Court			976,825

Chancery Court

State Retirement	\$	17,061	
Life Insurance		388	
Medical Insurance		45,413	
Dental Insurance		1,591	
Disability Insurance		951	
Unemployment Compensation		756	
Data Processing Services		29,622	
Dues and Memberships		1,066	
Maintenance Agreements		1,708	
Postal Charges		15,989	
Printing, Stationery, and Forms		2,740	
Travel		585	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Office Supplies	\$	2,713	
Periodicals		666	
Other Charges		25	
Furniture and Fixtures		769	
Total Chancery Court			\$ 122,043

District Attorney General

Travel	\$	1,050	
Total District Attorney General			1,050

Public Safety

Sheriff's Department

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

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Periodicals	\$	2,734	
Tires and Tubes		17,643	
Uniforms		26,014	
Vehicle Parts		64,409	
Workers' Compensation Insurance		8,850	
Other Charges		1,444	
Communication Equipment		3,990	
Data Processing Equipment		20,090	
Furniture and Fixtures		76	
Law Enforcement Equipment		43,392	
Motor Vehicles		23,511	
Office Equipment		275	
Other Equipment		34	
Total Sheriff's Department			\$ 5,828,002

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	1,550	
Total Administration of the Sexual Offender Registry			1,550

Jail

County Official/Administrative Officer	\$	3,024	
Sergeant(s)		199,687	
Maintenance Personnel		40,456	
Longevity Pay		16,450	
Overtime Pay		179,104	
Other Salaries and Wages		1,640,903	
In-Service Training		2,400	
Social Security		127,219	
State Retirement		127,617	
Life Insurance		2,950	
Medical Insurance		346,819	
Dental Insurance		11,845	
Disability Insurance		6,475	
Unemployment Compensation		7,087	
Employer Medicare		29,753	
Communication		2,098	
Contracts with Government Agencies		178,537	
Maintenance Agreements		14,106	
Maintenance and Repair Services - Buildings		82,490	
Maintenance and Repair Services - Equipment		861	
Maintenance and Repair Services - Vehicles		3,346	
Medical and Dental Services		307,981	
Pest Control		2,397	
Postal Charges		2,030	
Printing, Stationery, and Forms		6,643	
Travel		3,589	
Disposal Fees		5,182	
Other Contracted Services		1,749	
Custodial Supplies		39,228	
Diesel Fuel		723	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Drugs and Medical Supplies	\$	241,758	
Electricity		229,809	
Food Supplies		337,797	
Gasoline		37,218	
Law Enforcement Supplies		1,406	
Lubricants		881	
Natural Gas		51,800	
Periodicals		664	
Prisoners Clothing		17,595	
Tires and Tubes		473	
Uniforms		7,934	
Vehicle Parts		4,004	
Other Supplies and Materials		352	
Other Charges		3,310	
Communication Equipment		2,031	
Data Processing Equipment		927	
Food Service Equipment		12,217	
Law Enforcement Equipment		1,797	
Other Equipment		4,107	
Total Jail			\$ 4,348,829

Juvenile Services

Assistant(s)	\$	27,755	
Probation Officer(s)		31,013	
Youth Service Officer(s)		42,595	
Longevity Pay		800	
Overtime Pay		1,044	
Social Security		6,344	
State Retirement		6,667	
Life Insurance		140	
Medical Insurance		19,471	
Dental Insurance		668	
Disability Insurance		370	
Unemployment Compensation		326	
Employer Medicare		1,484	
Communication		798	
Dues and Memberships		210	
Postal Charges		68	
Travel		5,220	
Other Contracted Services		28,421	
Drugs and Medical Supplies		100	
Office Supplies		251	
Furniture and Fixtures		315	
Office Equipment		261	
Total Juvenile Services			174,321

Civil Defense

Contributions	\$	175,823	
Vehicle and Equipment Insurance		26,061	
Total Civil Defense			201,884

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Clerical Personnel	\$	34,116	
Longevity Pay		200	
Social Security		2,084	
State Retirement		2,220	
Life Insurance		55	
Medical Insurance		6,490	
Dental Insurance		223	
Disability Insurance		125	
Unemployment Compensation		108	
Employer Medicare		487	
Communication		7,294	
Consultants		350	
Dues and Memberships		250	
Maintenance Agreements		1,354	
Maintenance and Repair Services - Equipment		1,100	
Maintenance and Repair Services - Vehicles		4,399	
Postal Charges		34	
Printing, Stationery, and Forms		150	
Travel		1,929	
Other Contracted Services		1,563	
Electricity		2,762	
Gasoline		5,517	
Natural Gas		683	
Office Supplies		1,526	
Small Tools		1,608	
Tires and Tubes		177	
Uniforms		1,734	
Vehicle Parts		364	
Other Supplies and Materials		4,526	
Vehicle and Equipment Insurance		9,742	
Other Charges		80,455	
Other Equipment		146,722	
Total Other Emergency Management			\$ 320,347

Public Safety Grant Programs

Uniforms	\$	2,100	
Law Enforcement Equipment		38,867	
Total Public Safety Grant Programs			40,967

Public Health and Welfare

Local Health Center

Medical Personnel	\$	310,989	
Clerical Personnel		115,436	
Part-time Personnel		32,524	
Longevity Pay		3,150	
Social Security		28,025	
State Retirement		26,433	
Life Insurance		795	
Medical Insurance		87,370	
Dental Insurance		3,052	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Disability Insurance	\$	1,367	
Unemployment Compensation		2,331	
Employer Medicare		6,554	
Communication		10,855	
Dues and Memberships		200	
Janitorial Services		29,229	
Licenses		168	
Maintenance Agreements		7,877	
Maintenance and Repair Services - Buildings		10,622	
Maintenance and Repair Services - Equipment		1,992	
Pest Control		561	
Travel		13,152	
Electricity		42,874	
Natural Gas		11,165	
Office Supplies		1,987	
Other Supplies and Materials		625	
Liability Insurance		196	
Workers' Compensation Insurance		3,108	
Total Local Health Center			\$ 752,637

Rabies and Animal Control

County Official/Administrative Officer	\$	34,237
Part-time Personnel		55,026
Longevity Pay		1,850
Overtime Pay		10
Other Salaries and Wages		211,233
Social Security		18,304
State Retirement		13,198
Life Insurance		472
Medical Insurance		55,658
Dental Insurance		1,909
Disability Insurance		875
Unemployment Compensation		1,469
Employer Medicare		4,281
Advertising		385
Communication		1
Licenses		440
Maintenance Agreements		3,000
Maintenance and Repair Services - Buildings		3,200
Maintenance and Repair Services - Equipment		35
Maintenance and Repair Services - Vehicles		2,064
Medical and Dental Services		455
Postal Charges		246
Printing, Stationery, and Forms		352
Travel		870
Veterinary Services		22,763
Disposal Fees		3,386
Custodial Supplies		3,866
Drugs and Medical Supplies		28,296
Electricity		28,911

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Gasoline	\$	8,691	
Natural Gas		13,288	
Office Supplies		2,215	
Other Supplies and Materials		35,768	
Building and Contents Insurance		327	
Refunds		1,825	
Other Equipment		355	
Total Rabies and Animal Control			\$ 559,261

Appropriation to State

Contracts with Government Agencies	\$	69,900	
Total Appropriation to State			69,900

Other Local Welfare Services

Other Contracted Services	\$	2,851	
Total Other Local Welfare Services			2,851

Other Public Health and Welfare

Other Contracted Services	\$	349,507	
Total Other Public Health and Welfare			349,507

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	34,000	
Total Senior Citizens Assistance			34,000

Libraries

County Official/Administrative Officer	\$	47,394	
Librarians		246,438	
Part-time Personnel		52,444	
Longevity Pay		5,850	
Overtime Pay		8	
Social Security		21,294	
State Retirement		19,379	
Life Insurance		554	
Medical Insurance		64,904	
Dental Insurance		2,226	
Disability Insurance		1,075	
Unemployment Compensation		1,596	
Employer Medicare		4,980	
Communication		1,563	
Dues and Memberships		250	
Janitorial Services		6,000	
Licenses		305	
Maintenance Agreements		12,083	
Maintenance and Repair Services - Buildings		1,230	
Pest Control		646	
Postal Charges		1,050	
Other Contracted Services		6,534	
Custodial Supplies		1,472	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Electricity	\$	25,613	
Library Books/Media		55,010	
Natural Gas		4,657	
Office Supplies		8,105	
Periodicals		4,677	
Other Capital Outlay		24,828	
Total Libraries			\$ 622,165

Parks and Fair Boards

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

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	250	
Social Security		16	
Employer Medicare		4	
Contracts with Government Agencies		116,506	
Dues and Memberships		320	
Maintenance Agreements		1,458	
Postal Charges		180	
Total Agriculture Extension Service			\$ 118,734

Forest Service

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

Soil Conservation

Longevity Pay	\$	1,000	
Other Salaries and Wages		34,944	
Social Security		2,223	
State Retirement		2,326	
Life Insurance		50	
Medical Insurance		5,997	
Dental Insurance		206	
Disability Insurance		128	
Unemployment Compensation		108	
Employer Medicare		520	
Total Soil Conservation			47,502

Other Operations

Tourism

County Official/Administrative Officer	\$	56,892	
Part-time Personnel		17,598	
Longevity Pay		500	
Overtime Pay		137	
Other Salaries and Wages		61,057	
Social Security		8,413	
State Retirement		7,608	
Life Insurance		143	
Medical Insurance		7,996	
Dental Insurance		394	
Disability Insurance		390	
Unemployment Compensation		659	
Employer Medicare		1,968	
Advertising		94,740	
Dues and Memberships		3,130	
Maintenance Agreements		513	
Maintenance and Repair Services - Vehicles		821	
Postal Charges		2,363	
Printing, Stationery, and Forms		10,189	
Rentals		2,778	
Travel		9,940	
Other Contracted Services		50,593	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Electricity	\$	1,763	
Gasoline		551	
Office Supplies		2,425	
Other Supplies and Materials		11,728	
Other Charges		5,074	
Furniture and Fixtures		2,238	
Total Tourism			\$ 362,601

Industrial Development

Contributions	\$	200,000	
Electricity		1,531	
Total Industrial Development			201,531

Other Economic and Community Development

Other Contracted Services	\$	350	
Other Charges		83	
Total Other Economic and Community Development			433

Airport

Contributions	\$	80,000	
Total Airport			80,000

Veterans' Services

Clerical Personnel	\$	30,863	
Part-time Personnel		29,452	
Longevity Pay		1,000	
Social Security		3,796	
State Retirement		2,062	
Life Insurance		36	
Medical Insurance		6,490	
Dental Insurance		223	
Disability Insurance		115	
Unemployment Compensation		216	
Employer Medicare		888	
Dues and Memberships		25	
Maintenance Agreements		764	
Postal Charges		677	
Printing, Stationery, and Forms		35	
Travel		647	
Office Supplies		274	
Periodicals		399	
Total Veterans' Services			77,962

Contributions to Other Agencies

Contributions	\$	109,986	
Total Contributions to Other Agencies			109,986

Employee Benefits

Medical and Dental Services	\$	20,505	
Other Supplies and Materials		7,674	
Total Employee Benefits			28,179

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Payments to Cities

Contracts with Government Agencies	\$ 250,000	
Total Payments to Cities		\$ 250,000

Miscellaneous

Medical and Dental Services	\$ 80,940	
Other Contracted Services	47,895	
Trustee's Commission	304,077	
Tax Relief Program	156,976	
Total Miscellaneous		589,888

Principal on Debt

General Government

Principal on Other Loans	\$ 128,080	
Total General Government		128,080

Interest on Debt

General Government

Interest on Other Loans	\$ 5,763	
Total General Government		5,763

Total General Fund		\$ 23,456,531
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Drug Control Fund

Public Safety

Drug Enforcement

Social Security	\$ 85
Employer Medicare	20
Communication	8,067
Contributions	12,424
Data Processing Services	650
Confidential Drug Enforcement Payments	10,000
Maintenance Agreements	915
Maintenance and Repair Services - Buildings	197
Maintenance and Repair Services - Vehicles	1,226
Printing, Stationery, and Forms	135
Rentals	7,000
Travel	5,511
Other Contracted Services	125
Data Processing Supplies	50
Electricity	6,281
Gasoline	17,066
Instructional Supplies and Materials	6,810
Law Enforcement Supplies	1,265
Lubricants	320
Office Supplies	191
Tires and Tubes	993
Uniforms	1,375
Vehicle Parts	2,076
Trustee's Commission	1,204
Other Charges	12,033

(Continued)

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Communication Equipment	\$	42	
Law Enforcement Equipment		13,143	
Motor Vehicles		25,279	
Total Drug Enforcement			\$ 134,483

Total Drug Control Fund \$ 134,483

Adequate Facilities/Development Tax Fund

Other Operations

Airport

Contributions	\$	110,887	
Total Airport			\$ 110,887

Capital Projects

General Administration Projects

Refunds	\$	296	
Total General Administration Projects			296

Public Safety Projects

Architects	\$	1,284	
Building Construction		706,277	
Total Public Safety Projects			707,561

Total Adequate Facilities/Development Tax Fund 818,744

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	512,776	
Total County Clerk's Office			\$ 512,776

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	1,832	
Total Circuit Court			1,832

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	30,476	
Constitutional Officers' Operating Expenses		283,355	
Total Chancery Court			313,831

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	206	
Total Sheriff's Department			206

Total Constitutional Officers - Fees Fund 828,645

(Continued)

Exhibit K-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	80,712	
Purchasing Personnel		34,944	
Longevity Pay		1,300	
Overtime Pay		13	
Other Salaries and Wages		50,565	
Social Security		10,387	
State Retirement		10,840	
Life Insurance		166	
Medical Insurance		19,471	
Dental Insurance		668	
Disability Insurance		605	
Unemployment Compensation		216	
Employer Medicare		2,429	
Dues and Memberships		3,888	
Maintenance Agreements		782	
Maintenance and Repair Services - Office Equipment		455	
Postal Charges		367	
Printing, Stationery, and Forms		242	
Travel		410	
Other Contracted Services		3,640	
Office Supplies		2,245	
Premiums on Corporate Surety Bonds		736	
Other Charges		239	
Total Administration			\$ 225,320

Highway and Bridge Maintenance

Foremen	\$	65,856
Mechanic(s)		247,855
Equipment Operators - Heavy		340,284
Equipment Operators - Light		317,773
Truck Drivers		315,442
Laborers		62,322
Guards		56,733
Longevity Pay		24,900
Overtime Pay		16,788
Other Salaries and Wages		123,862
Social Security		95,714
State Retirement		98,429
Life Insurance		2,250
Medical Insurance		280,156
Dental Insurance		9,372
Disability Insurance		5,362
Unemployment Compensation		5,415
Employer Medicare		22,385
Matching Share		427
Rentals		373
Other Contracted Services		69
Asphalt		653,082
Concrete		26,734
Crushed Stone		281,686

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Fertilizer, Lime, and Seed	\$	965	
Other Road Supplies		16,058	
Pipe		44,621	
Road Signs		29,190	
Wood Products		1,893	
Total Highway and Bridge Maintenance			\$ 3,145,996

Operation and Maintenance of Equipment

Communication	\$	3,084	
Maintenance Agreements		540	
Maintenance and Repair Services - Buildings		7,320	
Maintenance and Repair Services - Equipment		17,239	
Maintenance and Repair Services - Vehicles		18,192	
Other Contracted Services		1,784	
Crushed Stone		1,783	
Custodial Supplies		2,091	
Diesel Fuel		426,412	
Drugs and Medical Supplies		1,868	
Equipment and Machinery Parts		126,810	
Garage Supplies		9,543	
Gasoline		50,496	
Lubricants		34,876	
Small Tools		24,812	
Tires and Tubes		88,139	
Vehicle Parts		113,679	
Other Supplies and Materials		30,026	
Right-of-Way		10,102	
Total Operation and Maintenance of Equipment			968,796

Other Charges

Laundry Service	\$	11,060	
Pest Control		459	
Electricity		13,664	
Natural Gas		2,150	
Uniforms		587	
Building and Contents Insurance		1,959	
Liability Insurance		46,644	
Trustee's Commission		77,015	
Vehicle and Equipment Insurance		29,225	
Workers' Compensation Insurance		193,249	
Other Charges		5,129	
Total Other Charges			381,141

Capital Outlay

Bridge Construction	\$	411,097	
Highway Construction		423,926	
Highway Equipment		137,846	
Total Capital Outlay			972,869

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Capital Projects

Highway and Street Capital Projects

Other Capital Outlay	\$ 69,203	
Total Highway and Street Capital Projects	<u>69,203</u>	\$ 69,203

Total Highway/Public Works Fund \$ 5,763,325

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 350,550	
Principal on Notes	<u>1,230,856</u>	
Total General Government		\$ 1,581,406

Highways and Streets

Principal on Notes	\$ 1,600,000	
Total Highways and Streets		1,600,000

Education

Principal on Bonds	\$ 3,254,450	
Principal on Notes	874,790	
Principal on Capital Leases	249,731	
Principal on Other Loans	<u>275,052</u>	
Total Education		4,654,023

Interest on Debt

General Government

Interest on Bonds	\$ 389,166	
Interest on Notes	<u>229,880</u>	
Total General Government		619,046

Highways and Streets

Interest on Notes	\$ 13,427	
Total Highways and Streets		13,427

Education

Interest on Bonds	\$ 1,414,866	
Interest on Notes	168,560	
Interest on Capital Leases	24,550	
Interest on Other Loans	<u>213,700</u>	
Total Education		1,821,676

Other Debt Service

General Government

Bank Charges	\$ 3,350	
Trustee's Commission	<u>153,886</u>	
Total General Government		157,236

Education

Other Debt Service	\$ 3,526	
Total Education		<u>3,526</u>

Total General Debt Service Fund 10,450,340

(Continued)

Exhibit K-8

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

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Architects	\$ 81,980	
Total Administration of Justice Projects		\$ 81,980

Total General Capital Projects Fund \$ 81,980

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Asphalt	\$ 500,807	
Crushed Stone	406,418	
Other Road Supplies	1,088	
Pipe	4,150	
Total Highway and Street Capital Projects		\$ 912,463

Total Highway Capital Projects Fund 912,463

Other Capital Projects Fund

General Government

Development

Motor Vehicles	\$ 24,889	
Total Development		\$ 24,889

County Buildings

Building Improvements	\$ 88,570	
Furniture and Fixtures	15,309	
Total County Buildings		103,879

Other General Administration

Other Capital Outlay	\$ 7,050	
Total Other General Administration		7,050

Finance

Data Processing

Other Capital Outlay	\$ 118,911	
Total Data Processing		118,911

Public Safety

Sheriff's Department

Communication Equipment	\$ 201,744	
Heating and Air Conditioning Equipment	16,495	
Motor Vehicles	98,563	
Other Equipment	11,377	
Other Construction	10,927	
Total Sheriff's Department		339,106

Jail

Food Service Equipment	\$ 1,192	
Total Jail		1,192

(Continued)

Exhibit K-8

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

Other Capital Projects Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Motor Vehicles	\$ 319,319	
Total Civil Defense		\$ 319,319

Other Emergency Management

Motor Vehicles	\$ 35,018	
Other Equipment	36,302	
Total Other Emergency Management		71,320

Public Health and Welfare

Rabies and Animal Control

Motor Vehicles	\$ 22,616	
Total Rabies and Animal Control		22,616

Landfill Operation and Maintenance

Other Capital Outlay	\$ 29,736	
Total Landfill Operation and Maintenance		29,736

Social, Cultural, and Recreational Services

Libraries

Other Capital Outlay	\$ 60,000	
Total Libraries		60,000

Parks and Fair Boards

Other Capital Outlay	\$ 4,000	
Total Parks and Fair Boards		4,000

Other Operations

Industrial Development

Site Development	\$ 100,000	
Total Industrial Development		100,000

Other Charges

Other Charges	\$ 578	
Total Other Charges		578

Miscellaneous

Trustee's Commission	\$ 35,228	
Total Miscellaneous		35,228

Highways

Capital Outlay

Highway Equipment	\$ 230,000	
Total Capital Outlay		230,000

Capital Projects - Donated

Capital Projects Donated to School Department

Heating and Air Conditioning Equipment	\$ 155,282	
Motor Vehicles	605,601	
Total Capital Projects Donated to School Department		760,883

Total Other Capital Projects Fund		\$ 2,228,707
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Total Governmental Funds - Primary Government		<u>\$ 44,675,218</u>
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Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	26,938,418	
Career Ladder Program		220,219	
Career Ladder Extended Contracts		80,275	
Homebound Teachers		64,893	
Educational Assistants		661,285	
Other Salaries and Wages		559,821	
Certified Substitute Teachers		50,844	
Non-certified Substitute Teachers		465,910	
Social Security		1,730,111	
State Retirement		2,497,938	
Life Insurance		45,090	
Medical Insurance		4,623,612	
Dental Insurance		157,695	
Employer Medicare		404,860	
Other Contracted Services		273,598	
Instructional Supplies and Materials		221,815	
Textbooks		915,810	
Other Supplies and Materials		98,796	
Fee Waivers		48,246	
Regular Instruction Equipment		284,731	
Total Regular Instruction Program			\$ 40,343,967

Alternative Instruction Program

Teachers	\$	315,877	
Career Ladder Program		1,000	
Educational Assistants		73,562	
Certified Substitute Teachers		160	
Non-certified Substitute Teachers		9,088	
Social Security		24,408	
State Retirement		32,744	
Life Insurance		695	
Medical Insurance		74,364	
Dental Insurance		2,781	
Employer Medicare		5,708	
Other Contracted Services		4,777	
Instructional Supplies and Materials		1,910	
Total Alternative Instruction Program			547,074

Special Education Program

Teachers	\$	3,966,456
Career Ladder Program		35,977
Homebound Teachers		37,460
Educational Assistants		666,632
Speech Pathologist		638,228
Other Salaries and Wages		87,179
Certified Substitute Teachers		1,284
Non-certified Substitute Teachers		12,212
Social Security		322,926
State Retirement		451,042

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	10,463	
Medical Insurance		1,032,765	
Dental Insurance		36,222	
Employer Medicare		75,529	
Contracts with Private Agencies		69,965	
Maintenance and Repair Services - Equipment		2,288	
Other Contracted Services		90,153	
Instructional Supplies and Materials		37,907	
Other Supplies and Materials		13,827	
Special Education Equipment		8,317	
Total Special Education Program			\$ 7,596,832

Vocational Education Program

Teachers	\$	2,070,863	
Career Ladder Program		11,999	
Certified Substitute Teachers		1,056	
Non-certified Substitute Teachers		9,728	
Social Security		124,619	
State Retirement		184,958	
Life Insurance		2,981	
Medical Insurance		303,943	
Dental Insurance		10,140	
Employer Medicare		29,147	
Maintenance and Repair Services - Equipment		2,195	
Other Contracted Services		6,974	
Instructional Supplies and Materials		44,889	
T&I Construction Materials		12,172	
Textbooks		6,623	
Other Supplies and Materials		2,497	
Vocational Instruction Equipment		17,398	
Total Vocational Education Program			2,842,182

Support Services

Attendance

Supervisor/Director	\$	78,731	
Career Ladder Program		1,000	
Social Workers		30,844	
Clerical Personnel		108,543	
Other Salaries and Wages		186,103	
Social Security		24,618	
State Retirement		28,855	
Life Insurance		820	
Medical Insurance		72,632	
Dental Insurance		2,923	
Employer Medicare		5,757	
Communication		2,048	
Postal Charges		3,099	
Travel		3,858	
Other Contracted Services		1,602	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Other Supplies and Materials	\$	19,620	
In Service/Staff Development		1,472	
Other Charges		706	
Attendance Equipment		961	
Total Attendance			\$ 574,192

Health Services

Medical Personnel	\$	272,310	
Secretary(ies)		26,739	
Other Salaries and Wages		51,997	
Certified Substitute Teachers		616	
Social Security		21,239	
State Retirement		23,964	
Life Insurance		666	
Medical Insurance		58,836	
Dental Insurance		2,340	
Employer Medicare		4,968	
Communication		3,148	
Maintenance and Repair Services - Equipment		200	
Travel		11,732	
Other Supplies and Materials		10,299	
In Service/Staff Development		3,372	
Other Charges		1,522	
Health Equipment		340	
Total Health Services			494,288

Other Student Support

Career Ladder Program	\$	9,600	
Guidance Personnel		1,426,715	
Social Security		86,664	
State Retirement		125,347	
Life Insurance		1,821	
Medical Insurance		193,869	
Dental Insurance		6,714	
Employer Medicare		20,268	
Evaluation and Testing		39,007	
Other Supplies and Materials		5,700	
Total Other Student Support			1,915,705

Regular Instruction Program

Supervisor/Director	\$	351,894	
Career Ladder Program		25,362	
Career Ladder Extended Contracts		3,200	
Librarians		1,062,002	
Secretary(ies)		31,534	
Clerical Personnel		42,683	
Other Salaries and Wages		146,270	
Certified Substitute Teachers		13,628	
Social Security		100,963	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	137,616	
Life Insurance		1,962	
Medical Insurance		197,847	
Dental Insurance		6,833	
Employer Medicare		23,623	
Communication		15,593	
Operating Lease Payments		31,224	
Postal Charges		516	
Travel		82,466	
Other Contracted Services		160,450	
Library Books/Media		40,818	
Periodicals		52,237	
Other Supplies and Materials		10,915	
In Service/Staff Development		39,455	
Other Charges		13,753	
Other Equipment		1,411	
Total Regular Instruction Program			\$ 2,594,255

Alternative Instruction Program

Supervisor/Director	\$	61,149	
Guidance Personnel		28,690	
Clerical Personnel		19,882	
Social Security		6,380	
State Retirement		8,573	
Life Insurance		216	
Medical Insurance		22,951	
Dental Insurance		726	
Employer Medicare		1,492	
Communication		2,276	
Travel		904	
Other Contracted Services		1,470	
Other Supplies and Materials		1,338	
In Service/Staff Development		500	
Other Equipment		130	
Total Alternative Instruction Program			156,677

Special Education Program

Supervisor/Director	\$	71,999	
Career Ladder Program		9,772	
Psychological Personnel		340,475	
Assessment Personnel		174,554	
Secretary(ies)		31,684	
Clerical Personnel		16,700	
Other Salaries and Wages		66,447	
In-Service Training		1,020	
Social Security		42,325	
State Retirement		61,846	
Life Insurance		918	
Medical Insurance		98,123	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Dental Insurance	\$	3,145	
Employer Medicare		9,899	
Communication		4,775	
Maintenance and Repair Services - Equipment		674	
Postal Charges		334	
Travel		37,733	
Other Contracted Services		41,016	
Other Supplies and Materials		12,100	
In Service/Staff Development		5,083	
Other Charges		1,753	
Other Equipment		2,597	
Total Special Education Program			\$ 1,034,972

Vocational Education Program

Supervisor/Director	\$	73,170	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		1,000	
Clerical Personnel		26,355	
Social Security		6,157	
State Retirement		8,558	
Life Insurance		144	
Medical Insurance		12,011	
Dental Insurance		484	
Employer Medicare		1,440	
Communication		598	
Postal Charges		149	
Travel		28,274	
Other Supplies and Materials		2,260	
In Service/Staff Development		2,251	
Other Charges		500	
Other Equipment		200	
Total Vocational Education Program			166,551

Other Programs

On-Behalf Payments to OPEB	\$	464,269	
Total Other Programs			464,269

Board of Education

Secretary to Board	\$	3,469	
Other Salaries and Wages		168	
Board and Committee Members Fees		11,550	
Social Security		19,158	
State Retirement		235	
Unemployment Compensation		165,862	
Employer Medicare		4,607	
Other Fringe Benefits		920,682	
Audit Services		20,000	
Dues and Memberships		12,904	
Legal Services		34,468	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Postal Charges	\$	29	
Travel		2,433	
Judgments		15,000	
Liability Insurance		17,994	
Trustee's Commission		655,440	
Workers' Compensation Insurance		427,398	
In Service/Staff Development		6,582	
Other Charges		3,702	
Total Board of Education			\$ 2,321,681

Director of Schools

County Official/Administrative Officer	\$	125,658	
Secretary(ies)		31,220	
Other Salaries and Wages		50,139	
Social Security		11,931	
State Retirement		17,429	
Life Insurance		216	
Medical Insurance		23,758	
Dental Insurance		941	
Employer Medicare		2,970	
Communication		2,388	
Dues and Memberships		4,762	
Postal Charges		1,126	
Travel		4,254	
Other Contracted Services		2,625	
Office Supplies		620	
Other Supplies and Materials		299	
In Service/Staff Development		2,064	
Other Charges		1,812	
Total Director of Schools			284,212

Office of the Principal

Principals	\$	1,615,122	
Career Ladder Program		25,500	
Career Ladder Extended Contracts		2,200	
Assistant Principals		1,631,391	
Secretary(ies)		592,378	
Clerical Personnel		680,161	
Social Security		273,196	
State Retirement		369,582	
Life Insurance		6,874	
Medical Insurance		665,635	
Dental Insurance		23,929	
Employer Medicare		63,892	
Communication		92,190	
Other Contracted Services		114,614	
Office Supplies		20,180	
Other Charges		4,603	
Total Office of the Principal			6,181,447

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	77,024	
Accountants/Bookkeepers		249,732	
Purchasing Personnel		34,334	
Clerical Personnel		32,414	
Social Security		24,201	
State Retirement		25,460	
Life Insurance		730	
Medical Insurance		66,432	
Dental Insurance		2,661	
Employer Medicare		5,660	
Maintenance and Repair Services - Equipment		1,593	
Postal Charges		6,831	
Travel		2,311	
Other Contracted Services		11,844	
Office Supplies		15,827	
In Service/Staff Development		1,794	
Other Charges		5,384	
Administration Equipment		12,386	
Total Fiscal Services			\$ 576,618

Human Services/Personnel

Supervisor/Director	\$	85,344	
Clerical Personnel		90,500	
Social Security		10,747	
State Retirement		13,118	
Life Insurance		288	
Medical Insurance		24,413	
Dental Insurance		968	
Employer Medicare		2,513	
Advertising		206	
Communication		1,209	
Operating Lease Payments		3,029	
Postal Charges		841	
Travel		1,593	
Other Contracted Services		18,421	
Office Supplies		2,309	
In Service/Staff Development		1,090	
Other Charges		6,086	
Administration Equipment		893	
Total Human Services/Personnel			263,568

Operation of Plant

Supervisor/Director	\$	58,092	
Custodial Personnel		250,625	
Social Security		18,963	
State Retirement		19,974	
Life Insurance		816	
Medical Insurance		66,424	
Dental Insurance		2,863	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Employer Medicare	\$	4,435	
Communication		598	
Janitorial Services		1,819,527	
Disposal Fees		56,852	
Other Contracted Services		156,967	
Electricity		2,311,070	
Natural Gas		457,286	
Water and Sewer		331,773	
Other Supplies and Materials		2,520	
Building and Contents Insurance		321,672	
In Service/Staff Development		285	
Other Charges		35	
Total Operation of Plant			\$ 5,880,777

Maintenance of Plant

Secretary(ies)	\$	31,034	
Maintenance Personnel		590,391	
Social Security		38,167	
State Retirement		40,207	
Life Insurance		1,414	
Medical Insurance		126,178	
Dental Insurance		5,040	
Employer Medicare		8,926	
Communication		6,508	
Laundry Service		10,571	
Maintenance and Repair Services - Buildings		45,982	
Maintenance and Repair Services - Equipment		79,978	
Maintenance and Repair Services - Vehicles		12,665	
Other Contracted Services		22,944	
Other Supplies and Materials		334,510	
Other Charges		7,707	
Maintenance Equipment		58,259	
Total Maintenance of Plant			1,420,481

Transportation

Supervisor/Director	\$	83,031	
Bus Drivers		1,535,697	
Clerical Personnel		55,181	
Social Security		101,516	
State Retirement		96,666	
Life Insurance		7,892	
Medical Insurance		729,532	
Dental Insurance		29,387	
Employer Medicare		23,744	
Communication		2,807	
Operating Lease Payments		1,489	
Maintenance and Repair Services - Vehicles		12,388	
Postal Charges		18	
Travel		353	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Contracted Services	\$	256,858	
Diesel Fuel		701,438	
Tires and Tubes		123,358	
Vehicle Parts		155,993	
Other Supplies and Materials		1,845	
Vehicle and Equipment Insurance		156,239	
In Service/Staff Development		2,026	
Other Charges		26,291	
Transportation Equipment		50,161	
Total Transportation			\$ 4,153,910

Central and Other

Supervisor/Director	\$	69,080	
Other Salaries and Wages		369,455	
Social Security		26,363	
State Retirement		28,373	
Life Insurance		624	
Medical Insurance		53,238	
Dental Insurance		2,203	
Employer Medicare		6,166	
Communication		7,502	
Maintenance and Repair Services - Equipment		3,145	
Postal Charges		5	
Travel		4,848	
Other Contracted Services		49,971	
Other Supplies and Materials		94,890	
In Service/Staff Development		2,045	
Administration Equipment		788	
Data Processing Equipment		173,590	
Total Central and Other			892,286

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	504,973	
Educational Assistants		220,572	
Certified Substitute Teachers		7,256	
Social Security		43,930	
State Retirement		59,108	
Life Insurance		1,931	
Medical Insurance		169,675	
Dental Insurance		6,553	
Employer Medicare		10,275	
Travel		2,903	
Other Contracted Services		1,236	
Instructional Supplies and Materials		12,264	
Other Supplies and Materials		1,536	
In Service/Staff Development		7,533	
Other Equipment		17,696	
Total Early Childhood Education			1,067,441

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	137,944	
Building Improvements		294,294	
Total Regular Capital Outlay			\$ 432,238

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	354,534	
Total Education			354,534

Total General Purpose School Fund \$ 82,560,157

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	790,822	
Educational Assistants		235,355	
Other Salaries and Wages		275,553	
Certified Substitute Teachers		608	
Social Security		78,942	
State Retirement		93,158	
Life Insurance		1,267	
Medical Insurance		117,784	
Dental Insurance		4,046	
Unemployment Compensation		7,390	
Employer Medicare		18,462	
Other Contracted Services		5,450	
Instructional Supplies and Materials		263,527	
Other Supplies and Materials		13,109	
Other Charges		110	
Regular Instruction Equipment		188,450	
Total Regular Instruction Program			\$ 2,094,033

Special Education Program

Teachers	\$	201,620	
Educational Assistants		635,583	
Social Security		50,441	
State Retirement		57,814	
Life Insurance		3,471	
Medical Insurance		290,460	
Dental Insurance		12,143	
Unemployment Compensation		6,693	
Employer Medicare		11,797	
Maintenance and Repair Services - Equipment		104	
Other Contracted Services		66,374	
Instructional Supplies and Materials		46,160	
Other Supplies and Materials		11,407	
Special Education Equipment		13,992	
Total Special Education Program			1,408,059

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Instructional Supplies and Materials	\$	44,251	
Vocational Instruction Equipment		78,719	
Total Vocational Education Program			\$ 122,970

Support Services

Health Services

Medical Personnel	\$	35,294	
Other Salaries and Wages		80,417	
Social Security		7,152	
State Retirement		7,487	
Life Insurance		198	
Medical Insurance		17,836	
Dental Insurance		725	
Unemployment Compensation		412	
Employer Medicare		1,673	
Total Health Services			151,194

Other Student Support

Guidance Personnel	\$	10,636	
Other Salaries and Wages		14,446	
Social Security		1,534	
State Retirement		2,171	
Life Insurance		36	
Medical Insurance		3,000	
Dental Insurance		120	
Unemployment Compensation		196	
Employer Medicare		359	
Travel		22,965	
Other Contracted Services		8,887	
Other Supplies and Materials		25,059	
Other Charges		6,998	
Total Other Student Support			96,407

Regular Instruction Program

Supervisor/Director	\$	84,345	
Librarians		5,543	
Secretary(ies)		28,127	
Other Salaries and Wages		902,620	
Certified Substitute Teachers		97,851	
In-Service Training		77,660	
Social Security		71,245	
State Retirement		93,771	
Life Insurance		1,290	
Medical Insurance		137,499	
Dental Insurance		4,098	
Unemployment Compensation		4,478	
Employer Medicare		16,683	
Consultants		151,510	
Operating Lease Payments		3,824	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	164,058	
Other Contracted Services		54,775	
Library Books/Media		4,651	
Other Supplies and Materials		34,164	
In Service/Staff Development		268,204	
Other Charges		2,695	
Other Equipment		2,740	
Total Regular Instruction Program			\$ 2,211,831

Special Education Program

Psychological Personnel	\$	112,884	
Assessment Personnel		100,789	
Clerical Personnel		31,684	
Other Salaries and Wages		66,447	
Social Security		18,974	
State Retirement		26,924	
Life Insurance		368	
Medical Insurance		33,771	
Dental Insurance		1,253	
Unemployment Compensation		756	
Employer Medicare		4,438	
Operating Lease Payments		1,238	
Travel		6,311	
Other Contracted Services		6,545	
Other Supplies and Materials		2,000	
In Service/Staff Development		6,140	
Other Equipment		319	
Total Special Education Program			420,841

Vocational Education Program

Clerical Personnel	\$	2,087	
Social Security		130	
State Retirement		135	
Employer Medicare		30	
Travel		1,000	
Total Vocational Education Program			3,382

Office of the Principal

Principals	\$	14,722	
Assistant Principals		5,526	
Secretary(ies)		4,792	
Social Security		1,506	
State Retirement		2,108	
Life Insurance		42	
Medical Insurance		4,531	
Dental Insurance		159	
Employer Medicare		352	
Total Office of the Principal			33,738

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Custodial Personnel	\$	3,905	
Social Security		242	
State Retirement		253	
Life Insurance		12	
Medical Insurance		958	
Dental Insurance		40	
Employer Medicare		56	
Maintenance and Repair Services - Equipment		68	
Total Operation of Plant			\$ 5,534

Transportation

Other Salaries and Wages	\$	302,252	
Social Security		18,430	
State Retirement		18,800	
Life Insurance		1,411	
Medical Insurance		134,068	
Dental Insurance		5,363	
Unemployment Compensation		2,677	
Employer Medicare		4,311	
Other Contracted Services		4,082	
Total Transportation			491,394

Total School Federal Projects Fund \$ 7,039,383

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$	68,605	
Total Board of Education			\$ 68,605

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	63,800	
Accountants/Bookkeepers		94,711	
Clerical Personnel		23,093	
Cafeteria Personnel		971,065	
Temporary Personnel		26,321	
Longevity Pay		40,250	
Other Salaries and Wages		746,094	
Social Security		119,687	
State Retirement		106,606	
Life Insurance		7,250	
Medical Insurance		606,281	
Dental Insurance		24,465	
Unemployment Compensation		15,503	
Employer Medicare		27,859	
Other Fringe Benefits		773	
Maintenance and Repair Services - Equipment		40,216	
Postal Charges		2,772	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Travel	\$	3,491	
Other Contracted Services		68,449	
Food Preparation Supplies		267,468	
Food Supplies		2,569,767	
Office Supplies		13,407	
USDA - Commodities		317,797	
In Service/Staff Development		6,000	
Food Service Equipment		194,857	
Total Food Service			\$ 6,357,982

Total Central Cafeteria Fund \$ 6,426,587

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Equipment	\$	112,229	
Other Construction		1,175,484	
Total Education Capital Projects			\$ 1,287,713

Total Education Capital Projects Fund 1,287,713

Total Governmental Funds - Maury County School Department \$ 97,313,840

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

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

(Continued)

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

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

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

Exhibit K-12

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

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

SINGLE AUDIT SECTION



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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

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

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maury County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-002, 2013-003, 2013-004, 2013-005, 2013-008, and 2013-009.

Maury County's Responses to Findings

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

Purpose of this Report

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

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 5, 2014

JPW/yu



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Maury County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Maury County's major federal programs for the year ended

June 30, 2013. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Maury County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

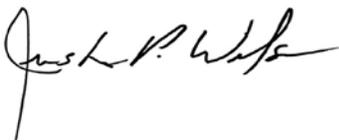
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements. We issued our report thereon dated March 5, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 5, 2014

JPW/yu

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

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

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
National Archives and Records Administration:			
Passed-through State Library and Archives:			
National Historical Publications and Records Grants	89.003	(2)	\$ 4,000
Total National Archives and Records Administration			<u>\$ 4,000</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1909-DR-TN	\$ 301,540
Hazard Mitigation Grant	97.039	(4)	83,531
Emergency Management Performance Grants	97.042	2009-SS-T9-0086	39,350
Total U.S. Department of Homeland Security			<u>\$ 424,421</u>
Total Expenditures of Federal Awards			<u>\$ 12,580,268</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	<u>Contract Number</u> (2)	\$ 1,750
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	GG-1029842	4,500
Coordinated School Health Initiative - State Department of Education	N/A	(2)	98,067
Early Childhood Education - State Department of Education	N/A	(2)	973,385
Safe Schools - State Department of Education	N/A	(2)	48,405
Family Resource Center - State Department of Education	N/A	(2)	88,835
High Schools That Work Grant - State Department of Education	N/A	(2)	16,024
Statewide Student Management System - State Department of Education	N/A	(2)	30,298
Tennessee Arts Commission Grant - State Department of Education	N/A	(2)	4,603
Project Diabetes Initiative Services Grant - State Department of Education	N/A	(2)	9,436
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	24,313
Health Department Program - State Department of Health	N/A	(2)	635,970
Litter Program - State Department of Transportation	N/A	(2)	63,957
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	(2)	3,046
Hazard Mitigation Grant - State Department of Military	N/A	(5)	<u>13,791</u>
Total State Grants			<u>\$ 2,016,380</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is \$3,091,208.
(4) GG-11-37232: \$49,783; unknown contract number: \$33,748.
(5) GG-11-37232: \$8,297; unknown contract number: \$5,494.

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

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

OFFICE OF COUNTY MAYOR

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

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

<u>Finding Number</u>	<u>Page Numbers</u>	<u>Subject</u>
12.04	219	Multiple employees operated from the same cash drawer

MAURY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion was issued on the financial statements of Maury County.
2. The audit of the financial statements of Maury County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Maury County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559) and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$377,408 threshold was used to distinguish between Type A and Type B federal programs.
9. Maury County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2013-001

THE RECEIPTING SOFTWARE USED BY THE OFFICE OF BUILDING AND ZONING INSPECTIONS DID NOT HAVE ADEQUATE APPLICATION CONTROLS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

- A. The software application did not provide a record of changes to previously issued receipts. Users had the ability to change information on receipts, leaving no evidence of the original receipts.
- B. The application allowed users to delete receipts without leaving an audit trail.
- C. Users could receipt collections to a previous date. This created a skip in the receipt numbers listed on the current-day's collection report. Because users could reset receipt numbers, it would be difficult to determine what caused the skip.
- D. The daily collections report did not display receipt numbers for adequate facilities tax collections.

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF BUILDING AND ZONING

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

OFFICE OF COUNTY CLERK

Background

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

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

FINDING 2013-002

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

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

FINDING 2013-003

A DEPUTY CLERK FORGED CUSTOMERS' SIGNATURES ON TITLE REGISTRATION FORMS AND SUBMITTED THE FORMS TO THE STATE DEPARTMENT OF REVENUE

(Noncompliance Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

FINDING 2013-004

EMPLOYEES OF THE COUNTY CLERK'S OFFICE MISREPRESENTED INFORMATION TO AUDITORS REGARDING CASH, AND SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

FINDING 2013-005

THE OFFICE USED GENERIC PRENUMBERED RECEIPTS WHEN CUSTOMERS REQUESTED A RECEIPT

(Noncompliance Under *Government Auditing Standards*)

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

RECOMMENDATION:

Official receipts should be issued for all collections.

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

FINDING 2013-006

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

FINDING 2013-007

INVENTORY RECORDS OF VEHICLE PLATES AND RENEWALS WERE NOT ACCURATE

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION:

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

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

FINDING 2013-008

A FRAUD REPORTING FORM WAS NOT FILED IN A TIMELY MANNER

(Noncompliance Under *Government Auditing Standards*)

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

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY CLERK

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

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

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

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

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

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

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

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

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

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

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT AND GENERAL SESSIONS COURTS CLERK

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

BEST PRACTICE

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

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

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

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

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