
ANNUAL FINANCIAL REPORT MAURY COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



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

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

MAURY COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Maury County, Tennessee
For the Year Ended June 30, 2012

Scope

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

Results

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

Our audit resulted in five 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 Practices

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

OFFICE OF COUNTY MAYOR

- ◆ The receipting software used by the Office of Zoning and Building Inspections did not have adequate application controls.
- ◆ The Solid Waste Department did not deposit some funds within three days of collection.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Time records of some employees were not signed by a supervisor.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

- ◆ Multiple employees operated from the same cash drawer.

OFFICE OF REGISTER OF DEEDS

- ◆ Duties were not segregated adequately.
-

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Maury County.

- Maury County should establish an Audit Committee.
- Maury County should adopt a central system of accounting, budgeting, and purchasing.

INTRODUCTORY SECTION

Maury County Officials
June 30, 2012

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 Kelly, Circuit and General Sessions Courts Clerk
Larry Roe, Jr., Clerk and Master
John Fleming, Register
Enoch George, Sheriff
James Bracken, Director of Accounts and Budgets
Dana Gibson, Director of Human Resources
Buddy Harlan, Purchasing Agent

Board of County Commissioners

Scott Cepicky, Chairman
Don Morrow
John Goodloe
Dr. Lucy Ledbetter
Talvin Barner
Gary Stovall
June Beckum
Kelly Powell
Mike Singleton
Andy Jackson
Gerald Adkison

Kim Willis
Ricky Sims
Linda Whiteside
Debbie Turner
Judy Vick
Jerry Dickey
Sonny Shackelford
William Roddy
Tommy Wolaver
Tom Primm
Davis Burkhalter

Board of Education

Shaw Daniels, Chairman
Victor Goodman
Jim Morrison
James Pennings
Jerry Lassiter

Loretta Goodloe
Steve Kindler
Joe Foster
Lee Clayborne
Tommy Dudley

Budget Committee

Jim Bailey, County Mayor
James Bracken, Director of Accounts and Budgets
Tommy Wolaver, Chairman
Sonny Shackelford

Kim Willis
Ricky Sims
John Goodloe
Andy Wilhoite

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
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INDEPENDENT AUDITOR'S REPORT

March 5, 2013

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

To the County Mayor and Board of County Commissioners:

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, 2012, which collectively comprise Maury County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Maury County's management. 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 97.3 percent and 98.8 percent, respectively, of the assets and revenues of the business-type activities. In addition, we did not audit the financial statements of the Maury County Board of Public Utilities Water System, which represent 18 percent and 3.6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units and the Maury County Emergency Communications District, which represent .9 percent and 1.4 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Maury Regional Hospital, Maury County Board of Public Utilities Water System, and Maury County Emergency Communications District, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

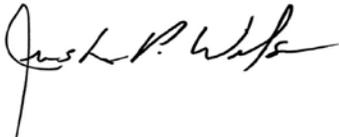
In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2013, on our consideration of Maury County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 97 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Maury County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the 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 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 the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end of the name.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Maury County School Department	Board of Public Utilities Water System	Emergency Communications District	
<u>ASSETS</u>							
Cash	\$ 174,746	\$ 29,233,452	\$ 29,408,198	\$ 1,415,359	\$ 3,510,416	\$ 761,413	0
Equity in Pooled Cash and Investments	23,048,648	3,374,544	26,423,192	8,527,596	0	0	0
Certificates of Deposit	0	631,538	631,538	0	0	0	0
Investments	0	594,982	594,982	0	2,955,278	0	0
Accounts Receivable	469,236	63,318,201	63,787,437	44,681	251,280	28,707	0
Allowance for Uncollectibles	0	(29,800,000)	(29,800,000)	0	0	0	0
Property Taxes Receivable	21,585,135	916,295	22,501,430	20,529,655	0	0	0
Allowance for Uncollectible Property Taxes	(1,189,248)	(50,483)	(1,239,731)	(1,131,097)	0	0	0
Accrued Interest Receivable	0	0	0	0	25,200	0	0
Due from Other Governments	1,205,152	38,697	1,243,849	2,568,572	0	0	0
Prepaid Items	229,756	2,505,020	2,734,776	0	0	0	0
Deferred Charges - Debt Issuance Costs	869,365	0	869,365	0	0	0	0
Inventories	0	5,207,222	5,207,222	0	92,838	0	0
Other	0	2,491,377	2,491,377	0	12,324	0	0
Assets Limited as to Use	0	34,063,511	34,063,511	0	0	0	0
Restricted Assets:							
Customer Deposits	0	0	0	0	34,360	0	0
Capital Assets:							
Assets Not Depreciated:							
Land	6,551,804	8,648,730	15,200,534	3,019,939	502,909	74,380	0
Intangibles	1,098,294	0	1,098,294	0	0	0	0
Construction in Progress	1,781,743	5,305,765	7,087,508	162,567	464,436	0	0
Assets Net of Accumulated Depreciation:							
Buildings and Improvements	28,756,882	78,593,873	107,350,755	101,407,595	146,007	421,403	0
Infrastructure	27,005,698	0	27,005,698	0	0	0	0
Other Capital Assets	1,312,133	30,977,410	32,289,543	4,439,237	23,678,789	215,606	0
Total Assets	\$ 112,899,344	\$ 236,050,134	\$ 348,949,478	\$ 140,984,104	\$ 31,673,837	\$ 1,501,509	0

(Continued)

Exhibit A

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

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communi- cations District	
Accounts Payable	\$ 4,475	\$ 19,287,987	\$ 19,292,462	\$ 1,637	\$ 2,850	\$ 9,215	
Accrued Payroll	0	5,162,984	5,162,984	0	0	23,376	
Payroll Deductions Payable	405,391	16,334	421,725	235,874	0	0	
Retainage Payable	0	0	0	0	16,218	0	
Contracts Payable	0	0	0	0	70,103	0	
Compensated Absences Payable	0	5,056,921	5,056,921	0	22,434	0	
Accrued Interest Payable	560,908	63,702	624,610	18,286	0	0	
Due to Litigants, Heirs, and Others	0	0	0	0	0	0	
Customer Deposits Payable	34,424	0	34,424	0	34,360	0	
Due to State of Tennessee	26,562	1,540	28,102	5,022	0	0	
Deferred Revenue - Current Property Taxes	19,802,458	862,954	20,665,412	18,834,147	0	0	
Noncurrent Liabilities:							
Due Within One Year	7,655,800	4,680,461	12,336,261	1,471,243	290,746	0	
Due in More Than One Year (net of unamortized premium on debt)	62,243,219	25,456,017	87,699,236	9,223,859	7,173,146	0	
Total Liabilities	\$ 90,733,237	\$ 60,588,900	\$ 151,322,137	\$ 29,790,068	\$ 7,609,857	\$ 32,591	

LIABILITIES

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Maury County School Department	Board of Public Utilities Water System	Emergency Communications District
<u>NET ASSETS</u>						
Invested in Capital Assets,						
Net of Related Debt	\$ 51,535,554	\$ 100,135,414	\$ 151,670,968	\$ 0	\$ 17,241,928	\$ 0
Invested in Capital Assets Restricted for:	0	1,666,168	1,666,168	109,029,338	0	711,389
Capital Projects	3,118,380	0	3,118,380	1,411,449	0	0
Debt Service	12,097,591	0	12,097,591	0	1,650,000	0
Highway/Public Works	2,411,861	0	2,411,861	0	0	0
Central Maintenance Garage	551,602	0	551,602	0	0	0
Drug Control	242,769	0	242,769	0	0	0
General Government	134,918	0	134,918	0	0	0
Finance	18,590	0	18,590	0	0	0
Administration of Justice	314,911	0	314,911	0	0	0
Public Safety	40,835	0	40,835	0	0	0
Public Health and Welfare	2,815	0	2,815	0	0	0
Central Cafeteria	0	0	0	1,926,544	0	0
Federal Projects	0	0	0	609,912	0	0
Other Purposes	0	0	0	6,964	0	0
Unrestricted	(48,303,719)	73,659,652	25,355,933	(1,790,171)	5,172,052	757,529
Total Net Assets	\$ 22,166,107	\$ 175,461,234	\$ 197,627,341	\$ 111,194,036	\$ 24,063,980	\$ 1,468,918

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

Exhibit B

Maury County, Tennessee
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										
	Program Revenues					Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Maury County School Department	Board of Public Utilities Water System		Emergency Communications District
						Governmental Activities	Business-type Activities		Public Utilities Water System	Emergency Communications District	
Primary Government:											
Governmental Activities:											
General Government	\$ 5,311,372	\$ 837,291	\$ 113,045	\$ 0	\$ (4,361,036)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,771,917	2,113,610	93,179	0	(565,128)	0	0	0	0	0	0
Administration of Justice	2,352,592	1,792,865	9,520	0	(550,207)	0	0	0	0	0	0
Public Safety	11,670,996	2,141,080	119,512	162,997	(9,247,407)	0	0	0	0	0	0
Public Health and Welfare	1,429,432	99,037	822,094	0	(508,301)	0	0	0	0	0	0
Social, Cultural, and Recreational Services	1,642,139	65,089	4,000	129,874	(1,443,176)	0	0	0	0	0	0
Agriculture and Natural Resources	166,768	0	0	0	(166,768)	0	0	0	0	0	0
Highway/Public Works	5,708,197	85,352	2,340,129	599,853	(2,682,863)	0	0	0	0	0	0
Education	1,687,041	893,648	0	0	(793,393)	0	0	0	0	0	0
Interest on Long-term Debt	2,625,058	0	95,947	0	(2,529,111)	0	0	0	0	0	0
Other Debt Service	501,642	0	0	0	(501,642)	0	0	0	0	0	0
Total Governmental Activities	\$ 35,867,154	\$ 8,027,972	\$ 3,597,426	\$ 892,724	\$ (23,349,032)	\$ 0	\$ (2,080)	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:											
Maury Regional Hospital	\$ 271,157,556	\$ 272,940,381	\$ 0	\$ 0	\$ 1,782,825	\$ 1,782,825	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal	4,038,235	2,253,330	0	0	(1,784,905)	(1,784,905)	0	0	0	0	0
Total Business-type Activities	\$ 275,195,791	\$ 275,193,711	\$ 0	\$ 0	\$ (2,080)	\$ (2,080)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 311,062,945	\$ 283,221,683	\$ 3,597,426	\$ 892,724	\$ (23,349,032)	\$ (2,080)	\$ (2,080)	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:											
Maury County School Department	\$ 99,805,770	\$ 2,896,467	\$ 15,718,686	\$ 935,144	\$ 0	\$ 0	\$ (80,255,473)	\$ 0	\$ 0	\$ 0	\$ 0
Board of Public Utilities Water System	3,179,514	3,597,910	0	0	0	0	0	418,396	0	0	0
Emergency Communications District	1,408,688	1,162,009	0	0	0	0	0	0	0	0	(246,679)
Total Component Units	\$ 104,393,972	\$ 7,656,386	\$ 15,718,686	\$ 935,144	\$ 0	\$ 0	\$ (80,255,473)	\$ 418,396	\$ 0	\$ (246,679)	\$ 0

(Continued)

Exhibit B

Maury County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Primary Government		Component Units			
					Governmental Activities	Business-type Activities	Maury County School Department	Board of Public Utilities Water System	Emergency Communications District	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes				\$ 17,058,659	\$ 926,851	\$ 17,985,510	\$ 20,546,276	\$ 0	\$ 0	0
Property Taxes Levied for Debt Service				4,495,635	0	4,495,635	0	0	0	0
Local Option Sales Tax				260,529	0	260,529	10,855,508	0	0	0
Hotel/Motel Tax				432,909	0	432,909	0	0	0	0
Wheel Tax				1,843,297	0	1,843,297	0	0	0	0
Litigation Tax - General				420,543	0	420,543	0	0	0	0
Litigation Tax - Jail				415,168	0	415,168	0	0	0	0
Business Tax				877,808	0	877,808	0	0	0	0
Mineral Severance Tax				99,831	0	99,831	0	0	0	0
Adequate Facilities/Development Tax				503,414	0	503,414	0	0	0	0
Wholesale Beer Tax				347,670	0	347,670	0	0	0	0
Interstate Telecommunications Tax				1,003	0	1,003	6,057	0	0	0
Grants and Contributions Not Restricted to Specific Programs				3,894,203	944,943	4,839,146	44,677,404	0	0	0
Unrestricted Investment Earnings				293,525	802,254	1,095,779	13,489	69,618	4,225	4,225
Miscellaneous				1,335,974	10,762,770	12,098,744	75,325	0	225,091	225,091
Total General Revenues				\$ 32,280,168	\$ 13,436,818	\$ 45,716,986	\$ 76,174,059	\$ 69,618	\$ 229,316	\$ 229,316
Change in Net Assets				\$ 8,931,136	\$ 13,434,738	\$ 22,365,874	\$ (4,081,414)	\$ 488,014	\$ (17,363)	(17,363)
Prior-period Adjustment				0	0	0	(756,072)	0	0	0
Net Assets, July 1, 2011				13,234,971	162,026,496	175,261,467	116,031,522	23,575,966	1,486,281	1,486,281
Net Assets, June 30, 2012				\$ 22,166,107	\$ 175,461,234	\$ 197,627,341	\$ 111,194,036	\$ 24,063,980	\$ 1,468,918	\$ 1,468,918

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, 2012

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 113	\$ 0	\$ 174,633	\$ 174,746
Equity in Pooled Cash and Investments	6,627,387	10,674,397	5,285,568	22,587,352
Accounts Receivable	306,202	42,978	98,188	447,368
Due from Other Governments	763,311	0	441,841	1,205,152
Due from Other Funds	0	213,704	0	213,704
Property Taxes Receivable	12,751,915	4,503,600	4,329,620	21,585,135
Allowance for Uncollectible Property Taxes	(702,576)	(248,129)	(238,543)	(1,189,248)
Prepaid Items	158,681	42,325	25,007	226,013
Total Assets	\$ 19,905,033	\$ 15,228,875	\$ 10,116,314	\$ 45,250,222
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 4,229	\$ 0	\$ 246	\$ 4,475
Payroll Deductions Payable	344,268	0	52,213	396,481
Due to Other Funds	213,704	0	0	213,704
Due to State of Tennessee	25,347	0	1,203	26,550
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	34,424	0	0	34,424
Deferred Revenue - Current Property Taxes	11,698,757	4,131,656	3,972,045	19,802,458
Deferred Revenue - Delinquent Property Taxes	311,053	109,826	105,614	526,493
Other Deferred Revenues	0	0	215,218	215,218
Total Liabilities	\$ 12,631,782	\$ 4,241,482	\$ 4,346,539	\$ 21,219,803
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Items	\$ 158,681	\$ 42,325	\$ 25,007	\$ 226,013
Restricted:				
Restricted for General Government	134,918	0	1,858,028	1,992,946
Restricted for Finance	18,590	0	0	18,590
Restricted for Administration of Justice	314,911	0	0	314,911
Restricted for Public Safety	40,835	4,513,640	242,769	4,797,244
Restricted for Public Health and Welfare	2,815	0	0	2,815
Restricted for Highways/Public Works	0	1,783,396	2,531,744	4,315,140
Restricted for Debt Service	0	4,648,032	0	4,648,032
Restricted for Other Purposes	0	0	937,594	937,594
Committed:				
Committed for General Government	756,211	0	0	756,211
Committed for Finance	25,057	0	133,362	158,419
Committed for Administration of Justice	0	0	41,271	41,271
Committed for Public Safety	63,803	0	0	63,803
Committed for Public Health and Welfare	9,229	0	0	9,229
Committed for Social, Cultural, and Recreational Services	10,778	0	0	10,778
Assigned:				
Assigned for General Government	79,253	0	0	79,253

(Continued)

Exhibit C-1

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

	<u>Major Funds</u>		<u>Nonmajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
	<u>General</u>	<u>Debt</u> <u>Service</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>				
<u>Fund Balances (Cont.)</u>				
<u>Assigned (Cont.):</u>				
Assigned for Finance	\$ 26,150	\$ 0	\$ 0	\$ 26,150
Assigned for Administration of Justice	449	0	0	449
Assigned for Public Safety	13,634	0	0	13,634
Assigned for Public Health and Welfare	656	0	0	656
Assigned for Social, Cultural, and Recreational Services	1,764	0	0	1,764
Assigned for Other Operations	41,182	0	0	41,182
Unassigned	5,574,335	0	0	5,574,335
Total Fund Balances	<u>\$ 7,273,251</u>	<u>\$ 10,987,393</u>	<u>\$ 5,769,775</u>	<u>\$ 24,030,419</u>
Total Liabilities and Fund Balances	<u>\$ 19,905,033</u>	<u>\$ 15,228,875</u>	<u>\$ 10,116,314</u>	<u>\$ 45,250,222</u>

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

Exhibit C-2

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 24,030,419
(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	1,781,743	
Add: buildings and improvements net of accumulated depreciation	28,756,882	
Add: infrastructure net of accumulated depreciation	27,005,698	
Add: other capital assets net of accumulated depreciation	1,312,133	
Less: capital assets of internal service funds that are also included in item (2) below	<u>(73,617)</u>	66,432,937
(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 assets.		551,602
(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	\$ (12,538,080)	
Less: other loans payable	(4,178,790)	
Less: bonds payable	(50,980,000)	
Add: deferred amount on refunding	1,603,605	
Add: deferred charges - debt issuance costs	869,365	
Less: compensated absences payable	(1,176,077)	
Less: accrued interest on bonds and notes	(560,908)	
Less: other deferred revenue - premium on debt	<u>(2,629,677)</u>	(69,590,562)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>741,711</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 22,166,107</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, 2012

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 16,922,051	\$ 7,395,119	\$ 4,953,980	\$ 29,271,150
Licenses and Permits	246,552	0	0	246,552
Fines, Forfeitures, and Penalties	296,097	0	175,899	471,996
Charges for Current Services	302,381	0	830,967	1,133,348
Other Local Revenues	949,364	295,708	60,462	1,305,534
Fees Received from County Officials	3,126,599	0	0	3,126,599
State of Tennessee	3,029,350	1,189,603	2,898,271	7,117,224
Federal Government	506,634	353	33,183	540,170
Other Governments and Citizens Groups	285,232	8,440	475	294,147
Total Revenues	<u>\$ 25,664,260</u>	<u>\$ 8,889,223</u>	<u>\$ 8,953,237</u>	<u>\$ 43,506,720</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 3,295,019	\$ 0	\$ 10,063	\$ 3,305,082
Finance	2,168,999	0	562,052	2,731,051
Administration of Justice	1,981,548	0	297,749	2,279,297
Public Safety	10,995,300	0	315,683	11,310,983
Public Health and Welfare	1,413,385	0	24,204	1,437,589
Social, Cultural, and Recreational Services	1,520,260	0	24,050	1,544,310
Agriculture and Natural Resources	160,995	0	0	160,995
Other Operations	1,548,768	0	62,772	1,611,540
Highways	0	0	5,579,584	5,579,584
Debt Service:				
Principal on Debt	128,079	6,169,210	0	6,297,289
Interest on Debt	11,527	2,862,267	0	2,873,794
Other Debt Service	0	501,642	0	501,642
Capital Projects	0	0	2,367,416	2,367,416
Capital Projects - Donated	0	0	855,247	855,247
Total Expenditures	<u>\$ 23,223,880</u>	<u>\$ 9,533,119</u>	<u>\$ 10,098,820</u>	<u>\$ 42,855,819</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>\$ 2,440,380</u>	<u>\$ (643,896)</u>	<u>\$ (1,145,583)</u>	<u>\$ 650,901</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 0	\$ 0	\$ 2,400,000	\$ 2,400,000
Refunding Debt Issued	0	24,995,000	0	24,995,000
Premiums on Debt Issued	0	2,379,110	0	2,379,110
Insurance Recovery	40,683	0	118,739	159,422
Transfers In	0	213,704	3,600	217,304
Transfers Out	(217,304)	0	0	(217,304)
Payments to Refunded Debt Escrow Agent	0	(27,158,605)	0	(27,158,605)
Total Other Financing Sources (Uses)	<u>\$ (176,621)</u>	<u>\$ 429,209</u>	<u>\$ 2,522,339</u>	<u>\$ 2,774,927</u>
Net Change in Fund Balances				
Fund Balance, July 1, 2011	\$ 5,009,492	\$ 11,202,080	\$ 4,393,019	\$ 20,604,591
Fund Balance, June 30, 2012	<u>\$ 7,273,251</u>	<u>\$ 10,987,393</u>	<u>\$ 5,769,775</u>	<u>\$ 24,030,419</u>

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 3,425,828
(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	\$ 6,534,670	
Less: current-year depreciation expense	<u>(5,181,921)</u>	1,352,749
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 284,190	
Less: loss on disposal of capital assets	<u>(20,469)</u>	263,721
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$ (913,194)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>741,711</u>	(171,483)
(4) The issuance of long-term debt (e.g., bonds, other loans, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (9,075,000)	
Less: bond proceeds	(18,320,000)	
Less: change in premium on debt issuances	(2,283,163)	
Add: change in deferred debt issuance costs	136,746	
Add: principal payments on bonds	3,185,000	
Add: principal payments on notes	2,883,079	
Add: principal payments on other loans	229,210	
Add: payment to refunding agent	<u>27,158,605</u>	3,914,477
(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	\$ 111,990	
Change in compensated absences payable	<u>(31,808)</u>	80,182
(6) Internal service funds are 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 funds is reported with governmental activities in the statement of activities.		<u>65,662</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 8,931,136</u>

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

Exhibit D-1

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

	Business-type Activities			Governmental
	Major	Nonmajor	Total	Activities -
	Fund	Fund		Internal
	Maury Regional Hospital	Solid Waste Disposal		Service Fund Central Maintenance Garage
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 29,233,252	\$ 200	\$ 29,233,452	\$ 0
Certificates of Deposit	631,538	0	631,538	0
Equity in Pooled Cash and Investments	0	3,374,544	3,374,544	461,296
Investments	594,982	0	594,982	0
Accounts Receivable	62,898,787	419,414	63,318,201	21,868
Allowance for Uncollectible Accounts	(29,800,000)	0	(29,800,000)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	865,812	865,812	0
Due from Other Governments	0	38,697	38,697	0
Inventories	5,207,222	0	5,207,222	0
Prepaid Items	2,497,302	7,718	2,505,020	3,743
Other	2,491,377	0	2,491,377	0
Total Current Assets	\$ 73,754,460	\$ 4,706,385	\$ 78,460,845	\$ 486,907
Noncurrent Assets:				
Assets Limited as to Use	\$ 34,063,511	\$ 0	\$ 34,063,511	\$ 0
Capital Assets:				
Assets not Depreciated:				
Land	7,830,363	818,367	8,648,730	25,000
Construction in Progress	5,305,765	0	5,305,765	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	78,335,360	258,513	78,593,873	41,760
Other Capital Assets	30,388,122	589,288	30,977,410	6,857
Total Noncurrent Assets	\$ 155,923,121	\$ 1,666,168	\$ 157,589,289	\$ 73,617
Total Assets	\$ 229,677,581	\$ 6,372,553	\$ 236,050,134	\$ 560,524
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 19,287,737	\$ 250	\$ 19,287,987	\$ 0
Accrued Payroll	5,162,984	0	5,162,984	0
Payroll Deductions Payable	0	16,334	16,334	8,910
Due to State of Tennessee	0	1,540	1,540	12
Compensated Absences Payable	5,003,612	53,309	5,056,921	0
Accrued Liability for Landfill Postclosure Care Cost	0	45,318	45,318	0
Accrued Interest Payable	63,702	0	63,702	0
Deferred Revenue - Current Property Taxes	0	862,954	862,954	0
Current Portion of Long-term Debt	4,635,143	0	4,635,143	0
Total Current Liabilities	\$ 34,153,178	\$ 979,705	\$ 35,132,883	\$ 8,922
Noncurrent Liabilities:				
Accrued Liability for Landfill Postclosure Care Cost	\$ 0	\$ 434,715	\$ 434,715	\$ 0
Other Long-term Liabilities	7,932,249	0	7,932,249	0
Bonds and Other Long-term Debt	17,089,053	0	17,089,053	0
Total Noncurrent Liabilities	\$ 25,021,302	\$ 434,715	\$ 25,456,017	\$ 0
Total Liabilities	\$ 59,174,480	\$ 1,414,420	\$ 60,588,900	\$ 8,922
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 100,135,414	\$ 0	\$ 100,135,414	\$ 0
Invested in Capital Assets	0	1,666,168	1,666,168	73,617
Unrestricted	70,367,687	3,291,965	73,659,652	477,985
Total Net Assets	\$ 170,503,101	\$ 4,958,133	\$ 175,461,234	\$ 551,602

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 Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
<u>Operating Revenues</u>				
Charges for Current Services	\$ 272,940,381	\$ 2,253,330	\$ 275,193,711	\$ 2,346,847
Other Local Revenues	10,333,743	255,868	10,589,611	7,246
Total Operating Revenues	<u>\$ 283,274,124</u>	<u>\$ 2,509,198</u>	<u>\$ 285,783,322</u>	<u>\$ 2,354,093</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 156,099,001	\$ 0	\$ 156,099,001	\$ 0
Other General Administration	0	0	0	2,274,858
Other Operations	10,256,483	0	10,256,483	0
Fees and Professional Services	27,522,882	0	27,522,882	0
Supplies and Other Expenses	60,064,491	0	60,064,491	0
Waste Pickup	0	64,140	64,140	0
Convenience Centers	0	914,750	914,750	0
Landfill Operation and Maintenance	0	2,711,375	2,711,375	0
Depreciation and Amortization Expense	16,396,008	269,255	16,665,263	13,573
Total Operating Expenses	<u>\$ 270,338,865</u>	<u>\$ 3,959,520</u>	<u>\$ 274,298,385</u>	<u>\$ 2,288,431</u>
Operating Income (Loss)	<u>\$ 12,935,259</u>	<u>\$ (1,450,322)</u>	<u>\$ 11,484,937</u>	<u>\$ 65,662</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 926,851	\$ 926,851	\$ 0
State Grants	0	88,027	88,027	0
Other Local Revenues - Nonrecurring	0	13,711	13,711	0
Contributions	856,916	0	856,916	0
Interest Income	802,254	0	802,254	0
Interest Expense	(818,691)	0	(818,691)	0
Minority Interest in Loss of Subsidiaries	159,448	0	159,448	0
Other	(78,715)	0	(78,715)	0
Total Nonoperating Revenues (Expenses)	<u>\$ 921,212</u>	<u>\$ 1,028,589</u>	<u>\$ 1,949,801</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	<u>\$ 13,856,471</u>	<u>\$ (421,733)</u>	<u>\$ 13,434,738</u>	<u>\$ 65,662</u>
Change in Net Assets	\$ 13,856,471	\$ (421,733)	\$ 13,434,738	\$ 65,662
Net Assets, July 1, 2011	156,646,630	5,379,866	162,026,496	485,940
Nets Assets, June 30, 2012	<u>\$ 170,503,101</u>	<u>\$ 4,958,133</u>	<u>\$ 175,461,234</u>	<u>\$ 551,602</u>

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

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

	Business-type Activities				Total	Governmental Activities - Internal Service Fund
	Major Fund	Normajor Fund	Solid Waste Disposal			
<u>Cash Flows from Operating Activities</u>						
Receipts from Customers and Users	\$ 273,600,091	\$ 2,222,263	\$ 275,822,354	\$ 275,822,354	\$ 2,437,587	
Other Cash Receipts (Payments)	9,761,405	229,975	9,991,380	9,991,380	7,246	
Payments to Suppliers	(92,614,271)	0	(92,614,271)	(92,614,271)	0	
Payments to Employees	(155,547,354)	0	(155,547,354)	(155,547,354)	0	
Central Maintenance Garage Activity - Uses	0	0	0	0	0	
Waste Collection and Disposal Activity - Uses	0	(3,730,437)	(3,730,437)	(3,730,437)	(2,273,857)	
Net Cash Provided By (Used In) Operating Activities	\$ 35,199,871	\$ (1,278,199)	\$ 33,921,672	\$ 33,921,672	\$ 170,976	
<u>Cash Flows from Capital and Related Financing Activities</u>						
Acquisition of Capital Assets	\$ (20,240,995)	\$ (155,523)	\$ (20,396,518)	\$ (20,396,518)	\$ 0	
Proceeds from Sale of Equipment	257,777	0	257,777	257,777	0	
Proceeds from Issuance of Long-term Debt	4,983,670	0	4,983,670	4,983,670	0	
Principal Payments on Long-term Debt	(8,718,259)	0	(8,718,259)	(8,718,259)	0	
Interest Paid on Long-term Debt	(1,035,261)	0	(1,035,261)	(1,035,261)	0	
Payment of Debt Issuance Costs	(42,622)	0	(42,622)	(42,622)	0	
Net Cash Provided By (Used In) Capital and Related Financing Activities	\$ (24,795,690)	\$ (155,523)	\$ (24,951,213)	\$ (24,951,213)	\$ 0	
<u>Cash Flows from Noncapital Financing Activities</u>						
Grants Received	\$ 0	\$ 88,027	\$ 88,027	\$ 88,027	\$ 0	
Local Taxes	0	930,019	930,019	930,019	0	
Contributions and Gifts	856,916	13,711	870,627	870,627	0	
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 856,916	\$ 1,031,757	\$ 1,888,673	\$ 1,888,673	\$ 0	
<u>Cash Flows from Investing Activities</u>						
Investment Income	\$ 802,254	\$ 0	\$ 802,254	\$ 802,254	\$ 0	
Purchase of Investments	(8,782,141)	0	(8,782,141)	(8,782,141)	0	
Proceeds from Maturities of Certificates of Deposit	(1,263,076)	0	(1,263,076)	(1,263,076)	0	
Purchase of Certificates of Deposit	4,255,839	0	4,255,839	4,255,839	0	
Contribution from Minority Shareholder	334,078	0	334,078	334,078	0	
Net Cash Provided By (Used In) Investing Activities	\$ (4,653,046)	\$ 0	\$ (4,653,046)	\$ (4,653,046)	\$ 0	
Net Increase (Decrease) in Cash	\$ 6,608,051	\$ (401,965)	\$ 6,206,086	\$ 6,206,086	\$ 170,976	
Cash, July 1, 2011	22,625,201	3,776,709	26,401,910	26,401,910	290,320	
Cash, June 30, 2012	\$ 29,233,252	\$ 3,374,744	\$ 32,607,996	\$ 32,607,996	\$ 461,296	

(Continued)

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

	Business-type Activities			Total	Governmental Activities - Internal Service Fund Central Maintenance Garage
	Major Fund	Normajor Fund	Solid Waste Disposal		
	\$ 12,935,259	\$ (1,450,322)	\$	\$ 11,484,937	\$ 65,662
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities					
Operating Income (Loss)					
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Depreciation and Amortization Expense	16,396,008	269,255		16,665,263	13,573
Provision for Uncollectible Accounts	31,190,961	0		31,190,961	0
(Increase) Decrease in Accounts Receivable	(31,612,532)	(30,529)		(31,643,061)	91,010
(Increase) Decrease in Due from Other Governments	0	(25,893)		(25,893)	0
(Increase) Decrease in Inventories	(160,470)	0		(160,470)	0
(Increase) Decrease in Prepaid Items	992,858	(538)		992,320	(270)
(Increase) Decrease in Other Assets	(372,691)	0		(372,691)	0
Increase (Decrease) in Accounts Payable	4,397,197	(243)		4,396,954	0
Increase (Decrease) in Payroll Deductions Payable	0	2,836		2,836	1,002
Increase (Decrease) in Postclosure Care Costs	0	(40,946)		(40,946)	0
Increase (Decrease) in Due to State of Tennessee	0	333		333	(1)
Increase (Decrease) in Other Long-term Liabilities	(27,183)	0		(27,183)	0
Increase (Decrease) in Accrued Leave	405,296	(2,152)		403,144	0
Increase (Decrease) in Accrued Expenses	1,055,168	0		1,055,168	0
Net Cash Provided By (Used In) Operating Activities	\$ 35,199,871	\$ (1,278,199)	\$	\$ 33,921,672	\$ 170,976
Reconciliation of Cash With the Statement of Net Assets					
Cash Per Net Assets	\$ 29,233,252	\$ 200	\$	\$ 29,233,452	\$ 0
Equity in Pooled Cash and Investments Per Net Assets	0	3,374,544		3,374,544	461,296
Cash, June 30, 2012	\$ 29,233,252	\$ 3,374,744	\$	\$ 32,607,996	\$ 461,296

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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,253,093
Investments	39,685
Accounts Receivable	672
Due from Other Governments	<u>1,701,709</u>
Total Assets	<u>\$ 3,995,159</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,701,709
Due to Litigants, Heirs, and Others	<u>2,293,450</u>
Total Liabilities	<u>\$ 3,995,159</u>

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

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

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 without county approval, 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 Maury County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Maury County Board of Public Utilities Water System 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
1018 South Garden Street
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 Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. 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, 2012.

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, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental 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 expenditures 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitations. Maury County has elected not to follow subsequent private-sector guidance.

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, and Net Assets or Equity

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 assets 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 and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including

collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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

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

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

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. 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) 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. **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, 45 employees retired and received sick leave payments totaling \$190,325. 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.

6. **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 Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, 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.

7. Net Assets and Fund Equity

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

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

As of June 30, 2012, Maury County had \$53,448,055 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 assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

8. Prior-period Adjustment

Capital assets of the discretely presented School Department were restated \$756,072 from the prior year because several items noted as construction in progress were under the capitalization threshold once completed.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented 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 Assets.

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

Primary Government

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

Discretely Presented 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 assets of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the

Constitutional Officers - Fees fund (special revenue fund), which is not budgeted and the capital projects funds (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, 2012, Maury County and the Maury County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Nonmajor Funds:		
Adequate Facilities/		
Development Tax	Investigations Building	\$ 482,267
Highway/Public Works	Bridge Construction	247,889
Other Capital Projects	Building Repair	219,404
School Department:		
Major Fund:		
General Purpose School	Books	442,325
Nonmajor Fund:		
School Cafeteria	Equipment	106,033

B. Pending Investigation

As of the date of this report, an ongoing investigation was being conducted at the Office of the Circuit and General Sessions Courts Clerk by the State of Tennessee Comptroller of the Treasury's Investigations Division. Findings, if any, will be released in a subsequent 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 General Fund:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Contribution to Other Agencies	\$ 2,904
Miscellaneous	406

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

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 assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets 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, 2012, Maury County (excluding the Maury Regional Hospital) had the following investments carried at cost. All investments are in the Constitutional Officers - Agency Fund and were made on behalf of litigants at the direction of a court order.

Investment	Maturities	Cost
Merrill Lynch	Daily	\$ 39,685

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, 2012, was as follows:

Primary Government (Excluding Maury Regional Hospital)

Governmental Activities (Includes Internal Service Fund):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
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	1,779,737	2,372,410	(2,370,404)	1,781,743
Total Capital Assets Not Depreciated	<u>\$ 9,429,835</u>	<u>\$ 2,372,410</u>	<u>\$ (2,370,404)</u>	<u>\$ 9,431,841</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 38,067,385	\$ 472,690	\$ (244,000)	\$ 38,296,075
Infrastructure	50,046,624	6,091,541	0	56,138,165
Other Capital Assets	11,266,119	252,623	(321,754)	11,196,988
Total Capital Assets Depreciated	<u>\$ 99,380,128</u>	<u>\$ 6,816,854</u>	<u>\$ (565,754)</u>	<u>\$ 105,631,228</u>

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

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,937,593	\$ 825,130	\$ (223,530)	\$ 9,539,193
Infrastructure	25,584,439	3,548,028	0	29,132,467
Other Capital Assets	9,384,274	822,336	(321,755)	9,884,855
Total Accumulated Depreciation	<u>\$ 43,906,306</u>	<u>\$ 5,195,494</u>	<u>\$ (545,285)</u>	<u>\$ 48,556,515</u>
Total Capital Assets Depreciated, Net	<u>\$ 55,473,822</u>	<u>\$ 1,621,360</u>	<u>\$ (20,469)</u>	<u>\$ 57,074,713</u>
Governmental Activities Capital Assets, Net	<u>\$ 64,903,657</u>	<u>\$ 3,993,770</u>	<u>\$ (2,390,873)</u>	<u>\$ 66,506,554</u>

Business-type Activities (Excluding Maury Regional Hospital):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 818,367	\$ 0	\$ 0	\$ 818,367
Total Capital Assets Not Depreciated	<u>\$ 818,367</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 818,367</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,266,752	\$ 67,200	\$ 0	\$ 1,333,952
Other Capital Assets	2,619,625	88,323	(64,621)	2,643,327
Total Capital Assets Depreciated	<u>\$ 3,886,377</u>	<u>\$ 155,523</u>	<u>\$ (64,621)</u>	<u>\$ 3,977,279</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,043,356	\$ 32,083	\$ 0	\$ 1,075,439
Other Capital Assets	1,881,488	237,172	(64,621)	2,054,039
Total Accumulated Depreciation	<u>\$ 2,924,844</u>	<u>\$ 269,255</u>	<u>\$ (64,621)</u>	<u>\$ 3,129,478</u>
Total Capital Assets Depreciated, Net	<u>\$ 961,533</u>	<u>\$ (113,732)</u>	<u>\$ 0</u>	<u>\$ 847,801</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,779,900</u>	<u>\$ (113,732)</u>	<u>\$ 0</u>	<u>\$ 1,666,168</u>

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

Governmental Activities:

General Government	\$	567,625
Finance		45,747
Administration of Justice		41,584
Public Safety		520,305
Public Health and Welfare		15,764
Social, Cultural, and Recreational Services		135,372
Agriculture and Natural Resources		5,860
Other Operations		12,637
Highways		<u>3,850,600</u>

Total Depreciation Expense - Governmental Activities	\$	<u>5,195,494</u>
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Business-type Activities:

Solid Waste Disposal	\$	<u>269,255</u>
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Discretely Presented Maury County School Department

Governmental Activities:

	*Restated Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 3,019,939	\$ 0	\$ 0	\$ 3,019,939
Construction in Progress	29,774,800	694,472	(30,306,705)	162,567
Total Capital Assets Not Depreciated	<u>\$ 32,794,739</u>	<u>\$ 694,472</u>	<u>\$ (30,306,705)</u>	<u>\$ 3,182,506</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 128,296,890	\$ 29,569,347	\$ (24,816)	\$ 157,841,421
Other Capital Assets	15,234,289	1,831,621	(776,977)	16,288,933
Total Capital Assets Depreciated	<u>\$ 143,531,179</u>	<u>\$ 31,400,968</u>	<u>\$ (801,793)</u>	<u>\$ 174,130,354</u>

Governmental Activities (Cont.):

	*Restated			
	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Less Accumulated Depreciation For: Buildings and Improvements	\$ 52,893,691	\$ 3,562,476	\$ (22,341)	\$ 56,433,826
Other Capital Assets	11,283,581	1,343,092	(776,977)	11,849,696
Total Accumulated Depreciation	<u>\$ 64,177,272</u>	<u>\$ 4,905,568</u>	<u>\$ (799,318)</u>	<u>\$ 68,283,522</u>
Total Capital Assets Depreciated, Net	<u>\$ 79,353,907</u>	<u>\$ 26,495,400</u>	<u>\$ (2,475)</u>	<u>\$ 105,846,832</u>
Governmental Activities Capital Assets, Net	<u>\$ 112,148,646</u>	<u>\$ 27,189,872</u>	<u>\$ (30,309,180)</u>	<u>\$ 109,029,338</u>

*See footnote I.D.8 for prior-period adjustment.

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

Governmental Activities:

Instruction	\$ 3,036,932
Support Services	1,695,494
Operation of Non-Instructional Services	<u>173,142</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,905,568</u>

C. Construction Commitments

At June 30, 2012, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately \$249,403 in the General Capital Projects Fund for the construction of a justice center, \$482,267 in the Adequate Facilities/Development Tax Fund for the Sheriff's Investigations Division building, and \$247,889 in the Highway/Public Works Fund for bridge construction. Funding has been received for these future expenditures.

At June 30, 2012, the discretely presented Maury County School Department had uncompleted construction contracts of approximately \$54,732 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, 2012, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	\$ 213,704
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental fund	102,658
Nonmajor governmental fund	General Purpose School	12
Nonmajor governmental fund	Nonmajor governmental fund	2,000

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

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

Primary Government

Transfers Out	Transfers In	
	General Debt Service	Nonmajor Governmental Fund
General Fund	\$ 213,704	\$ 3,600

Discretely Presented Maury County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 117,919

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to

finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Capital Leases

Discretely Presented Maury County School Department

On November 1, 2006, the discretely presented Maury County School Department entered into a seven-year lease-purchase agreement 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 lease payments are made by the General Purpose School Fund. 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, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 274,280
2014	274,280
Total Minimum Lease Payments	<u>\$ 548,560</u>
Less: Amount Representing Interest	<u>(37,111)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 511,449</u></u>

F. Long-term Debt

Primary Government (Excluding Maury Regional Hospital)

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 20 years for bonds, ten 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, 2012, will be retired from the General and General Debt Service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bond	3 to 5%	4-1-28	\$ 59,000,000	\$ 32,660,000
General Obligation Bonds - Refunding	1 to 4	4-1-20	18,320,000	18,320,000
Capital Outlay Notes	1.9 to 4.5	4-1-17	24,900,396	12,538,080
Other Loans	0 to 4.85	9-15-27	4,408,000	4,178,790

In the 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, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 3,605,000	\$ 1,804,032	\$ 5,409,032
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
2018-2022	19,305,000	4,531,725	23,836,725
2023-2027	10,750,000	1,792,562	12,542,562
2028	2,150,000	91,375	2,241,375
Total	\$ 50,980,000	\$ 14,480,844	\$ 65,460,844

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 2,958,080	\$ 429,996	\$ 3,388,076
2014	2,905,000	366,400	3,271,400
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	<u>\$ 12,538,080</u>	<u>\$ 1,338,996</u>	<u>\$ 13,877,076</u>

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2013	\$ 275,052	\$ 213,700	\$ 3,526	\$ 492,278
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
2018-2022	1,375,260	1,068,500	17,630	2,461,390
2023-2027	1,402,336	1,068,500	17,630	2,488,466
2028	25,934	1,617	888	28,439
Total	<u>\$ 4,178,790</u>	<u>\$ 3,207,117</u>	<u>\$ 53,778</u>	<u>\$ 7,439,685</u>

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

There is \$10,987,393 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$630, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$836, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2012, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2011	\$ 54,500,000	\$ 13,246,159
Additions	18,320,000	9,075,000
Reductions	<u>(21,840,000)</u>	<u>(9,783,079)</u>
Balance, June 30, 2012	<u>\$ 50,980,000</u>	<u>\$ 12,538,080</u>
Balance Due Within One Year	<u>\$ 3,605,000</u>	<u>\$ 2,958,080</u>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2011	\$ 4,408,000	\$ 1,144,269
Additions	0	1,176,718
Reductions	<u>(229,210)</u>	<u>(1,144,910)</u>
Balance, June 30, 2012	<u>\$ 4,178,790</u>	<u>\$ 1,176,077</u>
Balance Due Within One Year	<u>\$ 275,052</u>	<u>\$ 817,668</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 68,872,947
Less: Due Within One Year	(7,655,800)
Add: Unamortized Premium on Debt	2,629,677
Less: Deferred Amount on Refunding	<u>(1,603,605)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 62,243,219</u>

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

Advance Refunding

On May 23, 2012, Maury County advance refunded a capital outlay note and several general obligation bond issues with separate capital outlay note and general obligation bond issues. The county issued \$18,320,000 of general obligation refunding bonds and \$6,675,000 of refunding capital outlay notes to provide resources to purchase U. S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds and note are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service

payments over the next eight years will be reduced by \$1,479,231, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds and notes) of \$1,381,968 was obtained.

Maury County Solid Waste Disposal Fund (Enterprise Fund)

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2012, was as follows:

Business-type Activities:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2011	\$ 520,979
Reductions	<u>(40,946)</u>
Balance, June 30, 2012	<u>\$ 480,033</u>
Balance Due Within One Year	<u>\$ 45,318</u>

Discretely Presented Maury County School Department

Notes

Maury County issues capital outlay notes on-behalf of the School Department to fund capital facilities and other capital outlay purchases such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for original terms of up to seven years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2012, will be retired from the General Purpose School Fund.

Capital outlay notes and capital leases outstanding as of June 30, 2012, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-12</u>
Capital Outlay Notes	3 %	2-1-14	\$ 500,000	\$ 153,562
Capital Leases	4.8	11-1-13	1,598,657	511,449

The annual requirements to amortize all notes outstanding as of June 30, 2012, including interest payments, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 75,646	\$ 4,607	\$ 80,253
2014	77,916	2,337	80,253
Total	<u>\$ 153,562</u>	<u>\$ 6,944</u>	<u>\$ 160,506</u>

Debt per capita, including notes and capital leases totaled \$8, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Maury County School Department for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Notes	Capital Leases
Balance, July 1, 2011	\$ 227,005	\$ 749,742
Reductions	(73,443)	(238,293)
Balance, June 30, 2012	<u>\$ 153,562</u>	<u>\$ 511,449</u>
Balance Due Within One Year	<u>\$ 75,646</u>	<u>\$ 249,731</u>

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 3,741,748	\$ 4,269,843
Additions	1,075,535	3,384,500
Reductions	(1,112,490)	(1,329,045)
Balance, June 30, 2012	<u>\$ 3,704,793</u>	<u>\$ 6,325,298</u>
Balance Due Within One Year	<u>\$ 1,145,866</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 10,695,102
Less: Due Within One Year	<u>(1,471,243)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,223,859</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, 2012, were \$368,018 and \$79,228, 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, 2012, was as follows:

	Balance			Balance
	7-1-11	Issued	Paid	6-30-12
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 (LWCF), 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 LWCF provides for it to be self-sustaining through member premiums. The LWCF 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. Subsequent Events

On October 30, 2012, 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.

Director of Accounts and Budgets James Bracken left office on August 14, 2012, and was succeeded by Theresa Weber effective December 3, 2012.

C. Contingent Liabilities

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

D. Landfill Closure/Postclosure Care Costs

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 \$480,033 reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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, 2012, Maury County contributed no funds 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

F. 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, 2012.

G. 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, 2012, was 7.49 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the county's annual pension cost of \$1,847,830 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of

2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 11 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$1,847,830	100%	\$0
6-30-11	1,966,864	100	0
6-30-10	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, 2012, was 9.05 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, 2012, 2011, and 2010, were \$3,991,322, \$3,985,250, and \$2,790,762, 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.

H. 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.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops 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, 2012, the discretely presented Maury County School Department made contributions totaling \$1,329,045 for postemployment benefits.

	Local Education Group Plan
	<hr/>
ARC	\$ 3,395,000
Interest on the NPO	170,794
Adjustment to the ARC	(181,294)
Annual OPEB cost	<hr/> \$ 3,384,500
Amount of contribution	(1,329,045)
Increase/decrease in NPO	<hr/> \$ 2,055,455
Net OPEB obligation, 7-1-11	<hr/> 4,269,843
Net OPEB obligation, 6-30-12	<hr/> <hr/> \$ 6,325,298

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 2,178,122	60 %	\$ 3,444,721
6-30-11	"	2,208,184	63	4,269,843
6-30-12	"	3,384,500	39	6,325,298

Funded Status and Funding Progress

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

	Local Education Group Plan
	<hr/>
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 Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 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 June 30, 2008.

I. 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.

J. 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, Maury, Perry, Wayne, and Williamson counties.

The combined financial statements include the accounts 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.

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

Spring Hill Imaging Center, LLC (the Imaging Center), 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, and a minority interest in the cumulative losses has been recognized as a receivable in the accompanying combined balance sheets, which represents the interests of physicians and other investors.

Maury Regional Healthcare Foundation is a not-for-profit organization formed in 2007 to coordinate the fundraising activities of the hospital.

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*. The hospital adopted the provisions of this statement during fiscal year 2011. The adoption did not have a material impact on the combined financial statements.

Recently Issued or Effective Accounting Pronouncements – In November 2010, the GASB issued statement No. 61, *The Financial Reporting Entity*:

Omnibus. The statement is effective for the financial statement periods beginning after June 15, 2012 and amends statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement modifies certain requirements for inclusion of components units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary governments in certain circumstances. Management of the hospital is evaluating the impact of this statement on the combined financial statements.

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 new 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. This statement will be effective in fiscal year 2013 for the hospital and is not expected to materially impact 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 reclassifying 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 August 2010, FASB issued Accounting Standard Update 2010-23, *Measuring Charity Care for Disclosure*, that amends Topic 954, *Health Care Entities*. This update provides amendments that require cost to be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. The amendments in this update also require disclosure of the method used to identify or determine such costs. This update was effective for the 2012 fiscal year and was applied retrospectively to 2011. Adoption of this update by the hospital required additional disclosure in the combined financial statements.

Also, in August 2010, FASB issued Accounting Standard Update 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which provides amendments that clarify that a healthcare entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. Prior to this update, healthcare entities were permitted to net insurance recoveries against the accrual of malpractice claims or similar liabilities. This update was adopted in 2012 by the hospital, and there was no significant impact upon adoption.

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 for 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 in debt and equity securities 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.

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, 2012.

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 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 2013.

Net Assets – Net assets 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 assets are remaining net 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 Assets 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. Certain combined entities are taxable for federal purposes and account for income taxes in accordance with FASB ASC 740, *Income Taxes*. Due to current-year and prior-year operating losses, no tax expense or benefit has been recognized in the accompanying combined financial statements.

Subsequent Events – The hospital evaluated all events or transactions that occurred after June 30, 2012 through October 10, 2012, the date the combined financial statements were available to be issued. Management did not note any subsequent events that required recognition or disclosure in the combined financial statements at June 30, 2012.

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 have 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 2013. Net patient service revenue for the years ended June 30, 2012 (decreased) by approximately (\$600,000) 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 \$11,600,000 of net patient accounts receivable are due from the Medicare program at June 30, 2012.

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, 2012.

During 2012, the hospital received an additional distribution under the TennCare Essential Access, federal matching, and other programs totaling approximately \$1,080,000. Future distributions under these programs are not guaranteed. During 2012, the hospital received and recognized approximately \$2,600,000 from Medicare and \$760,000 from TennCare related to the implementation and meaningful use of electronic medical records as provided by the Health Information Technology for Economics and Clinical Health (HITECH) Act. These amounts are subject to audit and adjustment. Any future payments under this program are expected to be at a lesser amount

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

Charity Care – The hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue. The estimated direct and indirect cost of providing these services totaled approximately \$4,230,000 in 2012. 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, 2012:

Patient Service Charges	\$ 753,344,422
Less: Estimated Contractual Adjustments	(436,460,994)
Less: Estimated Provision for Bad Debts	(31,190,961)
Less: Charity Care	<u>(12,752,086)</u>
Total	<u><u>\$ 272,940,381</u></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 balance sheets is as follows:

Deposits	\$ 35,842,426
Investments	<u>28,680,857</u>
Total	<u><u>\$ 64,523,283</u></u>

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

Cash and Cash Equivalents	\$ 29,233,252
Certificates of Deposit	631,538
Investments	594,982
Assets Limited As to Use	<u>34,063,511</u>
Total	<u><u>\$ 64,523,283</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). Certificates of deposit in excess of the FDIC insurance limit must be issued by a bank that is a member of the Certificate of Deposit Account Registry Service.

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, 2012, the hospital's bank balances for deposits totaled \$38,778,457, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Deposits totaling \$6,982,467 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:

<u>Investment Type</u>	<u>Maturity</u>	<u>Amount</u>
Mutual Funds - Fixed Income	Less than 1 year	\$ 4,499,441
Mutual Funds - Equity	N/A	371,572
Government Agency Bonds	1 to 5 years	18,129,575
Corporate Bonds	Less than 1 year	504,950
Corporate Bonds	1 to 5 years	<u>5,175,319</u>
Total		<u>\$ 28,680,857</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 AA. Mutual fund's underlying investments must meet the same credit ratings as other investments. At June 30, 2012, all the hospital's investments in corporate bonds were rated at least AA 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 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, 2012, is as follows:

	Balance 7-1-11	Additions/ Transfers	Retirements	Balance 6-30-12
Capital Assets Depreciated:				
Land Improvements	\$ 5,556,184	\$ 0	\$ 0	\$ 5,556,184
Buildings	167,858,578	4,272,457	0	172,131,035
Equipment	140,564,575	11,998,756	(3,448,175)	149,115,156
Total Capital Assets Depreciated	\$ 313,979,337	\$ 16,271,213	\$ (3,448,175)	\$ 326,802,375
Less Accumulated Depreciation For:				
Land Improvements	\$ 3,715,609	\$ 191,185	\$ 0	\$ 3,906,794
Buildings	86,497,691	7,297,984	0	93,795,675
Equipment	114,883,686	8,658,404	(3,165,666)	120,376,424
Total Accumulated Depreciation	\$ 205,096,986	\$ 16,147,573	\$ (3,165,666)	\$ 218,078,893
Total Capital Assets Depreciated, Net	\$ 108,882,351	\$ 123,640	\$ (282,509)	\$ 108,723,482
Capital Assets Not Depreciated:				
Land	\$ 6,265,880	\$ 1,564,483	\$ 0	\$ 7,830,363
Construction in Progress	2,900,466	2,405,299	0	5,305,765
Total Capital Assets Not Depreciated	\$ 9,166,346	\$ 3,969,782	\$ 0	\$ 13,136,128
Total Capital Assets, Net	\$ 118,048,697	\$ 4,093,422	\$ (282,509)	\$ 121,859,610

During 2012, the hospital capitalized interest expense on construction projects totaling approximately \$197,000. Construction in progress at June 30, 2012, consisted primarily of facility renovations, and the total estimated costs required to complete construction in progress is approximately \$1,300,000.

F. Long-term Debt

Long-term debt consists of the following as of June 30, 2012:

Bonds Payable

Series 2012B, Maury County General Obligation Bond 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. \$ 4,605,000

Series 2006B, Maury County General Obligation Bond 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. 2,570,000

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. 12,680,000

Bonds Payable (Cont.)

Series 2005, Maury County General Obligation Bonds rate of 3.5%, with final payment due June 30, 2013.	\$ 280,000
Total bonds payable	<u>\$ 20,135,000</u>
Plus unamortized gain on bond refunding	\$ 107,391
Plus premium on bond refunding	283,522
Total bonds payable, net of unamortized loss and premiums	<u>\$ 20,525,913</u>
 <u>Other Long-term Debt</u>	
Notes payable with interest rates ranging from 0% to 6.29%, maturing through January 2014, and secured by equipment and property with a net book value of \$1,027,441 at June 30, 2012.	\$ 407,650
Line of credit with interest rate of 5.25% due in 2015, maximum available of \$775,000.	703,318
Capital lease obligations - see Note H	<u>87,315</u>
Total other long-term debt	<u>\$ 1,198,283</u>
 Total debt	 \$ 21,724,196
Less: current portion	<u>4,635,143</u>
 Total long-term debt	 <u>\$ 17,089,053</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 has been deferred and reported as a component of bonds payable. The deferred gain will be recognized in operations in future years 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, 2012 (including the capital lease obligations and excluding unamortized premiums and gain on refunding) follows:

Year Ending June 30	Principal	Interest
2013	\$ 4,635,143	\$ 796,294
2014	4,199,822	670,371
2015	2,438,318	517,187
2016	1,735,000	402,963
2017	1,740,000	325,663
2017-2021	<u>6,585,000</u>	<u>640,157</u>
Total	<u>\$ 21,333,283</u>	<u>\$ 3,352,635</u>

A schedule of changes in long-term debt for the year ended June 30, 2012, follows:

	Balance 7-1-11	Additions/ Amortization	Payments/ Maturities	Balance 6-30-12	Amounts Due Within One Year
Bonds payable	\$ 23,945,000	\$ 4,605,000	\$ (8,415,000)	\$ 20,135,000	\$ 4,135,000
Unamortized gain (loss) on refunding	(106,203)	147,218	66,376	107,391	0
Unamortized premiums	785,871	(108,213)	(394,136)	283,522	0
Other long-term debt	<u>1,086,967</u>	<u>414,575</u>	<u>(303,259)</u>	<u>1,198,283</u>	<u>500,143</u>
Total	<u>\$ 25,711,635</u>	<u>\$ 5,058,580</u>	<u>\$ (9,046,019)</u>	<u>\$ 21,724,196</u>	<u>\$ 4,635,143</u>

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, 2012, 113 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 2012 was \$728,000. The hospital’s net pension obligation to the plan for 2012 was zero. The annual required contribution for the current year was determined as part of the May 1, 2012, 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
4-30-10	\$ 785,010	100%	\$ 0
4-30-11	752,987	100	0
4-30-12	728,000	100	0

A schedule of funding progress for the plan follows:

Actuarial Valuation Date	5-1-10*	5-1-11*	5-1-12*
Actuarial Value of Assets	\$ 39,793,024	\$ 40,609,452	41,072,361
Actuarial Accrued Liability (AAL)	\$ 43,271,426	\$ 43,936,214	45,825,802
Unfunded AAL	\$ 3,478,402	\$ 3,326,762	4,753,441
Funded Ratio	92.0%	92.4%	89.6%
Covered Payroll	\$ 5,423,206	\$ 5,061,006	5,236,422
UAAL As a % of Covered Payroll	64.1%	65.7%	90.8%

*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, 2012, totaled approximately \$4,270,000.

H. Leases

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 7.03 percent to 15.7 percent. A summary of the leased equipment, which is included in property, plant, and equipment, at June 30, 2012, is as follows:

Equipment Acquired Under Capital Leases	\$ 290,975
Less: Accumulated Depreciation	<u>(196,496)</u>
Total	<u><u>\$ 94,479</u></u>

The following is a schedule of the future minimum lease payments required under capital leases as of June 30, 2012:

<u>Year Ending June 30</u>	<u>Amount</u>
2013	\$ 83,779
2014	<u>9,899</u>
Total Minimum Lease Payments	\$ <u>93,678</u>
Less: Amount Representing Interest	<u>(6,363)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 87,315</u></u>

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$3,910,000 for the year ended June 30, 2012. Future minimum lease commitments for all significant non-cancelable operating leases are as follows:

Year Ending June 30	Amount
2013	\$ 2,469,210
2014	1,358,984
2015	1,231,141
2016	690,487
2017	<u>65,295</u>
Total	<u>\$ 5,815,117</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 \$1,210,000 for the year ended June 30, 2012. Future minimum lease commitments to the hospital for all significant non-cancelable operating leases are as follows:

Year Ending June 30	Amount
2013	\$ 879,948
2014	320,719
2015	<u>1,764</u>
Total	<u>\$ 1,202,431</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. The annual lease expense under the first renewal consists of a base rent of \$175,000 and an annual capital improvement commitment of \$175,000. 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 in the aggregate 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 \$640,000 at June 30, 2012. 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, 2012. 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 \$1,600,000 at June 30, 2012. 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 \$250,000 at June 30, 2012, 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 2013.

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 health care 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 book 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 obligation bonds of Maury County, is \$20,566,553 at June 30, 2012.

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 on Level 1 at June 30, 2012.

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. Accounting Method

The system generally uses the accrual basis of accounting, except that revenue from water sales is recognized when billed.

The system applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

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.

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, 2012. Restricted assets are not treated as part of the entity's cash and cash equivalents.

6. 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.

7. Inventory

The water 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	\$ 254,245
30 Days Past Due	(7,347)
60 Days Past Due	(3,188)
90 Days Past Due	<u>7,570</u>
Total	<u>\$ 251,280</u>

Bad debts are determined and written-off only by direct action of the system's board. The amount of \$5,247 was written-off for 2012.

C. Deposits and Investments

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, 2012, 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; and 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, 2012, included \$34,360 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, 2012, was as follows:

	Balance 7-1-11	Additions	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	\$ 449,010	\$ 53,899	\$ 502,909
Construction in Progress	83,913	380,523	464,436
Total Capital Assets Not Depreciated	\$ 532,923	\$ 434,422	\$ 967,345
Capital Assets Depreciated:			
Building	\$ 233,477	\$ 0	\$ 233,477
Water Grid and Improvements	29,065,438	374,529	29,439,967
Equipment and Fixtures	703,378	74,859	778,237
Total Capital Assets Depreciated	\$ 30,002,293	\$ 449,388	\$ 30,451,681
Less Accumulated Depreciation For:			
Building	\$ 80,213	\$ 7,257	\$ 87,470
Water Grid and Improvements	5,350,833	574,326	5,925,159
Equipment and Fixtures	564,836	49,420	614,256
Total Accumulated Depreciation	\$ 5,995,882	\$ 631,003	\$ 6,626,885
Total Capital Assets Depreciated, Net	\$ 24,006,411	\$ (181,615)	\$ 23,824,796
Business-type Activities Capital Assets, Net	\$ 24,539,334	\$ 252,807	\$ 24,792,141

G. Accrued Leave

Accumulated annual leave at June 30, 2012, totaled \$22,434. 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; and 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 three 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, 2012:

Bonds Payable

Series 2006, State Revolving Loan Fund: DWSRF 05-065: The principal will be amortized over 20 years with monthly payments of \$21,623 and an interest rate of 2.42% \$ 3,306,121

Series 2008, State Revolving Loan Fund: DWSRF 07-072: The principal will be amortized over 20 years with monthly payments of \$8,679 and an interest rate of 2.42% 1,392,324

Series 2006, USDA Rural Development Loan: The principal will be amortized over 38 years with monthly payments of \$12,615 and an interest rate of 4.125% 2,765,447

Total bonds payable \$ 7,463,892

Less current portion \$ (290,746)

Total long-term bonds payable \$ 7,173,146

Business-type Activities - Bonds Payable

Beginning Balance 7-1-11	Reductions	Ending Balance 6-30-12	Due Within One Year
<u>\$ 7,747,045</u>	<u>\$ (283,153)</u>	<u>\$ 7,463,892</u>	<u>\$ 290,746</u>

The principal and interest requirements for outstanding bonds as of June 30, 2012, are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 290,746	\$ 224,258	\$ 515,004
2014	298,525	216,479	515,004
2015	306,527	208,477	515,004
2016	314,743	200,261	515,004
2017	323,237	191,767	515,004
2018 & thereafter	5,930,114	2,285,312	8,215,426
Total	\$ 7,463,892	\$ 3,326,554	\$ 10,790,446

J. Subsequent Events

The system considers events and transactions that occur after the statement of net assets, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require disclosure. Subsequent events have been evaluated through September 6, 2012, which is the date the financial statements were issued for the system.

VIII. OTHER NOTES – DISCRETELY PRESENTED MAURY COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Nature of Activities

The Maury County Emergency Communications District is a nonprofit organization, established under Tennessee law. The district was organized to provide Emergency 911 services to the residents of Maury County. While 911 has been in use for several years for emergency services, the Enhanced 911 was adopted for Maury County by public referendum on August 4, 1988. The voters of Maury County voted for E911 with an approval majority of 92 percent. Although the district is considered a municipality under its enabling legislation, it cannot levy or collect taxes, and the charges for services shall not be considered or classified as taxes. The district is managed by a volunteer board of directors who are appointed by the district's primary government.

The district is a discretely presented component unit of Maury County, Tennessee, and the financial statements are presented in both the district's separate financial report and within the Maury County, Tennessee financial report. The district is considered a discretely presented component unit of Maury County as defined under the criteria set forth in Governmental Accounting Standards Board

Statement No. 14, because the district would be unable to issue debt without going through Maury County, Tennessee.

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

The district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this basis, revenues are recorded when earned, and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends. With this measurement focus, all assets and all liabilities associated with the operations are included in the Statement of Net Assets. Net assets (i.e. total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components. As of June 30, 2012, the district had no debt that related to the aforementioned categories.

The Governmental Accounting Standards Board (GASB) exercises jurisdiction over accounting and financial reporting for governments. The Financial Accounting Standards Board (FASB) exercises jurisdiction over private enterprises and nonprofits. The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts to follow option one of GASB Statement No. 20. This option requires the district to follow only GASB guidance after November 30, 1989, and not to follow any FASB guidance after that date.

3. **Use of Estimates**

Preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

4. **Cash and Cash Equivalents**

For purposes of the Statement of Net Assets and the Statement of Cash Flows, Maury County Emergency Communications District considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

5. **Capital Assets**

Capital assets are defined by the district as assets with an initial cost of more than \$500 and an estimated useful life in excess of one year.

Additions to capital assets are recorded at acquisition cost or estimated market value at the date of donation in the case of donated property. Depreciation and amortization are provided for in amounts sufficient to relate the cost of the assets to operations over their estimated service lives using the straight-line method of depreciation. Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Years</u>
Building and Improvements	10 - 40
Furniture and Fixtures	7
Office Equipment	5 - 10
Communications Equipment	5 - 10
Vehicles	5

6. Income Taxes

Maury County Emergency Communications District is a tax-exempt organization under Section 115 of the Internal Revenue Code and, accordingly, no provision for federal income taxes has been made.

7. Operating Revenues and Expenses

The district distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a district's principal ongoing operations. The principal operating revenues of the district are emergency telephone service charges to residents for providing emergency 911 services. Operating expenses include payroll expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

8. Budgetary Data

The district is required by state statute to adopt an annual budget. The annual budget is prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenses must be presented at the legal level of control, which is defined to be at the line-item level. The district utilizes cash basis accounting for the budget as depreciation is not budgeted, and outlays for capital items are budgeted as expenses. Therefore, the budget is not intended to be presented in accordance with generally accepted accounting principles. The budget may be amended by the board as conditions warrant throughout the year.

9. Compensated Absences

It is the policy of the district that unused leave at the end of a fiscal year does not carry over to the next year. Vacation and sick leave expenditures are recognized when paid. Therefore, no accrual for accumulated unpaid leave is necessary.

B. Cash and Depository Collateral

The district's current policies limit deposits of funds to accounts with commercial banks, which are required to pledge securities as collateral for the deposits should they be in excess of Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. The financial institution used by the district is a participant in the Tennessee Collateral Pool, which was established to provide security for public funds deposits in excess of FDIC coverage. At year-end, the district's deposits of cash and certificates of deposit were fully insured by the FDIC or collateralized by the Tennessee Collateral Pool.

State statutes authorize the district to invest in (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federal chartered banks and savings and loan associations, (3) the Local Government Investment Pool of the State of Tennessee, and (4) obligations of the United States or its agencies under repurchase agreements with certain restrictions.

The district has not adopted formal deposit or investment policies for exposure to various forms of risks associated with its deposit and investment practices, other than to follow the State of Tennessee statutes as described above.

C. Certificates of Deposit

At June 30, 2012, certificates of deposit were as follows:

	<u>Amount</u>
First Farmers and Merchants Bank, .35% maturing November 2, 2012	\$ 150,000
First Farmers and Merchants Bank, .7% maturing September 14, 2012	101,200
First Farmers and Merchants Bank, .7% maturing September 14, 2012	101,200
First Farmers and Merchants Bank, .6% maturing September 14, 2012	<u>50,600</u>
Total	<u>\$ 403,000</u>

D. Accounts Receivable

The following schedule reflects the components of accounts receivable as of June 30, 2012:

	<u>Amount</u>
Emergency Telephone Service Charges	\$ 28,707

E. Capital Assets

Capital assets activity for the year ended June 30, 2012, is presented below:

	<u>Balance</u> <u>7-1-11</u>	<u>Additions</u>	<u>Balance</u> <u>6-30-12</u>
Capital Assets Not Depreciated:			
Land	\$ 74,380	\$ 0	\$ 74,380
Total Capital Assets Not Depreciated	<u>\$ 74,380</u>	<u>\$ 0</u>	<u>\$ 74,380</u>
Capital Assets Depreciated:			
Building	\$ 494,705	\$ 0	\$ 494,705
Office Equipment	32,010	700	32,710
Furniture and Fixtures	4,662	975	5,637
Communications Equipment	493,214	1,191	494,405
Vehicles	26,247	0	26,247
Total Capital Assets Depreciated	<u>\$ 1,050,838</u>	<u>\$ 2,866</u>	<u>\$ 1,053,704</u>
Less Accumulated Depreciation For:			
Building	\$ 60,934	\$ 12,368	\$ 73,302
Office Equipment	6,165	1,514	7,679
Furniture and Fixtures	1,582	467	2,049
Communications Equipment	258,102	50,245	308,347
Vehicles	20,239	5,079	25,318
Total Accumulated Depreciation	<u>\$ 347,022</u>	<u>\$ 69,673</u>	<u>\$ 416,695</u>
Total Capital Assets Depreciated, Net	<u>\$ 703,816</u>	<u>\$ (66,807)</u>	<u>\$ 637,009</u>
Business-type Activities Capital Assets, Net	<u>\$ 778,196</u>	<u>\$ (66,807)</u>	<u>\$ 711,389</u>

Depreciation charged to expense for the current year totaled \$69,673.

F. Accrued Expenses

Accrued expenses at June 30, 2012, consisted of the following:

	<u>Amount</u>
Accrued payroll	\$ 19,002
Accrued payroll taxes	<u>4,374</u>
Total	<u><u>\$ 23,376</u></u>

G. Major Revenue Source

Revenue for operation and maintenance of the Maury County Emergency Communications District is generated by a surcharge placed on residential and business phone lines. The surcharge is collected by AT&T Telephone Company and remitted to the district monthly less a three percent administrative fee. In the current year, revenue from AT&T Telephone Company represented approximately 29 percent of total operating revenue. The Tennessee Emergency Communications Board collects the revenue from wireless phone users and distributes 25 percent of funds to the Emergency Communications Districts based on the proportion of the population of each district to that of the state according to the latest census. The Tennessee Emergency Communications Board also distributes additional amounts as part of the operational funding program to assist districts with the basic costs of 911 service.

H. Pension Expense

Plan Description

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

Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in

Title 8, Chapters 34-37 of the *Tennessee Code Annotated (TCA)*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Maury County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The Maury County Emergency Communications District requires employees to contribute five percent of earnable compensation. The Maury County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 9.92 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Maury County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the Maury County Emergency Communications District's annual pension cost of \$71,251 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases to 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation of salaries), (d) projected 3.5 percent annual increase in the social security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 16 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$ 71,251	100 %	\$ 0
6-30-11	68,581	100	0
6-30-10	59,467	100	0

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 73.93 percent funded. The actuarial accrued liability for benefits was \$.72 million, and the actuarial value of assets was \$.54 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.19 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.62 million, and the ratio of the UAAL to the covered payroll was 30.25 percent.

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

The annual required contribution was calculated using the aggregate cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

I. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2012, the district was insured against potential losses associated with these risks through the purchase of commercial insurance for management liability and through a blanket general liability policy purchased by Maury County. There have been no losses in excess of insurance coverage during the last three years.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 16,922,051	\$ 0	\$ 0	\$ 16,922,051	\$ 16,228,412	\$ 16,228,412	\$ 693,639
Licenses and Permits	246,552	0	0	246,552	236,500	236,500	10,052
Fines, Forfeitures, and Penalties	296,097	0	0	296,097	471,600	471,600	(175,503)
Charges for Current Services	302,381	0	0	302,381	249,100	260,645	41,736
Other Local Revenues	949,364	0	0	949,364	551,510	873,711	75,653
Fees Received from County Officials	3,126,599	0	0	3,126,599	2,910,000	2,910,000	216,599
State of Tennessee	3,029,350	0	0	3,029,350	2,217,875	2,921,274	108,076
Federal Government	506,634	0	0	506,634	0	576,977	(70,343)
Other Governments and Citizens Groups	285,232	0	0	285,232	27,250	292,720	(7,488)
Total Revenues	\$ 25,664,260	\$ 0	\$ 0	\$ 25,664,260	\$ 22,892,247	\$ 24,771,839	\$ 892,421
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 74,975	\$ 0	\$ 0	\$ 74,975	\$ 45,282	\$ 88,945	\$ 13,970
Board of Equalization	1,053	0	0	1,053	1,615	1,615	562
Other Boards and Committees	19,751	(15,638)	566	4,679	7,600	12,070	7,391
County Mayor/Executive	207,994	0	0	207,994	205,260	209,660	1,666
Personnel Office	222,594	0	0	222,594	221,204	226,900	4,306
County Attorney	87,794	0	0	87,794	88,791	88,791	997
Election Commission	328,414	0	13,400	341,814	323,497	352,557	10,743
Register of Deeds	325,077	0	0	325,077	322,740	340,109	15,032
Development	431,167	(3,400)	58,427	486,194	439,314	508,614	22,420
County Buildings	786,733	0	6,861	793,594	768,616	799,293	5,699
Other General Administration	688,701	(88,873)	0	599,828	767,453	763,649	163,821
Preservation of Records	120,766	0	0	120,766	141,964	144,167	23,401

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 388,849	\$ (500)	0	\$ 388,349	\$ 382,068	\$ 397,322	\$ 8,973
Purchasing	205,843	0	0	205,843	202,142	207,675	1,832
Property Assessor's Office	550,839	(8,208)	26,150	568,781	592,715	592,715	23,934
Reappraisal Program	158,374	0	0	158,374	191,667	197,014	38,640
County Trustee's Office	306,204	0	0	306,204	301,514	309,471	3,267
County Clerk's Office	179,362	0	0	179,362	190,438	197,919	18,557
Data Processing	379,528	(620)	0	378,908	443,003	446,712	67,804
<u>Administration of Justice</u>							
Circuit Court	918,992	0	0	918,992	939,023	963,970	44,978
General Sessions Court	976,228	(1,769)	1,131	975,590	946,928	1,012,989	37,399
Chancery Court	86,328	0	4,558	90,886	105,969	114,312	23,426
District Attorney General	0	0	0	0	75,000	0	0
<u>Public Safety</u>							
Sheriff's Department	5,983,807	(18,070)	2,820	5,968,557	5,731,896	6,017,550	48,993
Administration of the Sexual Offender Registry	1,550	(300)	150	1,400	1,500	1,500	100
Jail	4,197,148	(32,124)	10,729	4,175,753	4,182,244	4,247,355	71,602
Juvenile Services	201,536	0	0	201,536	287,863	293,911	92,375
Civil Defense	201,130	0	0	201,130	200,771	201,131	1
Other Emergency Management	347,105	0	85	347,190	95,681	542,155	194,965
Public Safety Grant Programs	63,024	(41,506)	0	21,518	0	47,991	26,473
<u>Public Health and Welfare</u>							
Local Health Center	762,231	0	445	762,676	832,034	832,034	69,358
Rabies and Animal Control	575,750	0	210	575,960	620,590	637,870	61,910
Appropriation to State	69,900	0	0	69,900	69,201	69,900	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Other Local Welfare Services	\$ 5,504	\$ 0	\$ 0	5,504	\$ 8,000	\$ 8,000	\$ 2,496
Other Public Health and Welfare	0	0	0	0	500,000	500,000	500,000
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	34,000	0	0	34,000	34,000	34,000	0
Libraries	627,099	0	0	627,099	626,377	663,448	36,349
Parks and Fair Boards	859,161	(144)	1,764	860,781	676,366	953,906	93,125
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	109,915	0	0	109,915	121,375	121,375	11,460
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	49,080	0	0	49,080	47,616	49,618	538
<u>Other Operations</u>							
Tourism	384,537	(2,088)	1,182	383,631	354,394	403,366	19,735
Industrial Development	181,422	0	0	181,422	176,500	181,422	0
Other Economic and Community Development	1,489	0	0	1,489	4,300	4,300	2,811
Airport	0	0	40,000	40,000	40,000	40,000	0
Veterans' Services	68,216	0	0	68,216	67,412	69,247	1,031
Contributions to Other Agencies	122,062	0	0	122,062	109,600	119,158	(2,904)
Employee Benefits	12,454	(960)	0	11,494	14,370	14,370	2,876
Payments to Cities	192,018	0	0	192,018	185,705	192,018	0
Miscellaneous	586,570	0	0	586,570	472,896	586,164	(406)
<u>Principal on Debt</u>							
General Government	128,079	0	0	128,079	139,607	139,607	11,528
Education	0	0	0	0	41,859	41,859	41,859

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Interest on Debt</u>							
General Government	\$ 11,527	\$ 0	\$ 0	\$ 11,527	\$ 11,527	\$ 11,528	\$ 1
Education	0	0	0	0	2,061	2,060	2,060
<u>Capital Projects</u>							
Highway and Street Capital Projects	0	0	0	0	0	40,000	40,000
Total Expenditures	\$ 23,223,880	\$ (214,200)	\$ 168,478	\$ 23,178,158	\$ 23,361,548	\$ 25,045,312	\$ 1,867,154
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 2,440,380	\$ 214,200	\$ (168,478)	\$ 2,486,102	\$ (469,301)	\$ (273,473)	\$ 2,759,575
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 40,683	\$ 0	\$ 0	\$ 40,683	\$ 5,000	\$ 48,998	\$ (8,315)
Transfers In	0	0	0	0	900,000	0	0
Transfers Out	(217,304)	0	0	(217,304)	(638,600)	(217,304)	0
Total Other Financing Sources (Uses)	\$ (176,621)	\$ 0	\$ 0	\$ (176,621)	\$ 266,400	\$ (168,306)	\$ (8,315)
Net Change in Fund Balance	\$ 2,263,759	\$ 214,200	\$ (168,478)	\$ 2,309,481	\$ (202,901)	\$ (441,779)	\$ 2,751,260
Fund Balance, July 1, 2011	5,009,492	(214,200)	0	4,795,292	4,832,359	4,832,359	(37,067)
Fund Balance, June 30, 2012	\$ 7,273,251	\$ 0	\$ (168,478)	\$ 7,104,773	\$ 4,629,458	\$ 4,390,580	\$ 2,714,193

Exhibit F-2

Maury County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Maury County School Department
June 30, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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	0.21
"	7-1-07	26,608	26,664	56	99.79	21,348	0.26
Hospital Employees	5-1-10*	39,793	43,271	3,478	92.0	5,423	64.10
"	5-1-11*	40,609	43,936	3,327	92.4	5,061	65.70
"	5-1-12*	41,072	45,826	4,753	89.6	5,236	90.80

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

Exhibit F-3

Maury County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Maury County Emergency Communications District
June 30, 2012

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 536	\$ 725	\$ 189	73.93 %	\$ 625	30.25 %
7-1-09	248	328	79	75.78	474	16.74
7-1-07	107	192	85	55.73	416	20.43

Exhibit F-4

Maury County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Maury County School Department
June 30, 2012

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (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, 2012

A. BUDGETARY INFORMATION

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, 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.

B. EXPENDITURES EXCEEDED APPROPRIATIONS

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

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Contributions to Other Agencies	\$ 2,904
Miscellaneous	406

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Projects Funds

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

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

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

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

Exhibit G-1

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

	Special Revenue Funds					Total
	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works		
ASSETS						
Cash	\$ 0	\$ 0	\$ 174,633	\$ 0	\$ 174,633	
Equity in Pooled Cash and Investments	240,164	1,608,625	0	2,070,201	3,918,990	
Accounts Receivable	2,605	0	0	10	2,615	
Due from Other Governments	0	0	0	441,841	441,841	
Property Taxes Receivable	0	0	0	2,598,103	2,598,103	
Allowance for Uncollectible Property Taxes	0	0	0	(143,144)	(143,144)	
Prepaid Items	0	0	0	25,007	25,007	
Total Assets	\$ 242,769	\$ 1,608,625	\$ 174,633	\$ 4,992,018	\$ 7,018,045	
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 246	\$ 246	
Payroll Deductions Payable	0	0	0	52,213	52,213	
Due to State of Tennessee	0	0	0	1,203	1,203	
Deferred Revenue - Current Property Taxes	0	0	0	2,383,531	2,383,531	
Deferred Revenue - Delinquent Property Taxes	0	0	0	63,370	63,370	
Other Deferred Revenues	0	0	0	215,218	215,218	
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 2,715,781	\$ 2,715,781	
Fund Balances						
Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 25,007	\$ 25,007	
Restricted:						
Restricted for General Government	0	1,608,625	0	0	1,608,625	
Restricted for Public Safety	242,769	0	0	0	242,769	
Restricted for Highways/Public Works	0	0	0	2,251,230	2,251,230	
Restricted for Other Purposes	0	0	0	0	0	
Committed:						
Committed for Finance	0	0	133,362	0	133,362	
Committed for Administration of Justice	0	0	41,271	0	41,271	
Total Fund Balances	\$ 242,769	\$ 1,608,625	\$ 174,633	\$ 2,276,237	\$ 4,302,264	
Total Liabilities and Fund Balances	\$ 242,769	\$ 1,608,625	\$ 174,633	\$ 4,992,018	\$ 7,018,045	

(Continued)

Exhibit G-1

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

	Capital Projects Funds			Total	Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects		
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 174,633
Equity in Pooled Cash and Investments	249,403	280,514	836,661	1,366,578	5,285,568
Accounts Receivable	0	0	95,573	95,573	98,188
Due from Other Governments	0	0	0	0	441,841
Property Taxes Receivable	0	0	1,731,517	1,731,517	4,329,620
Allowance for Uncollectible Property Taxes	0	0	(95,399)	(95,399)	(238,543)
Prepaid Items	0	0	0	0	25,007
Total Assets	\$ 249,403	\$ 280,514	\$ 2,568,352	\$ 3,098,269	\$ 10,116,314
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 246
Payroll Deductions Payable	0	0	0	0	52,213
Due to State of Tennessee	0	0	0	0	1,203
Deferred Revenue - Current Property Taxes	0	0	1,588,514	1,588,514	3,972,045
Deferred Revenue - Delinquent Property Taxes	0	0	42,244	42,244	105,614
Other Deferred Revenues	0	0	0	0	215,218
Total Liabilities	\$ 0	\$ 0	\$ 1,630,758	\$ 1,630,758	\$ 4,346,539
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,007
Restricted:					
Restricted for General Government	249,403	0	0	249,403	1,858,028
Restricted for Public Safety	0	0	0	0	242,769
Restricted for Highways/Public Works	0	280,514	0	280,514	2,531,744
Restricted for Other Purposes	0	0	937,594	937,594	937,594
Committed:					
Committed for Finance	0	0	0	0	133,362
Committed for Administration of Justice	0	0	0	0	41,271
Total Fund Balances	\$ 249,403	\$ 280,514	\$ 937,594	\$ 1,467,511	\$ 5,769,775
Total Liabilities and Fund Balances	\$ 249,403	\$ 280,514	\$ 2,568,352	\$ 3,098,269	\$ 10,116,314

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

	Special Revenue Funds					Total
	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works		
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 503,414	\$ 0	\$ 2,713,672	\$ 0	\$ 3,217,086
Fines, Forfeitures, and Penalties	175,899	0	0	0	0	175,899
Charges for Current Services	0	0	830,967	0	0	830,967
Other Local Revenues	0	0	0	41,354	0	41,354
State of Tennessee	0	0	0	2,898,271	0	2,898,271
Federal Government	7,232	0	0	25,951	0	33,183
Other Governments and Citizens Groups	475	0	0	0	0	475
Total Revenues	\$ 183,606	\$ 503,414	\$ 830,967	\$ 5,679,248	\$ 0	\$ 7,197,235
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 63	\$ 0	\$ 0	\$ 63
Finance	0	0	527,253	0	0	527,253
Administration of Justice	0	0	297,749	0	0	297,749
Public Safety	123,497	0	104	0	0	123,601
Public Health and Welfare	0	0	0	0	0	0
Social, Cultural, and Recreational Services	0	0	0	0	0	0
Other Operations	0	0	0	0	0	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	5,579,584	0	5,579,584
Capital Projects - Donated	0	82,590	0	141,231	0	223,821
Total Expenditures	\$ 123,497	\$ 82,590	\$ 825,169	\$ 5,720,815	\$ 0	\$ 6,752,071
Excess (Deficiency) of Revenues Over Expenditures	\$ 60,109	\$ 420,824	\$ 5,798	\$ (41,567)	\$ 0	\$ 445,164
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	7,332	0	0	15,834	0	23,166
Transfers In	3,600	0	0	0	0	3,600
Total Other Financing Sources (Uses)	\$ 10,932	\$ 0	\$ 0	\$ 15,834	\$ 0	\$ 26,766
Net Change in Fund Balances	\$ 71,041	\$ 420,824	\$ 5,798	\$ (25,733)	\$ 0	\$ 471,930
Fund Balance, July 1, 2011	171,728	1,187,801	168,835	2,301,970	0	3,830,334
Fund Balance, June 30, 2012	\$ 242,769	\$ 1,608,625	\$ 174,633	\$ 2,276,237	\$ 0	\$ 4,302,264

(Continued)

Maury 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	
Revenues				
Local Taxes	\$ 0	\$ 0	\$ 1,736,894	\$ 1,736,894
Fines, Forfeitures, and Penalties	0	0	0	0
Charges for Current Services	0	0	0	0
Other Local Revenues	0	0	19,108	19,108
State of Tennessee	0	0	0	0
Federal Government	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0
Total Revenues	\$ 0	\$ 0	\$ 1,756,002	\$ 1,756,002
Expenditures				
Current:				
General Government	\$ 0	\$ 0	\$ 10,000	\$ 10,000
Finance	0	0	34,799	34,799
Administration of Justice	0	0	0	0
Public Safety	0	0	192,082	192,082
Public Health and Welfare	0	0	24,204	24,204
Social, Cultural, and Recreational Services	0	0	24,050	24,050
Other Operations	0	0	62,772	62,772
Highways	0	0	0	0
Capital Projects	24,109	2,119,486	0	2,143,595
Capital Projects - Donated	0	0	855,247	855,247
Total Expenditures	\$ 24,109	\$ 2,119,486	\$ 1,203,154	\$ 3,346,749
Excess (Deficiency) of Revenues Over Expenditures	\$ (24,109)	\$ (2,119,486)	\$ 552,848	\$ (1,590,747)
Other Financing Sources (Uses)				
Notes Issued	\$ 0	\$ 2,400,000	\$ 0	\$ 2,400,000
Insurance Recovery	0	0	95,573	118,759
Transfers In	0	0	0	3,600
Total Other Financing Sources (Uses)	\$ 0	\$ 2,400,000	\$ 95,573	\$ 2,495,373
Net Change in Fund Balances Fund Balance, July 1, 2011	\$ (24,109)	\$ 280,514	\$ 648,421	\$ 904,826
Fund Balance, June 30, 2012	\$ 273,512	\$ 0	\$ 289,173	\$ 562,685
Fund Balance, June 30, 2012	\$ 249,403	\$ 280,514	\$ 937,594	\$ 1,467,511

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, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 175,899	\$ 0	\$ 175,899	\$ 78,000	\$ 78,000	\$ 97,899
Federal Government	7,232	0	7,232	0	7,232	0
Other Governments and Citizens Groups	475	0	475	0	0	475
Total Revenues	\$ 183,606	\$ 0	\$ 183,606	\$ 78,000	\$ 85,232	\$ 98,374
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 2,200	\$ 0	\$ 2,200	\$ 0	\$ 2,200	\$ 0
Drug Enforcement	121,297	1,041	122,338	84,772	124,589	2,251
Total Expenditures	\$ 123,497	\$ 1,041	\$ 124,538	\$ 84,772	\$ 126,789	\$ 2,251
Excess (Deficiency) of Revenues Over Expenditures	\$ 60,109	\$ (1,041)	\$ 59,068	\$ (6,772)	\$ (41,557)	\$ 100,625
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 7,332	\$ 0	\$ 7,332	\$ 0	\$ 2,200	\$ 5,132
Transfers In	3,600	0	3,600	0	0	3,600
Total Other Financing Sources (Uses)	\$ 10,932	\$ 0	\$ 10,932	\$ 0	\$ 2,200	\$ 8,732
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 71,041	\$ (1,041)	\$ 70,000	\$ (6,772)	\$ (39,357)	\$ 109,357 (14,228)
Fund Balance, June 30, 2012	\$ 242,769	\$ (1,041)	\$ 241,728	\$ 179,184	\$ 146,599	\$ 95,129

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 503,414 \$	0 \$	0 \$	503,414 \$	263,015 \$	263,015 \$	240,399
Total Revenues	\$ 503,414 \$	0 \$	0 \$	503,414 \$	263,015 \$	263,015 \$	240,399
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 1,814 \$	0 \$	0 \$	1,814 \$	0 \$	1,815 \$	1
Public Safety Projects	26,801	(14,669)	569,934	582,066	0	896,735	314,669
Highway and Street Capital Projects	53,975	(53,975)	0	0	0	31,371	31,371
Total Expenditures	\$ 82,590 \$	(68,644) \$	569,934 \$	583,880 \$	0 \$	929,921 \$	346,041
Excess (Deficiency) of Revenues Over Expenditures	\$ 420,824 \$	68,644 \$	(569,934) \$	(80,466) \$	263,015 \$	(666,906) \$	586,440
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 420,824 \$	68,644 \$	(569,934) \$	(80,466) \$	263,015 \$	(666,906) \$	586,440
	1,187,801	(68,644)	0	1,119,157	1,286,030	1,286,030	(166,873)
Fund Balance, June 30, 2012	\$ 1,608,625 \$	0 \$	(569,934) \$	1,038,691 \$	1,549,045 \$	619,124 \$	419,567

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,713,672	\$ 0	\$ 0	\$ 2,713,672	\$ 2,596,610	\$ 2,596,610	\$ 117,062
Other Local Revenues	41,354	0	0	41,354	0	26,803	14,551
State of Tennessee	2,898,271	0	0	2,898,271	3,365,054	3,365,054	(466,783)
Federal Government	25,951	0	0	25,951	0	25,951	0
Total Revenues	\$ 5,679,248	\$ 0	\$ 0	\$ 5,679,248	\$ 5,961,664	\$ 6,014,418	\$ (335,170)
Expenditures							
Highways							
Administration	\$ 220,183	\$ 0	\$ 0	\$ 220,183	\$ 219,849	\$ 225,048	\$ 4,865
Highway and Bridge Maintenance	3,316,221	(110,471)	27,839	3,233,589	3,262,447	3,421,129	187,540
Operation and Maintenance of Equipment	921,482	(598)	8,782	929,666	831,963	1,049,308	119,642
Other Charges	364,941	0	0	364,941	409,121	417,162	52,221
Employee Benefits	2,580	0	0	2,580	0	2,580	0
Capital Outlay	754,177	(84,116)	309,961	980,022	1,352,199	1,502,199	522,177
Capital Projects							
Highway and Street Capital Projects	141,231	(33,394)	8,050	115,887	189,000	126,097	10,210
Total Expenditures	\$ 5,720,815	\$ (228,579)	\$ 354,632	\$ 5,846,868	\$ 6,264,579	\$ 6,743,523	\$ 896,655
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,567)	\$ 228,579	\$ (354,632)	\$ (167,620)	\$ (302,915)	\$ (729,105)	\$ 561,485
Other Financing Sources (Uses)							
Insurance Recovery	\$ 15,834	\$ 0	\$ 0	\$ 15,834	\$ 0	\$ 13,594	\$ 2,240
Total Other Financing Sources (Uses)	\$ 15,834	\$ 0	\$ 0	\$ 15,834	\$ 0	\$ 13,594	\$ 2,240
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (25,733)	\$ 228,579	\$ (354,632)	\$ (151,786)	\$ (302,915)	\$ (715,511)	\$ 563,725
Fund Balance, July 1, 2011	2,301,970	(228,579)	0	2,073,391	2,083,404	2,083,404	(10,013)
Fund Balance, June 30, 2012	\$ 2,276,237	\$ 0	\$ (354,632)	\$ 1,921,605	\$ 1,780,489	\$ 1,367,893	\$ 553,712

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,736,894	\$ 0	\$ 0	\$ 1,736,894	\$ 1,637,157	\$ 1,637,157	\$ 99,737
Other Local Revenues	19,108	0	0	19,108	0	6,335	12,773
Total Revenues	\$ 1,756,002	\$ 0	\$ 0	\$ 1,756,002	\$ 1,637,157	\$ 1,643,492	\$ 112,510
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 10,000	\$ 0	\$ 77,300	\$ 87,300	\$ 70,000	\$ 87,300	\$ 0
Finance	34,799	0	18,945	53,744	82,882	69,045	15,301
Data Processing							
Public Safety	172,582	0	200,281	372,863	375,000	391,133	18,270
Sheriff's Department	19,500	0	0	19,500	19,500	19,500	0
Civil Defense							
Public Health and Welfare	24,204	0	0	24,204	25,000	25,000	796
Rabies and Animal Control							
Social, Cultural, and Recreational Services	24,050	(1,441)	0	22,609	18,000	24,335	1,726
Parks and Fair Boards							
Other Operations	28,559	(28,559)	0	0	0	1,323	1,323
Other Changes	34,213	0	0	34,213	22,000	34,213	0
Miscellaneous							
Support Services	0	0	0	0	998,912	0	0
Board of Education							
Capital Projects - Donated	855,247	0	153,942	1,009,189	0	1,009,190	1
Capital Projects Donated to School Department	\$ 1,203,154	\$ (30,000)	\$ 450,468	\$ 1,623,622	\$ 1,611,294	\$ 1,661,039	\$ 37,417
Total Expenditures	\$ 552,848	\$ 30,000	\$ (450,468)	\$ 132,380	\$ 25,863	\$ (17,547)	\$ 149,927
Excess (Deficiency) of Revenues Over Expenditures							
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 95,573	\$ 0	\$ 0	\$ 95,573	\$ 0	\$ 0	\$ 95,573
Total Other Financing Sources (Uses)	\$ 95,573	\$ 0	\$ 0	\$ 95,573	\$ 0	\$ 0	\$ 95,573
Net Change in Fund Balance	\$ 648,421	\$ 30,000	\$ (450,468)	\$ 227,953	\$ 25,863	\$ (17,547)	\$ 245,500
Fund Balance, July 1, 2011	289,173	(30,000)	0	259,173	316,568	316,568	(57,395)
Fund Balance, June 30, 2012	\$ 937,594	\$ 0	\$ (450,468)	\$ 487,126	\$ 342,431	\$ 299,021	\$ 188,105

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,395,119	\$ 7,197,330	\$ 7,197,330	\$ 197,789
Other Local Revenues	295,708	212,000	214,183	81,525
State of Tennessee	1,189,603	800,000	800,000	389,603
Federal Government	353	213,900	200	153
Other Governments and Citizens Groups	8,440	0	0	8,440
Total Revenues	<u>\$ 8,889,223</u>	<u>\$ 8,423,230</u>	<u>\$ 8,211,713</u>	<u>\$ 677,510</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,493,464	\$ 1,493,464	\$ 1,493,464	\$ 0
Highways and Streets	800,000	0	800,000	0
Education	3,875,746	3,875,747	3,875,746	0
<u>Interest on Debt</u>				
General Government	549,548	549,547	549,548	0
Highways and Streets	15,453	35,538	35,538	20,085
Education	2,297,266	2,316,695	2,312,694	15,428
<u>Other Debt Service</u>				
General Government	350,863	151,526	367,032	16,169
Highways and Streets	12,911	0	12,911	0
Education	137,868	0	138,650	782
Total Expenditures	<u>\$ 9,533,119</u>	<u>\$ 8,422,517</u>	<u>\$ 9,585,583</u>	<u>\$ 52,464</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (643,896)	\$ 713	\$ (1,373,870)	\$ 729,974
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 24,995,000	\$ 0	\$ 24,992,817	\$ 2,183
Premiums on Debt Issued	2,379,110	0	2,379,110	0
Transfers In	213,704	0	213,700	4
Payments to Refunded Debt Escrow Agent	(27,158,605)	0	(27,158,605)	0
Total Other Financing Sources (Uses)	<u>\$ 429,209</u>	<u>\$ 0</u>	<u>\$ 427,022</u>	<u>\$ 2,187</u>
Net Change in Fund Balance	\$ (214,687)	\$ 713	\$ (946,848)	\$ 732,161
Fund Balance, July 1, 2011	<u>11,202,080</u>	<u>11,304,348</u>	<u>11,304,348</u>	<u>(102,268)</u>
Fund Balance, June 30, 2012	<u>\$ 10,987,393</u>	<u>\$ 11,305,061</u>	<u>\$ 10,357,500</u>	<u>\$ 629,893</u>

Fiduciary Funds

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

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

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

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,253,093	\$ 2,253,093
Investments	0	39,685	39,685
Accounts Receivable	0	672	672
Due from Other Governments	1,701,709	0	1,701,709
Total Assets	<u>\$ 1,701,709</u>	<u>\$ 2,293,450</u>	<u>\$ 3,995,159</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 1,701,709	\$ 0	\$ 1,701,709
Due to Litigants, Heirs, and Others	0	2,293,450	2,293,450
Total Liabilities	<u>\$ 1,701,709</u>	<u>\$ 2,293,450</u>	<u>\$ 3,995,159</u>

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 9,875,530	\$ 9,875,530	\$ 0
Due from Other Governments	1,584,285	1,701,709	1,584,285	1,701,709
Total Assets	\$ 1,584,285	\$ 11,577,239	\$ 11,459,815	\$ 1,701,709
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,584,285	\$ 11,577,239	\$ 11,459,815	\$ 1,701,709
Total Liabilities	\$ 1,584,285	\$ 11,577,239	\$ 11,459,815	\$ 1,701,709
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,047,586	\$ 17,855,270	\$ 17,649,763	\$ 2,253,093
Accounts Receivable	878	672	878	672
Investments	38,520	39,685	38,520	39,685
Total Assets	\$ 2,086,984	\$ 17,895,627	\$ 17,689,161	\$ 2,293,450
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,086,984	\$ 17,895,627	\$ 17,689,161	\$ 2,293,450
Total Liabilities	\$ 2,086,984	\$ 17,895,627	\$ 17,689,161	\$ 2,293,450
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,047,586	\$ 17,855,270	\$ 17,649,763	\$ 2,253,093
Equity in Pooled Cash and Investments	0	9,875,530	9,875,530	0
Due from Other Governments	1,584,285	1,701,709	1,584,285	1,701,709
Accounts Receivable	878	672	878	672
Investments	38,520	39,685	38,520	39,685
Total Assets	\$ 3,671,269	\$ 29,472,866	\$ 29,148,976	\$ 3,995,159
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,584,285	\$ 11,577,239	\$ 11,459,815	\$ 1,701,709
Due to Litigants, Heirs, and Others	2,086,984	17,895,627	17,689,161	2,293,450
Total Liabilities	\$ 3,671,269	\$ 29,472,866	\$ 29,148,976	\$ 3,995,159

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, 2012

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities
Governmental Activities:						
Instruction	\$ 58,377,843	\$ 422,162	\$ 11,266,746	\$ 157,542	\$	(46,531,393)
Support Services	34,070,174	282,616	367,645	777,602		(32,642,311)
Operation of Non-Instructional Services	7,323,501	2,191,689	4,084,295	0		(1,047,517)
Interest on Long-term Debt	34,252	0	0	0		(34,252)
Total Governmental Activities	\$ 99,805,770	\$ 2,896,467	\$ 15,718,686	\$ 935,144	\$	(80,255,473)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$	20,546,276
Local Option Sales Tax						10,855,508
Interstate Telecommunications Tax						6,057
Grants and Contributions Not Restricted to Specific Programs						44,677,404
Unrestricted Investment Earnings						13,489
Miscellaneous						75,325
Total General Revenues					\$	76,174,059
Change in Net Assets					\$	(4,081,414)
Prior-period Adjustment						(756,072)
Net Assets, July 1, 2011						116,031,522
Net Assets, June 30, 2012					\$	111,194,036

Exhibit J-2

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,415,359	\$ 1,415,359
Equity in Pooled Cash and Investments	6,134,679	2,392,917	8,527,596
Accounts Receivable	44,681	0	44,681
Due from Other Governments	2,244,771	323,801	2,568,572
Due from Other Funds	102,658	2,012	104,670
Property Taxes Receivable	20,529,655	0	20,529,655
Allowance for Uncollectible Property Taxes	(1,131,097)	0	(1,131,097)
Total Assets	<u>\$ 27,925,347</u>	<u>\$ 4,134,089</u>	<u>\$ 32,059,436</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 1,637	\$ 0	\$ 1,637
Payroll Deductions Payable	216,779	19,095	235,874
Due to Other Funds	12	104,658	104,670
Due to State of Tennessee	0	5,022	5,022
Deferred Revenue - Current Property Taxes	18,834,147	0	18,834,147
Deferred Revenue - Delinquent Property Taxes	500,745	0	500,745
Other Deferred Revenues	965,845	0	965,845
Total Liabilities	<u>\$ 20,519,165</u>	<u>\$ 128,775</u>	<u>\$ 20,647,940</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 6,964	\$ 4,005,314	\$ 4,012,278
Assigned:			
Assigned for Education	1,307,598	0	1,307,598
Unassigned	6,091,620	0	6,091,620
Total Fund Balances	<u>\$ 7,406,182</u>	<u>\$ 4,005,314</u>	<u>\$ 11,411,496</u>
Total Liabilities and Fund Balances	<u>\$ 27,925,347</u>	<u>\$ 4,134,089</u>	<u>\$ 32,059,436</u>

Exhibit J-3

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Maury County School Department
June 30, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	11,411,496
(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		162,567	
Add: building and improvements net of accumulated depreciation		101,407,595	
Add: other capital assets net of accumulated depreciation		<u>4,439,237</u>	109,029,338
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(153,562)	
Less: capital leases payable		(511,449)	
Less: accrued interest on notes payable and capital leases		(18,286)	
Less: other postemployment benefits liability		(6,325,298)	
Less: compensated absences payable		<u>(3,704,793)</u>	(10,713,388)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,466,590</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>111,194,036</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, 2012

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 31,446,521	\$ 0	\$ 31,446,521
Licenses and Permits	5,700	0	5,700
Charges for Current Services	419,372	2,262,610	2,681,982
Other Local Revenues	178,542	18,361	196,903
State of Tennessee	47,132,409	57,795	47,190,204
Federal Government	319,354	13,135,061	13,454,415
Other Governments and Citizens Groups	0	134,650	134,650
Total Revenues	<u>\$ 79,501,898</u>	<u>\$ 15,608,477</u>	<u>\$ 95,110,375</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 48,656,769	\$ 4,808,142	\$ 53,464,911
Support Services	27,959,360	4,593,765	32,553,125
Operation of Non-Instructional Services	1,067,449	6,139,813	7,207,262
Debt Service:			
Principal on Debt	311,736	0	311,736
Interest on Debt	42,798	0	42,798
Capital Projects	0	649,969	649,969
Total Expenditures	<u>\$ 78,038,112</u>	<u>\$ 16,191,689</u>	<u>\$ 94,229,801</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,463,786</u>	<u>\$ (583,212)</u>	<u>\$ 880,574</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 40,455	\$ 0	\$ 40,455
Transfers In	117,919	0	117,919
Transfers Out	0	(117,919)	(117,919)
Total Other Financing Sources (Uses)	<u>\$ 158,374</u>	<u>\$ (117,919)</u>	<u>\$ 40,455</u>
Net Change in Fund Balances	\$ 1,622,160	\$ (701,131)	\$ 921,029
Fund Balance, July 1, 2011	5,784,022	4,706,445	10,490,467
Fund Balance, June 30, 2012	<u>\$ 7,406,182</u>	<u>\$ 4,005,314</u>	<u>\$ 11,411,496</u>

Exhibit J-5

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	921,029
(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	\$	988,241	
Less: current-year depreciation expense		<u>(4,905,568)</u>	(3,917,327)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.			
Add: assets donated and capitalized	\$	800,494	
Less: loss on disposal of capital assets		<u>(2,475)</u>	798,019
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2011	\$	(1,651,507)	
Add: deferred delinquent property taxes and other deferred June 30, 2012		<u>1,466,590</u>	(184,917)
(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 assets. Also, governmental funds report the effect of issuance costs, premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Add: principal payments on notes	\$	73,443	
Add: principal payment on capital lease		<u>238,293</u>	311,736
(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	\$	8,546	
Change in compensated absences payable		36,955	
Change in other postemployment benefits liability		<u>(2,055,455)</u>	<u>(2,009,954)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (4,081,414)</u>

Exhibit J-6

Maury County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
June 30, 2012

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		

ASSETS

Cash	\$ 0	\$ 3,910	\$ 3,910	\$ 1,411,449	\$ 1,415,359
Equity in Pooled Cash and Investments	726,846	1,664,071	2,390,917	2,000	2,392,917
Due from Other Governments	693	323,108	323,801	0	323,801
Due from Other Funds	12	2,000	2,012	0	2,012
Total Assets	\$ 727,551	\$ 1,993,089	\$ 2,720,640	\$ 1,413,449	\$ 4,134,089

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>					
Payroll Deductions Payable	\$ 14,445	\$ 4,650	\$ 19,095	\$ 0	\$ 19,095
Due to Other Funds	102,658	0	102,658	2,000	104,658
Due to State of Tennessee	536	4,486	5,022	0	5,022
Total Liabilities	\$ 117,639	\$ 9,136	\$ 126,775	\$ 2,000	\$ 128,775
<u>Fund Balances</u>					
Restricted:					
Restricted for Education	\$ 609,912	\$ 1,983,953	\$ 2,593,865	\$ 1,411,449	\$ 4,005,314
Total Fund Balances	\$ 609,912	\$ 1,983,953	\$ 2,593,865	\$ 1,411,449	\$ 4,005,314
Total Liabilities and Fund Balances	\$ 727,551	\$ 1,993,089	\$ 2,720,640	\$ 1,413,449	\$ 4,134,089

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, 2012

	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	\$ 2,262,610	\$ 2,262,610	\$ 0	\$ 0	\$ 2,262,610
Other Local Revenues	0	16,198	16,198	2,163	0	18,361
State of Tennessee	0	57,795	57,795	0	0	57,795
Federal Government	9,204,346	3,930,715	13,135,061	0	0	13,135,061
Other Governments and Citizens Groups	0	0	0	134,650	0	134,650
Total Revenues	\$ 9,204,346	\$ 6,267,318	\$ 15,471,664	\$ 136,813	\$ 0	\$ 15,608,477
<u>Expenditures</u>						
Current:						
Instruction	\$ 4,808,142	\$ 0	\$ 4,808,142	\$ 0	\$ 0	\$ 4,808,142
Support Services	4,531,430	62,335	4,593,765	0	0	4,593,765
Operation of Non-Instructional Services	0	6,139,813	6,139,813	0	0	6,139,813
Capital Projects	0	0	0	649,969	0	649,969
Total Expenditures	\$ 9,339,572	\$ 6,202,148	\$ 15,541,720	\$ 649,969	\$ 0	\$ 16,191,689
Excess (Deficiency) of Revenues Over Expenditures	\$ (135,226)	\$ 65,170	\$ (70,056)	\$ (513,156)	\$ 0	\$ (583,212)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (117,919)	\$ 0	\$ (117,919)	\$ 0	\$ 0	\$ (117,919)
Total Other Financing Sources (Uses)	\$ (117,919)	\$ 0	\$ (117,919)	\$ 0	\$ 0	\$ (117,919)
Net Change in Fund Balances	\$ (253,145)	\$ 65,170	\$ (187,975)	\$ (513,156)	\$ 0	\$ (701,131)
Fund Balance, July 1, 2011	863,057	1,918,783	2,781,840	1,924,605	0	4,706,445
Fund Balance, June 30, 2012	\$ 609,912	\$ 1,983,953	\$ 2,593,865	\$ 1,411,449	\$ 0	\$ 4,005,314

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 31,446,521	\$ 0	\$ 0	\$ 31,446,521	\$ 30,489,951	\$ 30,489,951	\$ 956,570
Licenses and Permits	5,700	0	0	5,700	5,400	5,400	300
Charges for Current Services	419,372	0	0	419,372	245,000	437,342	(17,970)
Other Local Revenues	178,542	0	0	178,542	6,000	59,692	118,850
State of Tennessee	47,132,409	0	0	47,132,409	45,220,340	47,118,259	14,150
Federal Government	319,354	0	0	319,354	120,000	292,526	26,828
Total Revenues	\$ 79,501,898	\$ 0	\$ 0	\$ 79,501,898	\$ 76,086,691	\$ 78,403,170	\$ 1,098,728
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 37,852,938	\$ (142,137)	\$ 567,601	\$ 38,278,402	\$ 37,554,576	\$ 38,507,269	\$ 228,867
Alternative Instruction Program	540,543	0	0	540,543	490,437	545,253	4,710
Special Education Program	7,500,650	(33,573)	4,231	7,471,308	7,601,983	7,613,494	142,186
Vocational Education Program	2,762,638	(39,744)	9,680	2,732,574	2,813,237	2,800,564	67,990
<u>Support Services</u>							
Attendance	563,035	(4,020)	11,173	570,188	572,016	583,016	12,828
Health Services	413,398	(1,230)	150	412,318	334,888	422,739	10,421
Other Student Support	1,769,327	0	0	1,769,327	1,804,781	1,806,675	37,348
Regular Instruction Program	2,415,135	(50,203)	15,702	2,380,634	2,401,017	2,424,642	44,008
Alternative Instruction Program	152,210	(920)	0	151,290	155,065	155,065	3,775
Special Education Program	929,319	0	0	929,319	967,049	946,061	16,742
Vocational Education Program	160,782	(1,505)	0	159,277	151,163	164,663	5,386
Other Programs	447,246	0	0	447,246	0	447,246	0
Board of Education	2,120,019	0	0	2,120,019	1,912,318	2,206,266	86,247

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 295,136	\$ (2,535)	\$ 0	\$ 292,601	\$ 294,142	\$ 294,142	\$ 1,541
Office of the Principal	5,858,542	(32,370)	140	5,826,312	5,940,052	5,886,308	59,996
Fiscal Services	574,526	(3,470)	1,340	572,396	578,978	578,978	6,582
Human Services/Personnel	252,353	(585)	385	252,153	271,419	271,419	19,266
Operation of Plant	5,690,234	(641)	2,691	5,692,284	6,006,447	6,018,807	326,523
Maintenance of Plant	1,439,474	(91,533)	56,589	1,404,530	1,254,779	1,431,866	27,336
Transportation	4,061,344	(72,847)	52,695	4,041,192	4,196,245	4,087,395	46,203
Central and Other	817,280	(65,640)	59,447	811,087	778,954	825,280	14,193
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	1,067,449	(4,378)	5,877	1,068,948	0	1,077,735	8,787
<u>Principal on Debt</u>							
Education	311,736	0	0	311,736	311,737	311,737	1
<u>Interest on Debt</u>							
Education	42,798	0	0	42,798	42,798	42,798	0
<u>Total Expenditures</u>	<u>\$ 78,038,112</u>	<u>\$ (547,331)</u>	<u>\$ 787,701</u>	<u>\$ 78,278,482</u>	<u>\$ 76,434,081</u>	<u>\$ 79,449,418</u>	<u>\$ 1,170,936</u>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,463,786	\$ 547,331	\$(787,701)	\$ 1,223,416	\$(347,390)	\$(1,046,248)	\$ 2,269,664
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 40,455	\$ 0	\$ 0	\$ 40,455	\$ 0	\$ 39,675	\$ 780
Transfers In	117,919	0	0	117,919	150,000	150,000	(32,081)
Transfers Out	0	0	0	0	(4,000)	0	0
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 158,374</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 158,374</u>	<u>\$ 146,000</u>	<u>\$ 189,675</u>	<u>\$ (31,301)</u>
<u>Net Change in Fund Balance</u>	<u>\$ 1,622,160</u>	<u>\$ 547,331</u>	<u>\$(787,701)</u>	<u>\$ 1,381,790</u>	<u>\$(201,390)</u>	<u>\$(856,573)</u>	<u>\$ 2,238,363</u>
<u>Fund Balance, July 1, 2011</u>	<u>5,784,022</u>	<u>(547,331)</u>	<u>0</u>	<u>5,236,691</u>	<u>4,048,969</u>	<u>4,048,969</u>	<u>1,187,722</u>
<u>Fund Balance, June 30, 2012</u>	<u>\$ 7,406,182</u>	<u>\$ 0</u>	<u>\$(787,701)</u>	<u>\$ 6,618,481</u>	<u>\$ 3,847,579</u>	<u>\$ 3,192,396</u>	<u>\$ 3,426,085</u>

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 9,204,346	\$ 5,278,719	\$ 11,141,499	\$ (1,937,153)
Total Revenues	\$ 9,204,346	\$ 5,278,719	\$ 11,141,499	\$ (1,937,153)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,428,743	\$ 2,531,922	\$ 3,046,764	\$ 618,021
Special Education Program	2,169,290	0	3,042,453	873,163
Vocational Education Program	210,109	148,000	231,500	21,391
<u>Support Services</u>				
Health Services	227,139	0	261,535	34,396
Other Student Support	214,691	202,763	222,079	7,388
Regular Instruction Program	2,769,586	2,027,141	3,405,841	636,255
Special Education Program	395,999	0	547,139	151,140
Vocational Education Program	3,575	3,582	3,583	8
Office of the Principal	264,612	266,522	267,422	2,810
Operation of Plant	30,222	39,841	39,841	9,619
Transportation	625,606	0	728,863	103,257
Total Expenditures	\$ 9,339,572	\$ 5,219,771	\$ 11,797,020	\$ 2,457,448
Excess (Deficiency) of Revenues Over Expenditures	\$ (135,226)	\$ 58,948	\$ (655,521)	\$ 520,295
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 393,700	\$ 394,264	\$ (394,264)
Transfers Out	(117,919)	(452,648)	(545,112)	427,193
Total Other Financing Sources (Uses)	\$ (117,919)	\$ (58,948)	\$ (150,848)	\$ 32,929
Net Change in Fund Balance	\$ (253,145)	\$ 0	\$ (806,369)	\$ 553,224
Fund Balance, July 1, 2011	863,057	863,057	863,057	0
Fund Balance, June 30, 2012	\$ 609,912	\$ 863,057	\$ 56,688	\$ 553,224

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, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 2,262,610	\$ 0	\$ 2,262,610	\$ 2,266,826	\$ 2,266,826	\$ (4,216)
Other Local Revenues	16,198	0	16,198	21,750	21,750	(5,552)
State of Tennessee	57,795	0	57,795	55,000	55,000	2,795
Federal Government	3,930,715	0	3,930,715	3,399,539	3,680,520	250,195
Total Revenues	\$ 6,267,318	\$ 0	\$ 6,267,318	\$ 5,743,115	\$ 6,024,096	\$ 243,222
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 62,335	\$ 0	\$ 62,335	\$ 63,408	\$ 63,408	\$ 1,073
<u>Operation of Non-Instructional Services</u>						
Food Service	6,139,813	114,838	6,254,651	6,292,840	6,746,276	491,625
Total Expenditures	\$ 6,202,148	\$ 114,838	\$ 6,316,986	\$ 6,356,248	\$ 6,809,684	\$ 492,698
Excess (Deficiency) of Revenues Over Expenditures	\$ 65,170	\$ (114,838)	\$ (49,668)	\$ (613,133)	\$ (785,588)	\$ 735,920
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 65,170	\$ (114,838)	\$ (49,668)	\$ (613,133)	\$ (785,588)	\$ 735,920
	1,918,783	0	1,918,783	1,738,195	1,738,195	180,588
Fund Balance, June 30, 2012	\$ 1,983,953	\$ (114,838)	\$ 1,869,115	\$ 1,125,062	\$ 952,607	\$ 916,508

MISCELLANEOUS SCHEDULES

Exhibit K-1

Maury County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
<u>PRIMARY GOVERNMENT</u>									
<u>NOTES PAYABLE</u>									
Payable through General Fund	\$ 640,396	4.5 %	11-30-08	11-1-12	\$ 256,159	\$ 0	\$ 128,079	\$ 0	\$ 128,080
Animal Shelter					\$ 256,159	\$ 0	\$ 128,079	\$ 0	\$ 128,080
Total Payable through General Fund					\$ 256,159	\$ 0	\$ 128,079	\$ 0	\$ 128,080
Payable through General Debt Service Fund									
School Buildings, School Buses, and Refunding Highway	15,185,000	3.64	12-19-06	4-1-17	\$ 12,990,000	\$ 0	\$ 1,955,000	\$ 6,900,000	\$ 4,135,000
General Obligation Refunding	2,400,000	1.90	11-29-11	4-1-14	0	2,400,000	800,000	0	1,600,000
Total Payable through General Debt Service Fund	6,675,000	4.00	5-23-12	4-1-17	0	6,675,000	0	0	6,675,000
Total Notes Payable					\$ 12,990,000	\$ 9,075,000	\$ 2,755,000	\$ 6,900,000	\$ 12,410,000
<u>OTHER LOANS PAYABLE</u>									
Payable through General Debt Service Fund									
Qualified School Construction Bond (QSCB)	4,408,000	(1)	10-1-10	9-15-27	\$ 4,408,000	\$ 0	\$ 229,210	\$ 0	\$ 4,178,790
Total Other Loans Payable					\$ 4,408,000	\$ 0	\$ 229,210	\$ 0	\$ 4,178,790
<u>BONDS PAYABLE</u>									
Payable through General Debt Service Fund									
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-20	\$ 15,400,000	\$ 0	\$ 1,475,000	\$ 10,820,000	\$ 3,105,000
School Buses and Improvements	14,000,000	3.1 to 5	9-1-05	4-1-20	10,300,000	0	1,210,000	7,835,000	1,255,000
Criminal Justice Center and School Construction	29,000,000	3.5 to 5	6-12-08	4-1-28	28,800,000	0	500,000	0	28,300,000
General Obligation Refunding	18,320,000	1 to 4	5-23-12	4-1-20	0	18,320,000	0	0	18,320,000
Total Bonds Payable					\$ 54,500,000	\$ 18,320,000	\$ 3,185,000	\$ 18,655,000	\$ 50,980,000

(Continued)

Exhibit K-1

Maury County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans and Bonds
Primary Government and Discretely Presented Maury County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>									
<u>NOTES PAYABLE</u>									
<u>Payable through General Purpose School Fund</u>									
Energy Efficiency Improvements	\$ 500,000	3 %	2-12-07	2-1-14	\$ 227,005	0 \$	73,443 \$	0 \$	153,562
Total Notes Payable					\$ 227,005	0 \$	73,443 \$	0 \$	153,562
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable through General Purpose School Fund</u>									
Lighting Equipment	1,598,657	4.8	11-1-06	11-1-13	\$ 749,742	0 \$	238,293 \$	0 \$	511,449
Total Capital Leases Payable					\$ 749,742	0 \$	238,293 \$	0 \$	511,449

(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
Primary Government and Discretely Presented
Maury County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 2,958,080	\$ 429,996	\$ 3,388,076
2014	2,905,000	366,400	3,271,400
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	<u>\$ 12,538,080</u>	<u>\$ 1,338,996</u>	<u>\$ 13,877,076</u>

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2013	\$ 275,052	\$ 213,700	\$ 3,526	\$ 492,278
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	888	28,439
Total	<u>\$ 4,178,790</u>	<u>\$ 3,207,117</u>	<u>\$ 53,778</u>	<u>\$ 7,439,685</u>

(Continued)

Exhibit K-2

Maury County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented
Maury County School Department (Cont.)

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 3,605,000	\$ 1,804,032	\$ 5,409,032
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	\$ 50,980,000	\$ 14,480,844	\$ 65,460,844

DISCRETELY PRESENTED MAURY
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 75,646	\$ 4,607	\$ 80,253
2014	77,916	2,337	80,253
Total	\$ 153,562	\$ 6,944	\$ 160,506

(Continued)

Exhibit K-2

Maury County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented
Maury County School Department (Cont.)

DISCRETELY PRESENTED MAURY
COUNTY SCHOOL DEPARTMENT (CONT.)

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2013	\$ 249,731	\$ 24,549	\$ 274,280
2014	261,718	12,562	274,280
Total	<u>\$ 511,449</u>	<u>\$ 37,111</u>	<u>\$ 548,560</u>

(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, 2012

<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>39,685</u>

Exhibit K-4

Maury County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Drug Control	Phone commission	\$ 3,600
"	General Debt Service	Tax rebate for QSCB	<u>213,704</u>
Total Transfers Primary Government			<u>\$ 217,304</u>
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 117,919</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 117,919</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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 86,592	\$ 50,000	Cincinnati Insurance Company
Road Superintendent	Section 8-24-102, TCA	79,440	100,000	RLI Insurance Company
Director of Schools	State Board of Education and Local Board of Education	122,915 (1)	(7)	
Trustee	Section 8-24-102, TCA	72,216	2,965,300	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA	72,966 (2)	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	72,216	50,000	Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	72,216	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	72,216 (3)	50,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, TCA	72,216	25,000	Cincinnati Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	83,064 (4)	25,000	"
Director of Accounts and Budgets	Chapter 233, Private Acts of 1963, as amended	69,210 (5)	25,000	RLI Insurance Company
Director of Human Resources	Chapter 91, Private Acts of 2004	65,856 (8)	(8)	
Purchasing Agent	County Commission	56,188 (6)	25,000	"
<u>Other Bonds</u>				
Public Employee Dishonesty			150,000	Local Government Insurance Pool
School Employee Blanket Bond			1,000,000	Montgomery Insurance Company

- (1) Includes \$1,000 for a chief executive officer training supplement.
- (2) Includes \$750 for a state board of equalization salary supplement.
- (3) Does not include \$6,445 in special commissioner fees.
- (4) Includes \$3,024 for serving as workhouse superintendent and \$600 for a law enforcement training supplement.
- (5) Includes \$150 in longevity pay.
- (6) Includes \$1,000 in longevity pay.
- (7) Covered under the school's blanket bond.
- (8) Covered under the county's blanket bond.

Exhibit K-6

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

	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	Capital Projects Fund		
								Other Capital Projects	Other Capital Projects	
\$	11,991,356	0	0	0	2,442,349	4,229,177	1,631,331	0	20,294,213	
County Property Taxes	363,326	0	0	0	75,702	140,910	42,728	0	622,666	
Current Property Tax	7,314	0	0	0	1,541	3,009	786	0	12,650	
Trustee's Collections - Prior Year	358,205	0	0	0	72,982	126,507	48,639	0	606,333	
Circuit/Clerk & Master Collections - Prior Years	64,545	0	0	0	13,313	23,897	8,179	0	109,934	
Interest and Penalty	38,864	0	0	0	7,954	13,873	5,231	0	65,922	
Pick-up Taxes	0	0	0	0	0	4,678	0	0	4,678	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	398,170	0	0	398,170	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	187,274	0	0	1,915,434	
Payments in-Lieu-of Taxes - Other	1,728,160	0	0	0	0	0	0	0	0	
County Local Option Taxes	290,348	0	0	0	0	0	0	0	290,348	
Local Option Sales Tax	432,909	0	0	0	0	0	0	0	432,909	
Hotel/Motel Tax	0	0	0	0	0	1,843,297	0	0	1,843,297	
Wheel Tax	0	0	0	0	0	0	0	0	0	
Litigation Tax - General	420,543	0	0	0	0	0	0	0	420,543	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	415,168	0	0	415,168	
Business Tax	877,808	0	0	0	0	0	0	0	877,808	
Mineral Severance Tax	0	0	0	0	99,831	0	0	0	99,831	
Adequate Facilities/Development Tax	0	0	503,414	0	0	0	0	0	503,414	
Statutory Local Taxes	0	0	0	0	0	0	0	0	0	
Bank Excise Tax	0	0	0	0	0	9,159	0	0	9,159	
Wholesale Beer Tax	347,670	0	0	0	0	0	0	0	347,670	
Interstate Telecommunications Tax	1,003	0	0	0	0	0	0	0	1,003	
Total Local Taxes	16,922,051	0	503,414	0	2,713,672	7,395,119	1,736,894	0	29,271,150	
\$	151,928	0	0	0	0	0	0	0	151,928	
Licenses and Permits	1,723	0	0	0	0	0	0	0	1,723	
Licenses	81,580	0	0	0	0	0	0	0	81,580	
Cable TV Franchise Permits	0	0	0	0	0	0	0	0	0	
Beer Permits	0	0	0	0	0	0	0	0	0	
Building Permits	0	0	0	0	0	0	0	0	0	

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>									
<u>Permits (Cont.)</u>									
Other Permits	\$ 11,321	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,321
Total Licenses and Permits	\$ 246,552	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 246,552
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 23,893	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,893
Officers Costs	14,225	0	0	0	0	0	0	0	14,225
Drug Control Fines	0	24,634	0	0	0	0	0	0	24,634
Jail Fees	11,374	0	0	0	0	0	0	0	11,374
DUI Treatment Fines	5,838	0	0	0	0	0	0	0	5,838
Data Entry Fee - Circuit Court	2,358	0	0	0	0	0	0	0	2,358
Courtroom Security Fee	142	0	0	0	0	0	0	0	142
Victims Assistance Assessments	25,936	0	0	0	0	0	0	0	25,936
Criminal Court									
Victims Assistance Assessments	12,968	0	0	0	0	0	0	0	12,968
<u>General Sessions Court</u>									
Fines	\$ 29,363	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,363
Officers Costs	50,859	0	0	0	0	0	0	0	50,859
Game and Fish Fines	1,004	0	0	0	0	0	0	0	1,004
Drug Control Fines	0	11,082	0	0	0	0	0	0	11,082
Jail Fees	36,254	0	0	0	0	0	0	0	36,254
DUI Treatment Fines	17,148	0	0	0	0	0	0	0	17,148
Data Entry Fee - General Sessions Court	18,796	0	0	0	0	0	0	0	18,796
Courtroom Security Fee	110	0	0	0	0	0	0	0	110
Victims Assistance Assessments	12,968	0	0	0	0	0	0	0	12,968
Juvenile Court									
Data Entry Fee - Juvenile Court	2,333	0	0	0	0	0	0	0	2,333
<u>Chancery Court</u>									
Officers Costs	7,587	0	0	0	0	0	0	0	7,587
Data Entry Fee - Chancery Court	6,316	0	0	0	0	0	0	0	6,316

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	\$ 16,625	0	0	0	0	0	140,183
Other Fines, Forfeitures, and Penalties	296,097	1,75,899	0	0	0	0	16,625
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 312,722	1,75,899	0	0	0	0	156,753
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Work Release Charges for Board Fees	\$ 14,770	0	0	0	0	0	14,770
Subdivision Lot Fees	17,950	0	0	0	0	0	17,950
Recreation Fees	39,587	0	0	0	0	0	39,587
Copy Fees	4,361	0	0	0	0	0	4,361
Library Fees	17,459	0	0	0	0	0	17,459
Telephone Commissions	128,861	0	0	0	0	0	128,861
Vending Machine Collections	150	0	0	0	0	0	150
Tourism Fees	33,025	0	0	0	0	0	33,025
Constitutional Officers' Fees and Commissions	0	0	0	824,522	0	0	824,522
Special Commissioner Fees/Special Master Fees	0	0	0	6,445	0	0	6,445
Data Processing Fee - Register	27,658	0	0	0	0	0	27,658
Data Processing Fee - Sheriff	7,248	0	0	0	0	0	7,248
Sexual Offender Registration Fees - Sheriff	4,800	0	0	0	0	0	4,800
Data Processing Fee - County Clerk	6,512	0	0	0	0	0	6,512
<u>Total Charges for Current Services</u>	\$ 302,381	0	0	830,967	0	0	1,133,348
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	0	0	0	293,525	293,525
Lease/Rentals	95,556	0	0	0	0	0	95,556
Sale of Materials and Supplies	5,071	0	0	25,124	0	0	30,195
Sale of Animals/Livestock	99,037	0	0	0	0	0	99,037
Miscellaneous Refunds	46,434	0	0	6,799	2,183	0	55,416

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees			
<u>Other Local Revenues (Cont.)</u>							
<u>Nonrecurring Items</u>							
Sale of Equipment	\$ 3,566	\$ 0	\$ 0	\$ 0	\$ 7,307	\$ 0	\$ 29,981
Sale of Property	4,104	0	0	0	0	0	4,104
Contributions and Gifts	23,159	0	0	0	0	0	23,159
Performance Bond Forfeitures	60,227	0	0	0	0	0	60,227
<u>Other Local Revenues</u>	612,210	0	0	0	2,124	0	614,334
<u>Total Other Local Revenues</u>	\$ 949,364	\$ 0	\$ 0	\$ 0	\$ 41,354	\$ 295,708	\$ 1,305,534
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 237,813	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 237,813
Clerk and Master	143,215	0	0	0	0	0	143,215
<u>Fees in-Lieu-of Salary</u>							
Circuit Court Clerk	269,384	0	0	0	0	0	269,384
General Sessions Court Clerk	645,021	0	0	0	0	0	645,021
Juvenile Court Clerk	103,818	0	0	0	0	0	103,818
Register	359,422	0	0	0	0	0	359,422
Sheriff	41,550	0	0	0	0	0	41,550
Trustee	1,326,376	0	0	0	0	0	1,326,376
<u>Total Fees Received from County Officials</u>	\$ 3,126,599	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,126,599
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,520
State Reappraisal Grant	1,750	0	0	0	0	0	1,750
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	48,000	0	0	0	0	0	48,000
Health and Welfare Grants							
Other Health and Welfare Grants	649,396	0	0	0	0	0	649,396

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>									
<u>Public Works Grants</u>									
Bridge Program	0 \$	0 \$	0 \$	0 \$	311,023 \$	0 \$	0 \$	0 \$	311,023
State Aid Program	0	0	0	0	288,830	0	0	0	288,830
<u>Other State Revenues</u>									
Income Tax	205,565	0	0	0	0	0	0	0	205,565
Beer Tax	8,494	0	0	0	0	0	0	0	8,494
Alcoholic Beverage Tax	122,266	0	0	0	0	0	0	0	122,266
State Revenue Sharing - T.V.A.	0	0	0	0	0	1,189,603	0	0	1,189,603
Board of Jurors	1,947	0	0	0	0	0	0	0	1,947
Contracted Prisoner Boarding	1,803,446	0	0	0	0	0	0	0	1,803,446
Gasoline and Motor Fuel Tax	0	0	0	0	2,244,872	0	0	0	2,244,872
Petroleum Special Tax	0	0	0	0	53,546	0	0	0	53,546
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	15,164
Other State Grants	88,550	0	0	0	0	0	0	0	88,550
Other State Revenues	75,252	0	0	0	0	0	0	0	75,252
<u>Total State of Tennessee</u>	<u>3,029,350 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>2,898,271 \$</u>	<u>1,189,603 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>7,117,224</u>
<u>Federal Government</u>									
<u>Federal Through State</u>									
Homeland Security Grants	74,660 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	74,660
Law Enforcement Grants	50,337	0	0	0	0	0	0	0	50,337
Other Federal through State	112,354	0	0	0	0	0	0	0	112,354
<u>Direct Federal Revenue</u>									
Asset Forfeiture Funds	0	7,232	0	0	0	0	0	0	7,232
Tax Credit Bond Rebate	213,704	0	0	0	0	0	0	0	213,704
Other Direct Federal Revenue	55,579	0	0	0	25,951	353	0	0	81,883
<u>Total Federal Government</u>	<u>506,634 \$</u>	<u>7,232 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>25,951 \$</u>	<u>353 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>540,170</u>
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	172,698 \$	0 \$	0 \$	0 \$	0 \$	8,440 \$	0 \$	0 \$	181,138

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service	Capital
	General	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Fund
Other Governments and Citizens Groups (Cont.)							
Citizens Groups							
Donations	\$ 21,105	\$ 475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,580
Other	91,429	0	0	0	0	0	91,429
Total Other Governments and Citizens Groups	\$ 285,232	\$ 475	\$ 0	\$ 0	\$ 0	\$ 8,440	\$ 294,147
Total	\$ 25,664,260	\$ 183,606	\$ 503,414	\$ 830,967	\$ 5,679,248	\$ 8,889,223	\$ 43,506,720

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 19,368,303	\$ 0	\$ 0	\$ 0	\$ 19,368,303
Trustee's Collections - Prior Year	528,641	0	0	0	528,641
Trustee's Collections - Bankruptcy	12,388	0	0	0	12,388
Circuit/Clerk & Master Collections - Prior Years	576,684	0	0	0	576,684
Interest and Penalty	100,103	0	0	0	100,103
Pick-up Taxes	62,847	0	0	0	62,847
<u>County Local Option Taxes</u>					
Local Option Sales Tax	10,791,498	0	0	0	10,791,498
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	6,057	0	0	0	6,057
Total Local Taxes	\$ 31,446,521	\$ 0	\$ 0	\$ 0	\$ 31,446,521
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,700	\$ 0	\$ 0	\$ 0	\$ 5,700
Total Licenses and Permits	\$ 5,700	\$ 0	\$ 0	\$ 0	\$ 5,700
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 321	\$ 0	\$ 0	\$ 0	\$ 321
<u>Education Charges</u>					
Tuition - Regular Day Students	19,236	0	0	0	19,236
Lunch Payments - Children	0	0	1,114,349	0	1,114,349
Lunch Payments - Adults	0	0	152,878	0	152,878
Income from Breakfast	0	0	116,172	0	116,172
A la carte Sales	0	0	807,969	0	807,969
Receipts from Individual Schools	216,174	0	0	0	216,174
<u>Other Charges for Services</u>					
Other Charges for Services	183,641	0	71,242	0	254,883
Total Charges for Current Services	\$ 419,372	\$ 0	\$ 2,262,610	\$ 0	\$ 2,681,982
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 11,326	\$ 2,163	\$ 13,489
Lease/Rentals	5,701	0	0	0	5,701
Sale of Materials and Supplies	16,212	0	0	0	16,212
Refund of Telecommunication & Internet Fees (E-Rate)	44,529	0	0	0	44,529
Miscellaneous Refunds	1,461	0	4,872	0	6,333
<u>Nonrecurring Items</u>					
Sale of Equipment	52,872	0	0	0	52,872
Resale of Materials - T&I House	17,500	0	0	0	17,500
Damages Recovered from Individuals	7,079	0	0	0	7,079
Contributions and Gifts	32,972	0	0	0	32,972
<u>Other Local Revenues</u>					
Other Local Revenues	216	0	0	0	216
Total Other Local Revenues	\$ 178,542	\$ 0	\$ 16,198	\$ 2,163	\$ 196,903

(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	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 447,246	\$ 0	\$ 0	\$ 0	\$ 447,246
<u>State Education Funds</u>					
Basic Education Program	44,560,998	0	0	0	44,560,998
Early Childhood Education	957,401	0	0	0	957,401
School Food Service	0	0	55,795	0	55,795
Energy Efficient School Initiative	0	0	2,000	0	2,000
Other State Education Funds	321,044	0	0	0	321,044
Career Ladder Program	455,674	0	0	0	455,674
Career Ladder - Extended Contract	148,000	0	0	0	148,000
Career Ladder - Extended Contract - ARRA	146,237	0	0	0	146,237
<u>Other State Revenues</u>					
Mixed Drink Tax	70,655	0	0	0	70,655
Other State Grants	15,399	0	0	0	15,399
Safe Schools - ARRA	9,755	0	0	0	9,755
Total State of Tennessee	\$ 47,132,409	\$ 0	\$ 57,795	\$ 0	\$ 47,190,204
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,733,938	\$ 0	\$ 2,733,938
USDA - Commodities	0	0	233,899	0	233,899
Breakfast	0	0	947,676	0	947,676
USDA - Other	0	0	15,202	0	15,202
Vocational Education - Basic Grants to States	0	255,242	0	0	255,242
Title I Grants to Local Education Agencies	0	3,207,985	0	0	3,207,985
Special Education - Grants to States	75,526	3,024,207	0	0	3,099,733
Special Education Preschool Grants	0	131,016	0	0	131,016
English Language Acquisition Grants	0	52,534	0	0	52,534
Safe and Drug-free Schools - State Grants	95,785	0	0	0	95,785
Eisenhower Professional Development State Grants	0	582,750	0	0	582,750
Race-to-the-Top - ARRA	0	804,165	0	0	804,165
Other Federal through State	0	1,146,447	0	0	1,146,447
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	148,043	0	0	0	148,043
Total Federal Government	\$ 319,354	\$ 9,204,346	\$ 3,930,715	\$ 0	\$ 13,454,415
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 134,650	\$ 134,650
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 134,650	\$ 134,650
Total	\$ 79,501,898	\$ 9,204,346	\$ 6,267,318	\$ 136,813	\$ 95,110,375

Exhibit K-8

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	68,800	
Social Security		4,266	
Employer Medicare		998	
Legal Notices, Recording, and Court Costs		566	
Printing, Stationery, and Forms		252	
Office Supplies		93	
Total County Commission	\$		74,975

Board of Equalization

Board and Committee Members Fees	\$	930	
Social Security		58	
Employer Medicare		13	
Legal Notices, Recording, and Court Costs		52	
Total Board of Equalization			1,053

Other Boards and Committees

Legal Notices, Recording, and Court Costs	\$	2,068	
Postal Charges		311	
Printing, Stationery, and Forms		46	
Other Contracted Services		10,052	
Office Supplies		291	
Other Supplies and Materials		3,998	
Liability Insurance		2,985	
Total Other Boards and Committees			19,751

County Mayor/Executive

County Official/Administrative Officer	\$	86,592	
Assistant(s)		36,760	
Clerical Personnel		34,965	
Longevity Pay		1,050	
Social Security		9,923	
State Retirement		11,937	
Life Insurance		137	
Medical Insurance		17,027	
Dental Insurance		619	
Disability Insurance		484	
Unemployment Compensation		216	
Employer Medicare		2,321	
Dues and Memberships		1,850	
Maintenance Agreements		600	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Postal Charges	\$	360	
Printing, Stationery, and Forms		345	
Travel		1,169	
Office Supplies		995	
Periodicals		98	
Furniture and Fixtures		436	
Office Equipment		110	
Total County Mayor/Executive			\$ 207,994

Personnel Office

County Official/Administrative Officer	\$	65,856	
Clerical Personnel		98,777	
Longevity Pay		1,550	
Social Security		10,045	
State Retirement		12,447	
Life Insurance		182	
Medical Insurance		22,702	
Dental Insurance		826	
Disability Insurance		545	
Unemployment Compensation		432	
Employer Medicare		2,349	
Dues and Memberships		360	
Legal Notices, Recording, and Court Costs		466	
Maintenance Agreements		3,197	
Postal Charges		312	
Travel		1,079	
Other Contracted Services		276	
Office Supplies		1,043	
Furniture and Fixtures		150	
Total Personnel Office			222,594

County Attorney

County Official/Administrative Officer	\$	63,246
Longevity Pay		150
Social Security		3,194
State Retirement		4,748
Life Insurance		46
Medical Insurance		5,676
Dental Insurance		206
Disability Insurance		214

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Unemployment Compensation	\$	108	
Employer Medicare		747	
Dues and Memberships		250	
Postal Charges		90	
Electricity		750	
Office Supplies		3,000	
Other Supplies and Materials		1,250	
Indirect Cost		4,119	
Total County Attorney			\$ 87,794

Election Commission

County Official/Administrative Officer	\$	64,998
Clerical Personnel		62,504
Part-time Personnel		8,438
Longevity Pay		1,650
Overtime Pay		2,448
Other Salaries and Wages		1,487
Election Commission		3,960
Election Workers		36,150
Social Security		9,141
State Retirement		9,598
Life Insurance		137
Medical Insurance		17,027
Dental Insurance		619
Disability Insurance		409
Unemployment Compensation		486
Employer Medicare		2,138
Communication		383
Contracts with Public Carriers		2,000
Data Processing Services		3,600
Dues and Memberships		250
Legal Notices, Recording, and Court Costs		3,613
Maintenance Agreements		8,231
Maintenance and Repair Services - Buildings		546
Maintenance and Repair Services - Equipment		10,785
Pest Control		230
Postal Charges		29,892
Printing, Stationery, and Forms		15,839
Rentals		955
Travel		1,545

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Data Processing Supplies	\$	1,096	
Electricity		5,517	
Natural Gas		2,100	
Office Supplies		1,592	
Other Capital Outlay		19,050	
Total Election Commission			\$ 328,414

Register of Deeds

County Official/Administrative Officer	\$	72,216	
Clerical Personnel		147,849	
Longevity Pay		2,650	
Social Security		13,743	
State Retirement		16,681	
Life Insurance		256	
Medical Insurance		34,053	
Dental Insurance		1,271	
Disability Insurance		740	
Unemployment Compensation		540	
Employer Medicare		3,214	
Data Processing Services		17,800	
Dues and Memberships		684	
Maintenance Agreements		517	
Postal Charges		724	
Data Processing Supplies		1,008	
Office Supplies		2,676	
Data Processing Equipment		8,455	
Total Register of Deeds			325,077

Development

County Official/Administrative Officer	\$	59,760
Assistant(s)		44,086
Secretary(ies)		39,960
Clerical Personnel		32,940
Longevity Pay		4,550
Other Salaries and Wages		94,910
Social Security		16,948
State Retirement		20,688
Life Insurance		274
Medical Insurance		34,053
Dental Insurance		1,238

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Disability Insurance	\$	819	
Unemployment Compensation		648	
Employer Medicare		3,964	
Consultants		53,750	
Dues and Memberships		640	
Legal Notices, Recording, and Court Costs		1,282	
Maintenance Agreements		1,753	
Maintenance and Repair Services - Vehicles		1,391	
Postal Charges		594	
Printing, Stationery, and Forms		247	
Travel		165	
Other Contracted Services		8,980	
Gasoline		5,703	
Office Supplies		646	
Periodicals		525	
Refunds		250	
Office Equipment		203	
Other Equipment		200	
Total Development			\$ 431,167

County Buildings

Supervisor/Director	\$	46,824
Custodial Personnel		80,295
Longevity Pay		5,700
Overtime Pay		4,181
Other Salaries and Wages		175,688
Social Security		19,195
State Retirement		20,972
Life Insurance		352
Medical Insurance		43,783
Dental Insurance		1,385
Disability Insurance		870
Unemployment Compensation		1,355
Employer Medicare		4,489
Communication		7,780
Laundry Service		763
Licenses		1,315
Maintenance Agreements		17,106
Maintenance and Repair Services - Buildings		70,529
Maintenance and Repair Services - Equipment		1,397

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Vehicles	\$	3,152	
Pest Control		2,193	
Disposal Fees		5,815	
Other Contracted Services		23,592	
Custodial Supplies		10,984	
Electricity		147,629	
Equipment and Machinery Parts		7	
Fertilizer, Lime, and Seed		105	
Gasoline		12,793	
Natural Gas		16,812	
Office Supplies		45	
Other Supplies and Materials		646	
Boiler Insurance		3,884	
Building and Contents Insurance		52,729	
Other Capital Outlay		2,368	
Total County Buildings			\$ 786,733

Other General Administration

Audit Services	\$	24,287	
Consultants		825	
Data Processing Services		42,594	
Dues and Memberships		16,888	
Legal Services		36	
Maintenance and Repair Services - Vehicles		121	
Other Contracted Services		1,189	
Gasoline		1,877	
Natural Gas		231	
Indirect Cost		11,550	
Judgments		26,735	
Liability Insurance		151,660	
Vehicle and Equipment Insurance		67,269	
Workers' Compensation Insurance		336,469	
Other Charges		6,970	
Total Other General Administration			688,701

Preservation of Records

County Official/Administrative Officer	\$	51,588	
Assistant(s)		32,940	
Part-time Personnel		3,871	
Longevity Pay		750	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Social Security	\$	5,438	
State Retirement		6,387	
Life Insurance		91	
Medical Insurance		11,351	
Dental Insurance		413	
Disability Insurance		355	
Unemployment Compensation		264	
Employer Medicare		1,272	
Communication		383	
Janitorial Services		1,500	
Maintenance Agreements		882	
Travel		85	
Library Books/Media		850	
Office Supplies		1,033	
Periodicals		117	
Furniture and Fixtures		1,196	
Total Preservation of Records			\$ 120,766

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	69,060
Assistant(s)		54,168
Accountants/Bookkeepers		98,973
Clerical Personnel		81,518
Longevity Pay		2,150
Social Security		18,487
State Retirement		22,562
Life Insurance		266
Medical Insurance		27,451
Dental Insurance		1,204
Disability Insurance		961
Unemployment Compensation		730
Employer Medicare		4,323
Communication		580
Dues and Memberships		500
Legal Notices, Recording, and Court Costs		638
Maintenance Agreements		949
Postal Charges		2,044
Other Contracted Services		300
Office Supplies		1,914

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Other Charges	\$ 71	
Total Accounting and Budgeting		\$ 388,849

Purchasing

County Official/Administrative Officer	\$ 55,188	
Accountants/Bookkeepers	101,995	
Longevity Pay	2,550	
Social Security	9,783	
State Retirement	11,964	
Life Insurance	137	
Medical Insurance	17,027	
Dental Insurance	619	
Disability Insurance	519	
Unemployment Compensation	324	
Employer Medicare	2,288	
Dues and Memberships	390	
Postal Charges	255	
Travel	1,486	
Office Supplies	558	
Furniture and Fixtures	300	
Office Equipment	460	
Total Purchasing		205,843

Property Assessor's Office

County Official/Administrative Officer	\$ 72,216
Clerical Personnel	131,195
Longevity Pay	4,300
Other Salaries and Wages	174,740
In-Service Training	2,050
Social Security	23,202
State Retirement	18,600
Life Insurance	389
Medical Insurance	51,871
Dental Insurance	1,883
Disability Insurance	1,097
Unemployment Compensation	1,299
Employer Medicare	5,426
Audit Services	16,975
Communication	26
Data Processing Services	21,967

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Dues and Memberships	\$	2,410	
Maintenance Agreements		1,176	
Maintenance and Repair Services - Vehicles		2,646	
Postal Charges		3,939	
Printing, Stationery, and Forms		493	
Travel		1,733	
Data Processing Supplies		140	
Gasoline		4,374	
Office Supplies		2,975	
Other Charges		28	
Data Processing Equipment		3,158	
Furniture and Fixtures		218	
Office Equipment		213	
Other Equipment		100	
Total Property Assessor's Office			\$ 550,839

Reappraisal Program

Clerical Personnel	\$	30,240	
Temporary Personnel		7,269	
Longevity Pay		1,750	
Other Salaries and Wages		71,726	
Social Security		6,865	
State Retirement		7,769	
Life Insurance		137	
Medical Insurance		17,027	
Dental Insurance		619	
Disability Insurance		332	
Unemployment Compensation		416	
Employer Medicare		1,606	
Data Processing Services		10,431	
Maintenance Agreements		529	
Maintenance and Repair Services - Vehicles		45	
Printing, Stationery, and Forms		35	
Gasoline		1,468	
Office Supplies		110	
Total Reappraisal Program			158,374

County Trustee's Office

County Official/Administrative Officer	\$	72,216	
Clerical Personnel		137,271	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Temporary Personnel	\$	12,598	
Longevity Pay		3,150	
Overtime Pay		166	
Social Security		13,906	
State Retirement		15,926	
Life Insurance		228	
Medical Insurance		28,378	
Dental Insurance		1,032	
Disability Insurance		693	
Unemployment Compensation		588	
Employer Medicare		3,252	
Data Processing Services		4,683	
Dues and Memberships		684	
Legal Notices, Recording, and Court Costs		46	
Maintenance Agreements		529	
Postal Charges		8,552	
Travel		976	
Office Supplies		1,262	
Office Equipment		68	
Total County Trustee's Office			\$ 306,204

County Clerk's Office

State Retirement	\$	36,712	
Life Insurance		616	
Medical Insurance		79,458	
Dental Insurance		2,890	
Disability Insurance		1,584	
Unemployment Compensation		1,404	
Data Processing Services		14,947	
Dues and Memberships		734	
Maintenance Agreements		1,812	
Postal Charges		18,225	
Printing, Stationery, and Forms		6,406	
Data Processing Supplies		193	
Office Supplies		3,738	
Data Processing Equipment		7,675	
Furniture and Fixtures		2,968	
Total County Clerk's Office			179,362

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

County Official/Administrative Officer	\$	76,278	
Data Processing Personnel		110,652	
Longevity Pay		1,750	
Social Security		11,591	
State Retirement		14,132	
Life Insurance		137	
Medical Insurance		17,027	
Dental Insurance		619	
Disability Insurance		634	
Unemployment Compensation		324	
Employer Medicare		2,711	
Communication		78,915	
Data Processing Services		9,387	
Maintenance Agreements		10,428	
Postal Charges		123	
Travel		200	
Data Processing Supplies		6,411	
Office Supplies		107	
Periodicals		31	
Communication Equipment		1,059	
Data Processing Equipment		37,012	
Total Data Processing			\$ 379,528

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,216
Clerical Personnel		529,216
Part-time Personnel		33,060
Longevity Pay		7,150
Jury and Witness Expense		37,789
Other Per Diem and Fees		13,100
Social Security		39,939
State Retirement		40,038
Life Insurance		768
Medical Insurance		95,983
Dental Insurance		3,053
Disability Insurance		2,009
Unemployment Compensation		2,214
Employer Medicare		9,341
Dues and Memberships		534

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Legal Notices, Recording, and Court Costs	\$	418	
Postal Charges		10,801	
Printing, Stationery, and Forms		12,651	
Office Supplies		4,591	
Periodicals		398	
Other Charges		3,723	
Total Circuit Court			\$ 918,992

General Sessions Court

Judge(s)	\$	445,464	
Clerical Personnel		128,110	
Temporary Personnel		59,242	
Part-time Personnel		7,413	
Longevity Pay		2,858	
Overtime Pay		2,623	
Other Salaries and Wages		120,112	
Social Security		39,845	
State Retirement		50,670	
Life Insurance		366	
Medical Insurance		43,551	
Dental Insurance		1,572	
Disability Insurance		1,737	
Unemployment Compensation		1,361	
Employer Medicare		10,899	
Communication		4,378	
Data Processing Services		30,226	
Dues and Memberships		717	
Evaluation and Testing		600	
Licenses		1,200	
Maintenance Agreements		1,740	
Pest Control		391	
Printing, Stationery, and Forms		266	
Travel		6,212	
Electricity		8,308	
Office Supplies		1,402	
Periodicals		916	
Furniture and Fixtures		3,903	
Office Equipment		146	
Total General Sessions Court			976,228

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

State Retirement	\$	19,880	
Life Insurance		302	
Medical Insurance		37,664	
Dental Insurance		1,367	
Disability Insurance		850	
Unemployment Compensation		867	
Data Processing Services		10,885	
Dues and Memberships		1,498	
Maintenance Agreements		1,150	
Postal Charges		4,381	
Printing, Stationery, and Forms		3,860	
Office Supplies		2,771	
Periodicals		495	
Other Charges		15	
Office Equipment		343	
Total Chancery Court			\$ 86,328

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,440
Deputy(ies)		2,120,273
Investigator(s)		618,685
Captain(s)		138,882
Lieutenant(s)		229,925
Sergeant(s)		353,197
Dispatchers/Radio Operators		190,052
Clerical Personnel		173,131
Part-time Personnel		25,081
Longevity Pay		40,300
Overtime Pay		179,927
In-Service Training		50,600
Social Security		255,220
State Retirement		298,914
Life Insurance		4,007
Medical Insurance		495,615
Dental Insurance		17,707
Disability Insurance		12,847
Unemployment Compensation		10,385
Employer Medicare		59,689
Communication		20,929

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Data Processing Services	\$	44,867	
Dues and Memberships		3,710	
Maintenance Agreements		15,396	
Maintenance and Repair Services - Equipment		768	
Maintenance and Repair Services - Vehicles		48,810	
Postal Charges		1,174	
Printing, Stationery, and Forms		1,515	
Travel		30,376	
Veterinary Services		1,549	
Other Contracted Services		1,698	
Animal Food and Supplies		572	
Data Processing Supplies		9,011	
Drugs and Medical Supplies		148	
Gasoline		270,517	
Law Enforcement Supplies		32,273	
Lubricants		8,298	
Office Supplies		6,721	
Periodicals		2,149	
Tires and Tubes		20,674	
Uniforms		24,619	
Vehicle Parts		66,001	
Other Charges		501	
Communication Equipment		2,103	
Data Processing Equipment		1,173	
Furniture and Fixtures		1,400	
Law Enforcement Equipment		12,096	
Office Equipment		759	
Other Equipment		123	
Total Sheriff's Department			\$ 5,983,807

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)		213,875	
Maintenance Personnel		42,012	
Longevity Pay		15,300	
Overtime Pay		153,850	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Salaries and Wages	\$ 1,753,337
In-Service Training	2,400
Social Security	133,681
State Retirement	153,148
Life Insurance	2,549
Medical Insurance	316,898
Dental Insurance	11,504
Disability Insurance	6,122
Unemployment Compensation	7,217
Employer Medicare	31,264
Communication	1,771
Contracts with Government Agencies	186,265
Maintenance Agreements	11,249
Maintenance and Repair Services - Buildings	59,454
Maintenance and Repair Services - Equipment	493
Maintenance and Repair Services - Vehicles	2,668
Medical and Dental Services	184,344
Pest Control	2,397
Postal Charges	1,010
Printing, Stationery, and Forms	2,953
Travel	5,914
Disposal Fees	3,498
Other Contracted Services	750
Custodial Supplies	32,230
Drugs and Medical Supplies	206,055
Electricity	202,101
Food Supplies	324,920
Gasoline	35,817
Law Enforcement Supplies	1,301
Lubricants	899
Natural Gas	48,346
Prisoners Clothing	13,337
Tires and Tubes	2,556
Uniforms	7,781
Vehicle Parts	4,704
Other Supplies and Materials	513
Other Charges	2,817
Communication Equipment	1,200
Food Service Equipment	1,185
Law Enforcement Equipment	1,579

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Equipment	\$ 860	
Total Jail		\$ 4,197,148

Juvenile Services

Assistant(s)	\$ 28,822	
Probation Officer(s)	32,206	
Youth Service Officer(s)	44,064	
Longevity Pay	700	
Overtime Pay	2,168	
Social Security	6,629	
State Retirement	8,086	
Life Insurance	137	
Medical Insurance	17,027	
Dental Insurance	619	
Disability Insurance	342	
Unemployment Compensation	324	
Employer Medicare	1,550	
Communication	584	
Postal Charges	44	
Travel	5,462	
Other Contracted Services	52,470	
Drugs and Medical Supplies	98	
Office Supplies	151	
Office Equipment	53	
Total Juvenile Services		201,536

Civil Defense

Contributions	\$ 175,823	
Vehicle and Equipment Insurance	25,307	
Total Civil Defense		201,130

Other Emergency Management

Clerical Personnel	\$ 34,116	
Longevity Pay	150	
Social Security	2,096	
State Retirement	2,567	
Life Insurance	46	
Medical Insurance	5,676	
Dental Insurance	206	
Disability Insurance	115	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Unemployment Compensation	\$	108	
Employer Medicare		490	
Communication		6,460	
Consultants		150	
Dues and Memberships		250	
Maintenance Agreements		1,615	
Maintenance and Repair Services - Equipment		1,211	
Maintenance and Repair Services - Vehicles		5,638	
Postal Charges		76	
Printing, Stationery, and Forms		130	
Travel		1,357	
Other Contracted Services		1,384	
Electricity		1,367	
Gasoline		5,944	
Natural Gas		539	
Office Supplies		1,482	
Small Tools		1,696	
Uniforms		1,043	
Vehicle Parts		213	
Other Supplies and Materials		19,563	
Vehicle and Equipment Insurance		9,534	
Other Charges		88,595	
Other Equipment		153,288	
Total Other Emergency Management			\$ 347,105

Public Safety Grant Programs

Uniforms	\$	2,720	
Law Enforcement Equipment		60,304	
Total Public Safety Grant Programs			63,024

Public Health and Welfare

Local Health Center

Medical Personnel	\$	313,870	
Clerical Personnel		124,856	
Part-time Personnel		33,867	
Longevity Pay		3,300	
Social Security		28,908	
State Retirement		31,700	
Life Insurance		717	
Medical Insurance		83,193	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Dental Insurance	\$	2,945	
Disability Insurance		1,372	
Unemployment Compensation		2,510	
Employer Medicare		6,761	
Communication		10,504	
Dues and Memberships		200	
Janitorial Services		31,087	
Licenses		55	
Maintenance Agreements		7,956	
Maintenance and Repair Services - Buildings		3,333	
Maintenance and Repair Services - Equipment		1,267	
Medical and Dental Services		387	
Pest Control		561	
Travel		8,476	
Electricity		42,966	
Natural Gas		14,340	
Office Supplies		2,813	
Other Supplies and Materials		188	
Liability Insurance		392	
Workers' Compensation Insurance		3,707	
Total Local Health Center			\$ 762,231

Rabies and Animal Control

County Official/Administrative Officer	\$	34,116
Part-time Personnel		61,682
Longevity Pay		1,000
Overtime Pay		17
Other Salaries and Wages		223,068
Social Security		19,454
State Retirement		16,439
Life Insurance		410
Medical Insurance		51,582
Dental Insurance		1,858
Disability Insurance		859
Unemployment Compensation		1,548
Employer Medicare		4,550
Advertising		385
Communication		67
Licenses		820
Maintenance Agreements		4,935

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Maintenance and Repair Services - Buildings	\$	5,737	
Maintenance and Repair Services - Equipment		35	
Maintenance and Repair Services - Vehicles		1,230	
Medical and Dental Services		162	
Postal Charges		88	
Printing, Stationery, and Forms		302	
Travel		300	
Veterinary Services		22,480	
Disposal Fees		2,841	
Custodial Supplies		3,808	
Drugs and Medical Supplies		31,999	
Electricity		30,137	
Gasoline		9,290	
Law Enforcement Supplies		706	
Natural Gas		12,002	
Office Supplies		2,306	
Uniforms		294	
Other Supplies and Materials		15,540	
Building and Contents Insurance		291	
Refunds		2,675	
Motor Vehicles		3,131	
Other Equipment		7,606	
Total Rabies and Animal Control			\$ 575,750

Appropriation to State

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

Other Local Welfare Services

Other Contracted Services	\$	5,504	
Total Other Local Welfare Services			5,504

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

County Official/Administrative Officer	\$	47,266	
Librarians		254,823	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Part-time Personnel	\$	51,376	
Longevity Pay		5,450	
Social Security		21,616	
State Retirement		23,035	
Life Insurance		456	
Medical Insurance		57,219	
Dental Insurance		2,030	
Disability Insurance		1,029	
Unemployment Compensation		1,611	
Employer Medicare		5,055	
Communication		1,487	
Janitorial Services		6,000	
Licenses		475	
Maintenance Agreements		11,713	
Maintenance and Repair Services - Buildings		4,482	
Pest Control		646	
Postal Charges		438	
Other Contracted Services		6,476	
Custodial Supplies		1,118	
Electricity		26,317	
Library Books/Media		48,287	
Natural Gas		3,788	
Office Supplies		6,346	
Periodicals		4,572	
Office Equipment		826	
Other Capital Outlay		33,162	
Total Libraries			\$ 627,099

Parks and Fair Boards

County Official/Administrative Officer	\$	64,818
Assistant(s)		77,736
Laborers		149,702
Clerical Personnel		24,044
Temporary Personnel		31,125
Part-time Personnel		9,485
Longevity Pay		3,800
Overtime Pay		3,376
Social Security		22,458
State Retirement		24,070
Life Insurance		410

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Medical Insurance	\$	51,080	
Dental Insurance		1,651	
Disability Insurance		1,065	
Unemployment Compensation		1,441	
Employer Medicare		5,252	
Communication		937	
Laundry Service		3,323	
Maintenance Agreements		578	
Maintenance and Repair Services - Equipment		2,414	
Maintenance and Repair Services - Vehicles		14,042	
Pest Control		646	
Postal Charges		199	
Printing, Stationery, and Forms		166	
Rentals		1,223	
Travel		407	
Other Contracted Services		45,186	
Custodial Supplies		5,894	
Electricity		71,365	
Equipment Parts - Light		464	
Fertilizer, Lime, and Seed		5,201	
Gasoline		19,913	
Lubricants		1,076	
Natural Gas		5,459	
Office Supplies		719	
Uniforms		360	
Other Supplies and Materials		35,686	
Building Improvements		834	
Furniture and Fixtures		357	
Site Development		2,199	
Other Capital Outlay		169,000	
Total Parks and Fair Boards			\$ 859,161

Agriculture and Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	400
Social Security		25
Employer Medicare		6
Contracts with Government Agencies		107,528
Dues and Memberships		310
Maintenance Agreements		1,470

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Postal Charges	\$ 176	
Total Agriculture Extension Service		\$ 109,915

Forest Service

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

Soil Conservation

Longevity Pay	\$ 1,000	
Other Salaries and Wages	36,288	
Social Security	2,306	
State Retirement	2,793	
Life Insurance	46	
Medical Insurance	5,676	
Dental Insurance	206	
Disability Insurance	118	
Unemployment Compensation	108	
Employer Medicare	539	
Total Soil Conservation		49,080

Other Operations

Tourism

County Official/Administrative Officer	\$ 56,892	
Part-time Personnel	21,580	
Longevity Pay	1,350	
Overtime Pay	543	
Other Salaries and Wages	79,540	
Social Security	9,874	
State Retirement	10,061	
Life Insurance	121	
Medical Insurance	11,351	
Dental Insurance	619	
Disability Insurance	446	
Unemployment Compensation	559	
Employer Medicare	2,309	
Advertising	96,075	
Communication	302	
Dues and Memberships	1,639	
Maintenance Agreements	513	
Maintenance and Repair Services - Vehicles	47	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Postal Charges	\$	4,610	
Printing, Stationery, and Forms		12,175	
Rentals		105	
Travel		10,806	
Other Contracted Services		49,835	
Electricity		1,602	
Gasoline		682	
Office Supplies		1,492	
Periodicals		177	
Other Supplies and Materials		4,824	
Other Charges		4,094	
Furniture and Fixtures		314	
Total Tourism			\$ 384,537

Industrial Development

Contributions	\$	175,000	
Other Contracted Services		4,590	
Electricity		1,832	
Total Industrial Development			181,422

Other Economic and Community Development

Other Contracted Services	\$	1,489	
Total Other Economic and Community Development			1,489

Veterans' Services

Clerical Personnel	\$	32,678	
Part-time Personnel		19,242	
Longevity Pay		1,000	
Social Security		3,275	
State Retirement		2,522	
Life Insurance		42	
Medical Insurance		5,676	
Dental Insurance		206	
Disability Insurance		107	
Unemployment Compensation		216	
Employer Medicare		766	
Dues and Memberships		25	
Maintenance Agreements		764	
Postal Charges		647	
Printing, Stationery, and Forms		158	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Travel	\$	488	
Office Supplies		404	
Total Veterans' Services			\$ 68,216

Contributions to Other Agencies

Contributions	\$	122,062	
Total Contributions to Other Agencies			122,062

Employee Benefits

Medical and Dental Services	\$	8,909	
Other Supplies and Materials		3,545	
Total Employee Benefits			12,454

Payments to Cities

Contracts with Government Agencies	\$	192,018	
Total Payments to Cities			192,018

Miscellaneous

Medical and Dental Services	\$	65,785	
Other Contracted Services		47,895	
Trustee's Commission		309,622	
Tax Relief Program		163,268	
Total Miscellaneous			586,570

Principal on Debt

General Government

Principal on Notes	\$	128,079	
Total General Government			128,079

Interest on Debt

General Government

Interest on Notes	\$	11,527	
Total General Government			11,527

Total General Fund \$ 23,223,880

Drug Control Fund

Public Safety

Sheriff's Department

Maintenance and Repair Services - Vehicles	\$	1,296	
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(Continued)

Exhibit K-8

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Vehicle Parts	\$ 904	
Total Sheriff's Department		\$ 2,200

Drug Enforcement

Social Security	\$ 85	
Employer Medicare	20	
Communication	6,633	
Contributions	23,232	
Data Processing Services	650	
Confidential Drug Enforcement Payments	4,000	
Dues and Memberships	900	
Maintenance Agreements	522	
Maintenance and Repair Services - Vehicles	5,845	
Printing, Stationery, and Forms	319	
Rentals	15,400	
Travel	2,765	
Other Contracted Services	880	
Data Processing Supplies	626	
Electricity	8,234	
Gasoline	17,022	
Instructional Supplies and Materials	10,228	
Law Enforcement Supplies	850	
Lubricants	56	
Office Supplies	60	
Tires and Tubes	2,118	
Uniforms	1,375	
Vehicle Parts	6,746	
Trustee's Commission	1,761	
Other Charges	6,298	
Law Enforcement Equipment	4,672	
Total Drug Enforcement		<u>121,297</u>

Total Drug Control Fund		\$ 123,497
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Adequate Facilities/Development Tax Fund

Capital Projects

General Administration Projects

Refunds	\$ 1,814	
Total General Administration Projects		\$ 1,814

(Continued)

Exhibit K-8

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

Adequate Facilities/Development Tax Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects

Architects	\$ 26,801	
Total Public Safety Projects		\$ 26,801

Highway and Street Capital Projects

Highway Construction	\$ 53,975	
Total Highway and Street Capital Projects		<u>53,975</u>

Total Adequate Facilities/Development Tax Fund		\$ 82,590
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Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 63	
Total Register of Deeds		\$ 63

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 114	
Total County Trustee's Office		114

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 527,139	
Total County Clerk's Office		527,139

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 3,242	
Total Circuit Court		3,242

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 2,691	
Total General Sessions Court		2,691

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 6,445	
Constitutional Officers' Operating Expenses	<u>285,371</u>	
Total Chancery Court		291,816

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 104	
Total Sheriff's Department		\$ 104

Total Constitutional Officers - Fees Fund \$ 825,169

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 79,440	
Purchasing Personnel	36,288	
Longevity Pay	1,250	
Overtime Pay	76	
Other Salaries and Wages	52,510	
Social Security	10,472	
State Retirement	12,701	
Life Insurance	125	
Medical Insurance	17,027	
Dental Insurance	619	
Disability Insurance	572	
Unemployment Compensation	216	
Employer Medicare	2,449	
Dues and Memberships	3,853	
Maintenance Agreements	550	
Postal Charges	443	
Travel	93	
Other Contracted Services	176	
Office Supplies	1,184	
Other Charges	139	
Total Administration		\$ 220,183

Highway and Bridge Maintenance

Foremen	\$ 65,856
Mechanic(s)	254,518
Equipment Operators - Heavy	411,188
Equipment Operators - Light	299,385
Truck Drivers	308,119
Laborers	70,533
Guards	57,664
Longevity Pay	25,350
Overtime Pay	16,802

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Other Salaries and Wages	\$	127,110	
Social Security		99,362	
State Retirement		114,749	
Life Insurance		1,891	
Medical Insurance		248,058	
Dental Insurance		8,902	
Disability Insurance		5,006	
Unemployment Compensation		6,284	
Employer Medicare		23,238	
Disposal Fees		62,596	
Other Contracted Services		1,746	
Asphalt		453,754	
Concrete		40,454	
Crushed Stone		526,858	
Fertilizer, Lime, and Seed		409	
Other Road Supplies		9,903	
Pipe		43,853	
Road Signs		29,130	
Wood Products		1,909	
Geotextile Materials		1,594	
Total Highway and Bridge Maintenance			\$ 3,316,221

Operation and Maintenance of Equipment

Communication	\$	1,645
Maintenance and Repair Services - Buildings		4,748
Maintenance and Repair Services - Equipment		20,442
Maintenance and Repair Services - Vehicles		17,201
Other Contracted Services		3,052
Concrete		3,366
Custodial Supplies		2,370
Diesel Fuel		422,433
Drugs and Medical Supplies		1,410
Equipment and Machinery Parts		126,609
Garage Supplies		9,441
Gasoline		47,808
Lubricants		33,251
Small Tools		16,861
Tires and Tubes		82,874
Vehicle Parts		97,531
Other Supplies and Materials		28,440

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Right-of-Way	\$ 2,000	
Total Operation and Maintenance of Equipment		\$ 921,482

Other Charges

Contributions	\$ 20,000	
Laundry Service	10,865	
Pest Control	459	
Electricity	14,063	
Natural Gas	2,272	
Uniforms	652	
Building and Contents Insurance	1,748	
Liability Insurance	45,061	
Trustee's Commission	75,558	
Vehicle and Equipment Insurance	28,602	
Workers' Compensation Insurance	165,480	
Other Charges	181	
Total Other Charges		364,941

Employee Benefits

Medical and Dental Services	\$ 2,580	
Total Employee Benefits		2,580

Capital Outlay

Bridge Construction	\$ 391,722	
Highway Construction	362,455	
Total Capital Outlay		754,177

Capital Projects

Highway and Street Capital Projects

Bridge Construction	\$ 45,000	
Other Capital Outlay	96,231	
Total Highway and Street Capital Projects		141,231

Total Highway/Public Works Fund		\$ 5,720,815
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 308,508	
Principal on Notes	1,184,956	
Total General Government		\$ 1,493,464

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Notes	\$ 800,000	
Total Highways and Streets		\$ 800,000

Education

Principal on Bonds	\$ 2,876,492	
Principal on Notes	770,044	
Principal on Other Loans	229,210	
Total Education		3,875,746

Interest on Debt

General Government

Interest on Bonds	\$ 261,550	
Interest on Notes	287,998	
Total General Government		549,548

Highways and Streets

Interest on Notes	\$ 15,453	
Total Highways and Streets		15,453

Education

Interest on Bonds	\$ 1,908,897	
Interest on Notes	202,407	
Interest on Other Loans	185,962	
Total Education		2,297,266

Other Debt Service

General Government

Bank Charges	\$ 2,250	
Trustee's Commission	133,107	
Underwriter's Discount	143,721	
Other Debt Issuance Charges	69,600	
Other Debt Service	2,185	
Total General Government		350,863

Highways and Streets

Other Debt Issuance Charges	\$ 12,911	
Total Highways and Streets		12,911

Education

Contributions	\$ 134,650	
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(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education (Cont.)

Other Debt Service	\$ 3,218	
Total Education		\$ 137,868

Total General Debt Service Fund \$ 9,533,119

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Architects	\$ 24,109	
Total Administration of Justice Projects		\$ 24,109

Total General Capital Projects Fund 24,109

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Asphalt	\$ 1,761,683	
Concrete	5,846	
Crushed Stone	328,832	
Fertilizer, Lime, and Seed	50	
Pipe	22,775	
Other Supplies and Materials	300	
Total Highway and Street Capital Projects		\$ 2,119,486

Total Highway Capital Projects Fund 2,119,486

Other Capital Projects Fund

General Government

County Buildings

Motor Vehicles	\$ 10,000	
Total County Buildings		\$ 10,000

Finance

Data Processing

Communication Equipment	\$ 30,878	
Other Capital Outlay	3,921	
Total Data Processing		34,799

(Continued)

Exhibit K-8

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

Other Capital Projects Fund (Cont.)

Public Safety

Sheriff's Department

Communication Equipment	\$ 4,250	
Motor Vehicles	160,667	
Other Construction	<u>7,665</u>	
Total Sheriff's Department		\$ 172,582

Civil Defense

Motor Vehicles	\$ <u>19,500</u>	
Total Civil Defense		19,500

Public Health and Welfare

Rabies and Animal Control

Motor Vehicles	\$ <u>24,204</u>	
Total Rabies and Animal Control		24,204

Social, Cultural, and Recreational Services

Parks and Fair Boards

Other Capital Outlay	\$ <u>24,050</u>	
Total Parks and Fair Boards		24,050

Other Operations

Other Charges

Other Charges	\$ <u>28,559</u>	
Total Other Charges		28,559

Miscellaneous

Trustee's Commission	\$ <u>34,213</u>	
Total Miscellaneous		34,213

Capital Projects - Donated

Capital Projects Donated to School Department

Heating and Air Conditioning Equipment	\$ 191,335	
Motor Vehicles	<u>663,912</u>	
Total Capital Projects Donated to School Department		<u>855,247</u>

Total Other Capital Projects Fund \$ 1,203,154

Total Governmental Funds - Primary Government \$ 42,855,819

Exhibit K-9

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 25,922,611	
Career Ladder Program	261,410	
Career Ladder Extended Contracts	123,700	
Homebound Teachers	54,491	
Educational Assistants	583,542	
Other Salaries and Wages	540,668	
Certified Substitute Teachers	50,344	
Non-certified Substitute Teachers	417,312	
Social Security	1,678,582	
State Retirement	2,449,045	
Life Insurance	44,457	
Medical Insurance	4,256,519	
Dental Insurance	141,331	
Employer Medicare	390,021	
Other Contracted Services	383,672	
Instructional Supplies and Materials	219,364	
Textbooks	1,429	
Other Supplies and Materials	9,567	
Fee Waivers	61,554	
Regular Instruction Equipment	263,319	
Total Regular Instruction Program		\$ 37,852,938

Alternative Instruction Program

Teachers	\$ 315,321	
Career Ladder Program	2,000	
Educational Assistants	71,794	
Non-certified Substitute Teachers	4,681	
Social Security	23,854	
State Retirement	33,896	
Life Insurance	749	
Medical Insurance	72,902	
Dental Insurance	2,751	
Employer Medicare	5,579	
Other Contracted Services	5,211	
Instructional Supplies and Materials	1,805	
Total Alternative Instruction Program		540,543

Special Education Program

Teachers	\$ 3,795,933	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	37,818	
Homebound Teachers		36,469	
Educational Assistants		657,655	
Speech Pathologist		648,429	
Other Salaries and Wages		90,009	
Certified Substitute Teachers		3,069	
Non-certified Substitute Teachers		19,065	
Social Security		314,474	
State Retirement		459,482	
Life Insurance		10,352	
Medical Insurance		973,369	
Dental Insurance		33,827	
Employer Medicare		73,533	
Contracts with Private Agencies		75,354	
Maintenance and Repair Services - Equipment		1,983	
Other Contracted Services		178,081	
Instructional Supplies and Materials		32,870	
Textbooks		32,183	
Other Supplies and Materials		17,585	
Special Education Equipment		9,110	
Total Special Education Program			\$ 7,500,650

Vocational Education Program

Teachers	\$	1,960,680
Career Ladder Program		12,499
Certified Substitute Teachers		1,054
Non-certified Substitute Teachers		14,578
Social Security		119,319
State Retirement		178,510
Life Insurance		2,951
Medical Insurance		277,371
Dental Insurance		9,635
Employer Medicare		27,910
Maintenance and Repair Services - Equipment		8,251
Other Contracted Services		11,661
Instructional Supplies and Materials		64,695
T&I Construction Materials		5,166
Textbooks		5,498
Other Supplies and Materials		8,719

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Other Charges	\$ 856	
Vocational Instruction Equipment	53,285	
Total Vocational Education Program	\$ 2,762,638	

Support Services

Attendance

Supervisor/Director	\$ 77,043	
Career Ladder Program	1,000	
Social Workers	28,518	
Clerical Personnel	105,190	
Other Salaries and Wages	180,804	
Social Security	23,858	
State Retirement	30,208	
Life Insurance	815	
Medical Insurance	70,184	
Dental Insurance	2,789	
Employer Medicare	5,580	
Communication	2,232	
Travel	5,628	
Other Contracted Services	1,825	
Other Supplies and Materials	17,253	
In Service/Staff Development	2,572	
Other Charges	25	
Attendance Equipment	7,511	
Total Attendance	563,035	

Health Services

Medical Personnel	\$ 220,737
Secretary(ies)	22,280
Other Salaries and Wages	49,376
Certified Substitute Teachers	248
Social Security	17,107
State Retirement	22,671
Life Insurance	522
Medical Insurance	47,975
Dental Insurance	1,885
Employer Medicare	4,001
Communication	3,192
Travel	10,220

(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.)

Health Services (Cont.)

Other Contracted Services	\$	787	
Drugs and Medical Supplies		4,289	
Other Supplies and Materials		4,570	
In Service/Staff Development		1,375	
Other Charges		1,558	
Health Equipment		605	
Total Health Services			\$ 413,398

Other Student Support

Career Ladder Program	\$	11,850	
Guidance Personnel		1,303,190	
Social Security		79,316	
State Retirement		119,012	
Life Insurance		1,785	
Medical Insurance		186,890	
Dental Insurance		6,371	
Employer Medicare		18,550	
Evaluation and Testing		36,563	
Other Supplies and Materials		5,800	
Total Other Student Support			1,769,327

Regular Instruction Program

Supervisor/Director	\$	347,885	
Career Ladder Program		26,400	
Career Ladder Extended Contracts		2,600	
Librarians		1,000,356	
Secretary(ies)		30,956	
Clerical Personnel		42,571	
Other Salaries and Wages		108,091	
Social Security		93,457	
State Retirement		139,035	
Life Insurance		1,924	
Medical Insurance		192,842	
Dental Insurance		6,675	
Employer Medicare		21,856	
Communication		18,879	
Operating Lease Payments		29,140	
Travel		63,752	
Other Contracted Services		132,286	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	41,134	
Periodicals		50,754	
Other Supplies and Materials		15,284	
In Service/Staff Development		22,257	
Other Charges		11,598	
Other Equipment		15,403	
Total Regular Instruction Program			\$ 2,415,135

Alternative Instruction Program

Supervisor/Director	\$	57,704	
Guidance Personnel		28,085	
Clerical Personnel		19,501	
Social Security		6,384	
State Retirement		8,786	
Life Insurance		276	
Medical Insurance		21,781	
Dental Insurance		642	
Employer Medicare		1,493	
Communication		2,616	
Travel		148	
Other Contracted Services		1,650	
Other Supplies and Materials		1,616	
Other Equipment		1,528	
Total Alternative Instruction Program			152,210

Special Education Program

Supervisor/Director	\$	57,764	
Career Ladder Program		9,181	
Psychological Personnel		317,894	
Assessment Personnel		170,856	
Secretary(ies)		31,156	
Clerical Personnel		16,370	
Other Salaries and Wages		65,034	
Social Security		39,622	
State Retirement		59,736	
Life Insurance		942	
Medical Insurance		96,502	
Dental Insurance		3,119	
Employer Medicare		9,266	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Communication	\$	4,881	
Maintenance and Repair Services - Equipment		229	
Travel		31,588	
Other Supplies and Materials		3,911	
In Service/Staff Development		6,129	
Other Charges		2,666	
Other Equipment		2,473	
Total Special Education Program			\$ 929,319

Vocational Education Program

Supervisor/Director	\$	71,623	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		1,000	
Clerical Personnel		25,814	
Social Security		6,043	
State Retirement		8,777	
Life Insurance		144	
Medical Insurance		11,494	
Dental Insurance		468	
Employer Medicare		1,413	
Communication		624	
Travel		19,206	
Other Supplies and Materials		748	
In Service/Staff Development		6,030	
Other Charges		1,598	
Other Equipment		2,800	
Total Vocational Education Program			160,782

Other Programs

On-Behalf Payments to OPEB	\$	447,246	
Total Other Programs			447,246

Board of Education

Secretary to Board	\$	3,411	
Other Salaries and Wages		242	
Board and Committee Members Fees		9,975	
Social Security		18,389	
State Retirement		350	
Unemployment Compensation		157,374	

(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.)

Employer Medicare	\$	4,301	
Other Fringe Benefits		880,302	
Audit Services		20,000	
Dues and Memberships		11,570	
Legal Services		65,016	
Travel		896	
Judgments		38,000	
Liability Insurance		12,141	
Trustee's Commission		640,731	
Workers' Compensation Insurance		251,381	
In Service/Staff Development		4,048	
Other Charges		1,892	
Total Board of Education			\$ 2,120,019

Director of Schools

County Official/Administrative Officer	\$	122,915	
Secretary(ies)		30,697	
Other Salaries and Wages		49,276	
Social Security		11,626	
State Retirement		17,882	
Life Insurance		216	
Medical Insurance		22,466	
Dental Insurance		911	
Employer Medicare		2,922	
Communication		3,244	
Dues and Memberships		7,232	
Postal Charges		11,666	
Travel		4,589	
Other Contracted Services		1,320	
Office Supplies		2,433	
Other Supplies and Materials		76	
In Service/Staff Development		1,825	
Other Charges		2,345	
Administration Equipment		1,495	
Total Director of Schools			295,136

Office of the Principal

Principals	\$	1,565,429	
Career Ladder Program		28,751	

(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.)

Office of the Principal (Cont.)

Career Ladder Extended Contracts	\$	3,500	
Assistant Principals		1,498,991	
Secretary(ies)		565,126	
Clerical Personnel		638,129	
Social Security		258,342	
State Retirement		365,888	
Life Insurance		6,538	
Medical Insurance		587,710	
Dental Insurance		21,744	
Employer Medicare		60,419	
Communication		104,177	
Other Contracted Services		127,885	
Office Supplies		19,999	
Other Charges		5,914	
Total Office of the Principal			\$ 5,858,542

Fiscal Services

Supervisor/Director	\$	75,655	
Accountants/Bookkeepers		260,156	
Purchasing Personnel		33,708	
Clerical Personnel		26,556	
Social Security		24,339	
State Retirement		29,666	
Life Insurance		767	
Medical Insurance		62,107	
Dental Insurance		2,536	
Employer Medicare		5,692	
Maintenance and Repair Services - Equipment		1,210	
Travel		4,106	
Other Contracted Services		11,653	
Office Supplies		18,452	
In Service/Staff Development		2,699	
Other Charges		3,338	
Administration Equipment		11,886	
Total Fiscal Services			574,526

Human Services/Personnel

Supervisor/Director	\$	83,564
Clerical Personnel		87,718

(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.)

Human Services/Personnel (Cont.)

Social Security	\$	10,476	
State Retirement		14,133	
Life Insurance		288	
Medical Insurance		23,137	
Dental Insurance		936	
Employer Medicare		2,450	
Advertising		1,224	
Communication		1,294	
Operating Lease Payments		3,584	
Travel		1,284	
Other Contracted Services		9,439	
Office Supplies		3,697	
In Service/Staff Development		700	
Other Charges		6,305	
Administration Equipment		2,124	
Total Human Services/Personnel			\$ 252,353

Operation of Plant

Supervisor/Director	\$	55,014	
Custodial Personnel		214,333	
Social Security		16,518	
State Retirement		20,174	
Life Insurance		882	
Medical Insurance		58,458	
Dental Insurance		2,574	
Employer Medicare		3,863	
Communication		593	
Janitorial Services		1,814,444	
Travel		1,141	
Disposal Fees		41,613	
Other Contracted Services		190,054	
Electricity		2,296,754	
Natural Gas		439,980	
Water and Sewer		311,314	
Other Supplies and Materials		3,361	
Building and Contents Insurance		205,610	
In Service/Staff Development		1,194	
Plant Operation Equipment		12,360	
Total Operation of Plant			5,690,234

(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.)

Maintenance of Plant

Secretary(ies)	\$	28,188	
Maintenance Personnel		577,292	
Social Security		37,123	
State Retirement		45,350	
Life Insurance		1,372	
Medical Insurance		122,963	
Dental Insurance		4,991	
Employer Medicare		8,682	
Communication		6,217	
Laundry Service		9,539	
Maintenance and Repair Services - Buildings		163,496	
Maintenance and Repair Services - Equipment		87,296	
Maintenance and Repair Services - Vehicles		8,551	
Other Contracted Services		22,163	
Other Supplies and Materials		303,607	
In Service/Staff Development		480	
Other Charges		2,464	
Maintenance Equipment		9,700	
Total Maintenance of Plant			\$ 1,439,474

Transportation

Supervisor/Director	\$	81,343
Bus Drivers		1,549,289
Clerical Personnel		54,279
Social Security		102,814
State Retirement		111,267
Life Insurance		7,855
Medical Insurance		682,306
Dental Insurance		28,087
Employer Medicare		24,049
Communication		2,844
Operating Lease Payments		1,714
Maintenance and Repair Services - Vehicles		5,132
Travel		379
Other Contracted Services		285,662
Diesel Fuel		671,965
Tires and Tubes		129,906
Vehicle Parts		146,419
Other Supplies and Materials		1,510

(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.)

Vehicle and Equipment Insurance	\$	88,257	
In Service/Staff Development		1,941	
Other Charges		27,694	
Transportation Equipment		56,632	
Total Transportation			\$ 4,061,344

Central and Other

Supervisor/Director	\$	67,645	
Other Salaries and Wages		331,369	
Social Security		23,840	
State Retirement		29,886	
Life Insurance		528	
Medical Insurance		45,674	
Dental Insurance		1,872	
Employer Medicare		5,576	
Communication		6,403	
Maintenance and Repair Services - Equipment		8,540	
Travel		3,628	
Other Contracted Services		36,898	
Office Supplies		498	
Other Supplies and Materials		60,216	
In Service/Staff Development		7,967	
Administration Equipment		428	
Data Processing Equipment		186,312	
Total Central and Other			817,280

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	504,397	
Educational Assistants		223,221	
Certified Substitute Teachers		6,396	
Social Security		44,081	
State Retirement		61,250	
Life Insurance		1,955	
Medical Insurance		163,621	
Dental Insurance		6,395	
Employer Medicare		10,308	
Travel		3,253	
Other Contracted Services		1,272	

(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.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Instructional Supplies and Materials	\$ 14,926	
Other Supplies and Materials	7,589	
In Service/Staff Development	6,329	
Other Equipment	12,456	
Total Early Childhood Education		\$ 1,067,449

Principal on Debt

Education

Principal on Notes	\$ 73,443	
Principal on Capital Leases	238,293	
Total Education		311,736

Interest on Debt

Education

Interest on Notes	\$ 6,810	
Interest on Capital Leases	35,988	
Total Education		42,798

Total General Purpose School Fund \$ 78,038,112

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,313,754	
Educational Assistants	274,760	
Other Salaries and Wages	33,435	
Certified Substitute Teachers	3,007	
Social Security	98,889	
State Retirement	124,725	
Life Insurance	2,248	
Medical Insurance	198,176	
Dental Insurance	7,646	
Unemployment Compensation	7,909	
Employer Medicare	23,137	
Maintenance and Repair Services - Equipment	102	
Other Contracted Services	85	
Instructional Supplies and Materials	154,164	
Other Supplies and Materials	30,662	
Regular Instruction Equipment	156,044	
Total Regular Instruction Program		\$ 2,428,743

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	233,031	
Educational Assistants		749,097	
Other Salaries and Wages		850	
Non-certified Substitute Teachers		2,354	
Social Security		57,838	
State Retirement		71,022	
Life Insurance		4,584	
Medical Insurance		370,653	
Dental Insurance		14,570	
Unemployment Compensation		7,428	
Employer Medicare		13,948	
Maintenance and Repair Services - Equipment		1,701	
Other Contracted Services		236,514	
Instructional Supplies and Materials		118,046	
Other Supplies and Materials		124,350	
Special Education Equipment		163,304	
Total Special Education Program			\$ 2,169,290

Vocational Education Program

Instructional Supplies and Materials	\$	18,428	
Vocational Instruction Equipment		191,681	
Total Vocational Education Program			210,109

Support Services

Health Services

Medical Personnel	\$	85,184	
Other Salaries and Wages		85,056	
Social Security		10,300	
State Retirement		12,714	
Life Insurance		300	
Medical Insurance		29,393	
Dental Insurance		1,189	
Unemployment Compensation		594	
Employer Medicare		2,409	
Total Health Services			227,139

Other Student Support

Guidance Personnel	\$	103,235	
Other Salaries and Wages		6,675	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	6,787	
State Retirement		9,947	
Life Insurance		144	
Medical Insurance		11,704	
Dental Insurance		428	
Unemployment Compensation		266	
Employer Medicare		1,587	
Travel		22,723	
Other Contracted Services		10,000	
Other Supplies and Materials		23,565	
In Service/Staff Development		6,003	
Other Charges		11,627	
Total Other Student Support			\$ 214,691

Regular Instruction Program

Supervisor/Director	\$	82,564	
Librarians		54,262	
Secretary(ies)		27,643	
Other Salaries and Wages		909,874	
Certified Substitute Teachers		68,006	
In-Service Training		112,950	
Social Security		74,705	
State Retirement		103,518	
Life Insurance		1,314	
Medical Insurance		136,599	
Dental Insurance		3,896	
Unemployment Compensation		4,257	
Employer Medicare		17,506	
Consultants		268,286	
Operating Lease Payments		8,533	
Travel		98,638	
Other Contracted Services		336,440	
Library Books/Media		63,580	
Other Supplies and Materials		32,336	
In Service/Staff Development		232,281	
Other Equipment		132,398	
Total Regular Instruction Program			2,769,586

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	117,692	
Assessment Personnel		55,584	
Clerical Personnel		31,156	
Other Salaries and Wages		63,922	
Social Security		16,233	
State Retirement		20,328	
Life Insurance		306	
Medical Insurance		28,256	
Dental Insurance		1,032	
Unemployment Compensation		717	
Employer Medicare		3,797	
Operating Lease Payments		1,388	
Maintenance and Repair Services - Equipment		568	
Travel		12,511	
Other Contracted Services		21,847	
Other Supplies and Materials		7,061	
In Service/Staff Development		11,679	
Other Equipment		1,922	
Total Special Education Program			\$ 395,999

Vocational Education Program

Clerical Personnel	\$	2,213	
Social Security		137	
State Retirement		166	
Unemployment Compensation		27	
Employer Medicare		32	
Travel		1,000	
Total Vocational Education Program			3,575

Office of the Principal

Principals	\$	77,312	
Assistant Principals		60,788	
Secretary(ies)		29,010	
Clerical Personnel		31,670	
Social Security		11,939	
State Retirement		17,043	
Life Insurance		288	
Medical Insurance		32,088	
Dental Insurance		1,132	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Unemployment Compensation	\$ 550	
Employer Medicare	2,792	
Total Office of the Principal		\$ 264,612

Operation of Plant

Custodial Personnel	\$ 20,211	
Social Security	1,253	
State Retirement	1,514	
Life Insurance	72	
Medical Insurance	5,747	
Dental Insurance	234	
Unemployment Compensation	108	
Employer Medicare	293	
Maintenance and Repair Services - Equipment	790	
Total Operation of Plant		30,222

Transportation

Other Salaries and Wages	\$ 252,319	
Social Security	15,469	
State Retirement	18,106	
Life Insurance	1,439	
Medical Insurance	127,108	
Dental Insurance	5,337	
Unemployment Compensation	2,856	
Employer Medicare	3,618	
Transportation Equipment	199,354	
Total Transportation		625,606

Total School Federal Projects Fund \$ 9,339,572

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$ 62,335	
Total Board of Education		\$ 62,335

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 71,004	
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(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.)

Accountants/Bookkeepers	\$	77,271	
Clerical Personnel		30,256	
Cafeteria Personnel		945,908	
Temporary Personnel		18,864	
Longevity Pay		39,000	
Other Salaries and Wages		758,972	
Social Security		128,030	
State Retirement		123,857	
Life Insurance		7,443	
Medical Insurance		593,810	
Dental Insurance		24,397	
Unemployment Compensation		15,589	
Employer Medicare		27,537	
Other Fringe Benefits		831	
Maintenance and Repair Services - Equipment		42,106	
Postal Charges		2,767	
Travel		20,368	
Other Contracted Services		73,778	
Food Preparation Supplies		266,271	
Food Supplies		2,484,201	
Office Supplies		22,847	
USDA - Commodities		233,899	
Other Supplies and Materials		130	
In Service/Staff Development		8,765	
Food Service Equipment		121,912	
Total Food Service			\$ <u>6,139,813</u>

Total Central Cafeteria Fund \$ 6,202,148

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$	8,440	
Judgments		134,650	
Other Construction		498,703	
Other Capital Outlay		8,176	
Total Education Capital Projects			\$ <u>649,969</u>

Total Education Capital Projects Fund 649,969

Total Governmental Funds - Maury County School Department \$ 94,229,801

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal <u>Service Fund</u> Central Maintenance Garage Fund
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 2,346,847
Total Charges for Current Services	<u>\$ 2,346,847</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 6,151
Other Local Revenues	1,095
Total Other Local Revenues	<u>\$ 7,246</u>
Total Revenues	<u>\$ 2,354,093</u>
<u>Expenses</u>	
<u>General Administration</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 62,712
Mechanic(s)	200,729
Clerical Personnel	42,012
Longevity Pay	5,700
Overtime Pay	3,647
Social Security	18,704
State Retirement	23,578
Life Insurance	319
Medical Insurance	39,729
Dental Insurance	1,445
Disability Insurance	1,021
Unemployment Compensation	756
Employer Medicare	4,374
Communication	107
Laundry Service	3,362
Maintenance Agreements	2,211
Maintenance and Repair Services - Building	2,741
Maintenance and Repair Services - Equipment	796

(Continued)

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

	Governmental Activities - Internal <u>Service Fund</u> Central Maintenance Garage <u>Fund</u>
<u>Expenses (Cont.)</u>	
<u>General Administration (Cont.)</u>	
<u>Other General Administration (Cont.)</u>	
Postal Charges	\$ 249
Printing, Stationery, and Forms	55
Travel	75
Disposal Fees	586
Other Contracted Services	95,199
Custodial Supplies	29
Diesel Fuel	947,893
Electricity	27,636
Equipment and Machinery Parts	180,004
Garage Supplies	864
Gasoline	483,045
Lubricants	13,725
Natural Gas	6,207
Office Supplies	999
Tires and Tubes	99,320
Depreciation	13,573
Other Charges	64
Other Equipment	4,965
	<hr/>
Total Expenses	\$ 2,288,431
	<hr/> <hr/>

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Transfer Waste Stations Collection Charge	\$ 158,316
Tipping Fees	1,807,912
Other General Service Charges	279,242
Service Charges	7,860
Total Charges for Current Services	<u>\$ 2,253,330</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 245,974
Miscellaneous Refunds	934
Sale of Equipment	8,199
Other Local Revenues	761
Total Other Local Revenues	<u>\$ 255,868</u>
Total Operating Revenues	<u>\$ 2,509,198</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 858,471
Trustee's Collections - Prior Year	32,987
Trustee's Collections - Bankruptcy	800
Circuit/Clerk and Master Collections - Prior Years	26,476
Interest and Penalty	5,256
Pick-up Taxes	2,861
<u>Nonrecurring Items</u>	
Insurance Recovery	13,711
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	22,558
<u>Public Works Grants</u>	
Litter Program	65,469
Total Nonoperating Revenues	<u>\$ 1,028,589</u>
Total Revenues	<u>\$ 3,537,787</u>

(Continued)

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 24,192
Social Security	1,470
State Retirement	1,812
Life Insurance	30
Dental Insurance	206
Disability Insurance	79
Unemployment Compensation	108
Employer Medicare	344
Contributions	6,000
Other Supplies and Materials	29,899
Total Waste Pickup	<hr/> \$ 64,140 <hr/>
<u>Convenience Centers</u>	
Equipment Operators	\$ 197,924
Laborers	381,344
Longevity Pay	3,950
Overtime Pay	17,367
Social Security	36,865
State Retirement	17,923
Life Insurance	274
Medical Insurance	34,053
Dental Insurance	1,032
Disability Insurance	710
Unemployment Compensation	4,373
Employer Medicare	8,622
Communication	4,022
Maintenance and Repair Services - Equipment	15,567
Maintenance and Repair Services - Vehicles	22
Pest Control	1,377
Rentals	1,344
Other Contracted Services	135
Custodial Supplies	509
Diesel Fuel	84,288
Electricity	13,401
Equipment and Machinery Parts	10,021
Gasoline	8,051

(Continued)

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

	Business-type Activities - <hr/> Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Convenience Centers (Cont.)</u>	
Lubricants	\$ 3,330
Tires and Tubes	30,873
Vehicle Parts	1,183
Other Supplies and Materials	34,040
Depreciation	6,799
Other Capital Outlay	2,150
Total Convenience Centers	<hr/> \$ 921,549 <hr/>
<u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 62,495
Equipment Operators	134,359
Laborers	92,423
Clerical Personnel	53,511
Longevity Pay	5,300
Overtime	24,290
Social Security	23,051
State Retirement	25,290
Life Insurance	388
Medical Insurance	47,258
Dental Insurance	1,763
Disability Insurance	1,038
Unemployment Compensation	1,339
Employer Medicare	5,391
Communication	4,979
Dues and Memberships	458
Laundry Service	4,635
Licenses	108
Maintenance Agreements	695
Maintenance and Repair Services - Buildings	5,963
Maintenance and Repair Services - Equipment	6,110
Maintenance and Repair Services - Vehicles	844
Matching Share	2,700
Medical and Dental Services	1,021
Pest Control	255
Postal Charges	900
Printing, Stationery, and Forms	451
Travel	1,830

(Continued)

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Disposal Fees	\$ 1,809,022
Permits	13,500
Other Contracted Services	16,740
Crushed Stone	1,425
Data Processing Supplies	947
Diesel Fuel	52,430
Electricity	22,057
Equipment and Machinery Parts	34,154
Gasoline	3,030
Lubricants	2,111
Natural Gas	8,459
Office Supplies	1,121
Tires and Tubes	27,399
Vehicle Parts	6,150
Chemicals	3,523
Other Supplies and Materials	17,455
Building and Contents Insurance	2,913
Liability Insurance	12,594
Refunds	23,377
Trustee's Commission	32,827
Vehicle and Equipment Insurance	11,653
Workers' Compensation Insurance	96,863
Depreciation	262,456
Other Charges	2,615
Office Equipment	165
Total Landfill Operation and Maintenance	<u>\$ 2,973,831</u>
Total Operating Expenses	<u>\$ 3,959,520</u>
Total Expenses	<u><u>\$ 3,959,520</u></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, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 9,875,530
Total Cash Receipts	<u>\$ 9,875,530</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 9,776,775
Trustee's Commission	98,755
Total Cash Disbursements	<u>\$ 9,875,530</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

March 5, 2013

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

To the County Mayor and Board of County Commissioners:

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, 2012, which collectively comprise Maury County's basic financial statements and have issued our report thereon dated March 5, 2013. Our report includes references to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Maury Regional Hospital (major proprietary fund), the discretely presented Maury County Board of Public Utilities Water System, and the discretely presented Maury County Emergency Communications District 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

The management of Maury County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Maury County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maury County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Maury County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 12.01, 12.03, 12.04, and 12.05. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

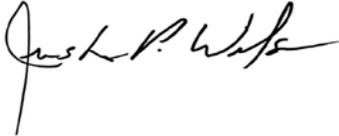
As part of obtaining reasonable assurance about whether Maury County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 12.02.

We also noted certain matters that we reported to management of Maury County in separate communications.

Maury County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Maury County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, director of accounts and budgets, Board of County Commissioners, Board of Education, others within Maury County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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

REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

March 5, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Maury County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Maury County's management. Our responsibility is to express an opinion on Maury County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test

basis, evidence about 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. Our audit does not provide a legal determination of Maury County's compliance with those requirements.

In our opinion, Maury County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Maury County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Maury County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

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

Schedule of Expenditures of Federal Awards

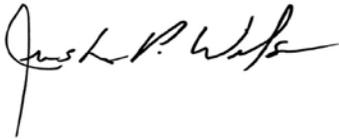
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County as of and for the year ended June 30, 2012, and have issued our report thereon dated March 5, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Maury County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Maury County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, director of schools, road superintendent, director of accounts and budgets, Board of County Commissioners, Board of Education, others within Maury County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with the first name being the most prominent.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Maury County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 25,951
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	233,899 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	947,676
National School Lunch Program	10.555	(2)	2,733,938 (3)
Summer Food Service Program for Children	10.559	(2)	15,202
Total U.S. Department of Agriculture			<u>\$ 3,956,666</u>
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 7,232
State Criminal Alien Assistance Program	16.606	N/A	5,712
Bulletproof Vest Partnership Program	16.607	N/A	3,536
Passed-through State Commission on Children and Youth:			
Juvenile Justice Delinquency and Prevention - Allocation to States	16.540	Z-09-023392-00	3,480
Passed-through City of Columbia:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	50,337
Total U.S. Department of Justice			<u>\$ 70,297</u>
U.S. Department of Transportation:			
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	GG-09-27572-00	\$ 45,324
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grant	20.703	(2)	6,500
Total U.S. Department of Transportation			<u>\$ 51,824</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,453,553
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	1,462
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,503,184
Special Education - Grants to States, Recovery Act	84.391	N/A	910,094
Special Education - Preschool Grants	84.173	N/A	79,515
Special Education - Preschool Grants, Recovery Act	84.392	N/A	50,586
Career and Technical Education - Basis Grants to States	84.048	N/A	255,242
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	1,623
Twenty-first Century Community Learning Centers	84.287	N/A	95,785
Education Technology Cluster:			
Education Technology State Grants	84.318	N/A	18,726
Education Technology State Grants, Recovery Act	84.386	N/A	3,176
English Language Acquisition Grants	84.365	N/A	52,934
Improving Teacher Quality State Grants	84.367	N/A	581,322
School Improvement Grants	84.377	N/A	679,717
State Fiscal Stabilization Fund, Government Services, Recovery Act	84.397	N/A	9,755

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
State Fiscal Stabilization Fund, Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	\$ 783,416
Education Jobs Fund	84.410	N/A	1,158,468
Total U.S. Department of Education			<u>\$ 9,638,558</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State: Help America Vote Act Requirements Payments	90.401	(2)	\$ 19,050
Total U.S. Election Assistance Commission			<u>\$ 19,050</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military: Emergency Management Performance Grants	97.042	2009-SS-T9-0086	\$ 38,000
Homeland Security Grant Program	97.067	34101-783	74,660
Total U.S. Department of Homeland Security			<u>\$ 112,660</u>
Total Expenditures of Federal Awards			<u>\$ 13,849,055</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 1,750
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	GG-1029842	9,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	Z-09-023392-00	520
Coordinated School Health Initiative - State Department of Education	N/A	(2)	100,000
Early Childhood Education - State Department of Education	N/A	(2)	957,401
Energy Efficient School Initiative - State Department of Education	N/A	(2)	2,000
Family Resource Center - State Department of Education	N/A	(2)	88,835
High Schools That Work Grant - State Department of Education	N/A	(2)	9,485
Safe Schools - State Department of Education	N/A	(2)	50,095
Statewide Student Management System - State Department of Education	N/A	(2)	29,346
Tennessee Arts Commission Grant - State Department of Education	N/A	(2)	5,914
Local Parks and Recreation Funds - State Department of Environment and Conservation	N/A	GG-1134642	84,550
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	22,558
Health Department Program - State Department of Health	N/A	Z-12-45761-00	649,396
Litter Program - State Department of Transportation	N/A	(2)	65,469 (4)
Arts Program Categorical Grant - Tennessee Arts Commission	N/A	(2)	<u>4,000</u>
Total State Grants			<u>\$ 2,080,319</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 \$2,967,837.
- (4) Z-11-LIT060: \$1,888; Z-12-LIT060: \$63,581.

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Maury County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.02	221	The receipting software used by the Office of Zoning and Building Inspections did not have adequate application controls

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Numbers</u>	<u>Subject</u>
11.07	225	Multiple employees operated from the same cash drawer

OFFICE OF REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.08	226	Duties were not segregated adequately

MAURY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Maury County is unqualified.
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 unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Nutrition Cluster: School Breakfast Program, National School Lunch Program, Summer Food Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, Special Education – Preschool Grants, Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); the Improving Teacher Quality State Grants (CFDA No. 84.367); the School Improvement Grants (CFDA No. 84.377); 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 \$415,472 threshold was used to distinguish between Type A and Type B federal programs.
9. Maury County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 12.01 **THE RECEIPTING SOFTWARE USED BY THE OFFICE OF ZONING AND BUILDING 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 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. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software application that would provide an audit trail for any changes or deletions of receipt information. The receipt number reset capability should be removed from the system. The daily collections report should display receipt numbers for the adequate facilities tax collections.

MANAGEMENT’S RESPONSE – DIRECTOR OF BUILDING AND ZONING

The Building and Zoning Department of Maury County has been actively working to correct these deficiencies. We have received funds and purchased software to correct the deficiencies. It has been installed on our computers. We are now working with the vendor to customize the software to our office and expect full implementation within the next few weeks.

FINDING 12.02 **THE SOLID WASTE DEPARTMENT DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

In some instances, the Solid Waste Department did not deposit funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to the office bank account within three days of collection. This deficiency exists due to a lack of management oversight. The delay in depositing funds increases the risks of fraud and abuse.

RECOMMENDATION

The office should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

Management agrees with the finding, and all employees involved in this function have been made aware of it. All future deposits will be made according to the three-day deposit rule. We will also send a notice to all departments that make deposits that the three-day deposit rule must be followed.

OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 12.03 **TIME RECORDS OF SOME EMPLOYEES WERE NOT SIGNED BY A SUPERVISOR**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

In some instances, supervisors did not sign employees’ time records as evidence of review and approval. Sound business practices dictate that payroll time records should be properly reviewed and approved. This deficiency is due to a lack of management oversight. If supervisors do not review and approve time records, risks increase that improper payments could result.

RECOMMENDATION

Supervisors should sign the employees' time records as evidence of review and approval.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

Management agrees with the finding. The payroll time reporting was changed to all employees reporting the same actual time period for the same pay dates. This will enable the payroll department more time to process and verify information on the time sheets. It will also allow the payroll department more time to return time sheets that are not properly completed and to have the time sheets returned after corrections have been made. In addition, an email will be sent to all department heads reminding them that time sheets must be properly documented.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

FINDING 12.04 **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, Clerk and Master, and Register of Deeds. 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 – REGISTER

Separate cash drawers will be provided.

OFFICE OF REGISTER OF DEEDS

FINDING 12.05

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of Register of Deeds. Employees responsible for maintaining the accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The register should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – REGISTER

We have made the appropriate changes.

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Maury County.

ITEM 1. MAURY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Maury County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee could significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and would be responsible for monitoring management's plans to address various risks.

ITEM 2. 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, 2012**

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