



**ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



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

COMPTROLLER OF THE TREASURY
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This financial report is available at www.comptroller.tn.gov

MONTGOMERY COUNTY, TENNESSEE

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Audit Highlights

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

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ An Ambulance Service Department supervisor used his position to obtain free use of the William O. Beach Civic Hall.
- ◆ Official prenumbered receipts were not issued for collections received at the Ambulance Service Department.

BEST PRACTICE

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

INTRODUCTORY SECTION

Montgomery County Officials
June 30, 2013

Officials

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

Board of County Commissioners

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

Highway Commission

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

Board of Education

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

Audit Committee

John Gannon, Sr., Chairman	Mark Banasiak
Martha Brockman	Lettie Kendall
Ronald Sokol	

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
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Emergency Communications District of Montgomery County, which represent 1.3 percent, .8 percent, and .9 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Bi-County Solid Waste Management System, which represent 3.7 percent, (.17) percent, and four percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Clarksville-Montgomery County Industrial Development Board, which represent 4.6 percent, 4.4 percent, and 2.7 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Clarksville-Montgomery County Public Library, which represent 1.1 percent, 1.3 percent, and .9 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented

component units; and the Clarksville-Montgomery County Tourism Commission, which represent .3 percent, .4 percent, and .4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, the Clarksville-Montgomery County Public Library, and the Clarksville-Montgomery County Tourism Commission, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning net position of the governmental activities totaling \$2,015,820. This restatement was necessary due to the implementation of GASB Statement No. 65.

We draw attention to Note I.D.10. to the financial statements, which describes a reclassification to beginning net position of governmental activities and to beginning balances of governmental funds totaling \$97,259, which was necessary to reclassify the District Attorney General Fund from a special revenue fund to an agency fund.

Also, we draw attention to Note I.D.11. to the financial statements, which describes a prior-period adjustment for capital assets totaling \$2,927,624 for capital assets that had been omitted in the prior-year.

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plans and other postemployment benefits plans on pages 129 - 131 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

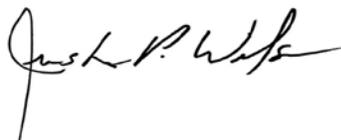
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Clarksville-Montgomery County School System (a discretely presented component unit),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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2014, on our consideration of Montgomery County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 31, 2014

JPW/yu

BASIC FINANCIAL STATEMENTS

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

Exhibit A

	Primary Governmental Activities	Component Units						
		Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission	
Cash	\$ 59,710	\$ 549,532	\$ 346,049	\$ 4,916,645	\$ 1,300,453	\$ 1,454,245	\$ 859,028	
Equity in Pooled Cash and Investments	112,702,082	53,137,350	0	0	0	0	0	
Investments	0	0	3,113,618	0	0	0	0	
Inventories	80,522	420,037	0	28,625	0	0	869	
Accounts Receivable	6,192,237	181,083	658,141	1,611,987	22,900	60,860	119,897	
Allowance for Uncollectibles	(2,002,373)	0	(329,070)	0	0	0	0	
Due from Other Governments	3,590,446	9,130,242	0	75,307	764,658	129,767	23,204	
Due from Primary Government	0	58,255	0	0	0	0	0	
Due from Component Units	2,143,856	0	0	0	0	0	0	
Property Taxes Receivable	84,581,370	33,370,946	0	0	0	0	0	
Allowance for Uncollectible Property Taxes	(1,796,783)	(780,020)	0	0	0	0	0	
Prepaid Items	106,119	0	0	0	11,902	0	15,782	
Notes Receivable	0	0	0	0	1,571,429	0	0	
Unbilled Reimbursable Costs	0	0	0	0	70,267	0	0	
Property Held for Sale or Lease	0	0	0	0	14,816,163	0	0	
Due from Related Party	0	0	0	0	17,754	0	67,631	
Capital Assets:								
Assets Not Depreciated:								
Land	7,979,240	13,865,563	0	1,245,953	37,641	0	21,000	
Construction in Progress	1,634,470	21,909,952	0	0	444,928	0	0	
Assets Net of Accumulated Depreciation:								
Buildings and Improvements	82,610,159	256,252,693	60,015	3,120,250	0	4,122,099	0	
Other Capital Assets	4,550,291	15,939,634	1,159,650	5,849,161	1,726,846	335,981	317,254	
Intangibles	1,956,666	0	0	0	0	0	0	
Infrastructure	32,416,680	0	0	0	0	0	0	
Total Assets	\$ 336,804,692	\$ 404,035,267	\$ 5,008,403	\$ 16,847,928	\$ 20,784,941	\$ 6,102,952	\$ 1,424,665	

(Continued)

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

	Primary Governmental Activities	Component Units						
		Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission	
Deferred Charge on Refunding	\$ 11,411,313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Outflows of Resources	\$ 11,411,313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>LIABILITIES</u>								
Accounts Payable	\$ 1,191,597	\$ 2,094,318	\$ 6,236	\$ 353,938	\$ 599,998	\$ 15,266	\$ 64,330	\$ 0
Accrued Payroll	603,298	12,423,481	25,676	157,377	0	41,520	0	0
Payroll Deductions Payable	221,226	7,521,338	0	0	0	14,205	0	0
Accrued Interest Payable	2,690,800	0	0	0	0	0	0	0
Contracts Payable	382,783	897,716	0	0	0	0	0	0
Retainage Payable	6,422	47,248	0	0	0	0	0	0
Due to State of Tennessee	22	0	0	0	0	0	0	0
Due to Primary Government	0	17,427	0	555,000	1,571,429	0	0	0
Due to Component Units	58,255	0	0	0	0	0	0	0
Due to Litigants, Heirs, and Others	6,277	0	0	0	0	0	0	0
Other Current Liabilities	0	0	0	46,328	67,431	0	0	0
Unearned State Grant Revenue	0	0	0	0	173,194	0	0	0
Customer Deposits Payable	107,950	122,734	0	28,087	0	0	0	0
Noncurrent Liabilities:								
Due Within One Year	27,295,347	1,636,078	0	0	249,811	323,264	0	0
Due in More Than One Year (net of unamortized premium on debt)	339,760,675	63,680	63,680	16,348,489	2,045,390	2,581,035	0	0
Total Liabilities	\$ 372,324,652	\$ 28,440,910	\$ 95,592	\$ 17,489,219	\$ 4,707,253	\$ 2,975,290	\$ 64,330	\$ 0
Deferred Current Property Taxes	\$ 80,211,490	\$ 31,340,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 80,211,490	\$ 31,340,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Primary Governmental Activities	Component Units						
		Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission	
Net Investment in Capital Assets Restricted for:	\$ 260,918,622	\$ 307,967,842	\$ 1,219,665	\$ 9,598,841	\$ 357,938	\$ 1,643,078	\$ 338,254	
Capital Projects	892,520	2,784,743	0	0	0	0	0	
Debt Service	46,685,851	0	0	0	0	0	0	
Highways	3,849,424	0	0	0	0	0	0	
Other Purposes	0	146,852	0	0	0	0	0	
Library	0	0	3,322,045	0	0	0	0	
General Government	244,975	0	0	0	0	0	0	
Finance	888,176	0	0	0	0	0	0	
Administration of Justice	780,423	0	0	0	0	0	0	
Public Safety	250,821	0	0	0	0	0	0	
Public Health and Welfare	32,759	0	0	0	0	0	0	
Central Cafeteria	0	4,147,760	0	0	0	0	0	
School Transportation	0	3,319,029	0	0	0	0	0	
School Federal Projects	0	1,273,990	0	0	0	0	0	
Unrestricted	(418,863,708)	24,613,839	371,101	(10,240,132)	15,719,750	1,484,584	1,022,081	
Total Net Position	\$ (104,320,137)	\$ 344,254,055	\$ 4,912,811	\$ (641,291)	\$ 16,077,688	\$ 3,127,662	\$ 1,360,335	

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

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Component Units									
	Primary Government Total	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Montgomery County Industrial Development Board	Emergency Communications District of Montgomery County	Clarksville-Montgomery County Tourism Commission	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes	\$ 34,998,490	\$ 32,392,108	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service	33,210,038	0	0	0	0	0	0	0	0	0
Local Option Sales Tax	3,530,251	37,727,536	0	0	0	0	0	0	0	0
Hotel/Motel Tax	1,482,407	0	0	0	0	0	0	0	0	880,930
Wheel Tax	0	4,022,309	0	0	0	0	0	0	0	0
Business Tax	1,492,483	721,440	0	0	0	0	0	0	0	0
Adequate Facilities/Development Tax	1,342,630	0	0	0	0	0	0	0	0	0
Litigation Tax	1,213,014	0	0	0	0	0	0	0	0	0
Wholesale Beer Tax	437,670	0	0	0	0	0	0	0	0	0
Mineral Severance Tax	179,267	0	0	0	0	0	0	0	0	0
Interstate Telecommunications Tax	3,360	14,178	0	0	0	0	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs	8,077,885	136,795,052	1,752,156	149,621	0	0	908,022	0	0	0
Interest Income	987,635	0	319,290	17,627	2,803	0	4,875	1,606	0	0
Miscellaneous	3,055,795	173,712	12,570	0	285,066	0	177	12,600	0	0
Total General Revenues	\$ 90,010,925	\$ 211,846,335	\$ 2,084,016	\$ 167,248	\$ 285,869	\$ 913,074	\$ 913,074	\$ 895,136	\$ 0	\$ 0
Change in Net Position	\$ 12,097,722	\$ 6,030,915	\$ 316,214	\$ (532,697)	\$ (1,823,199)	\$ (114,828)	\$ (114,828)	\$ (57,488)	\$ 0	\$ 0
Net Position, July 1, 2012	(114,304,780)	383,954,578	4,657,391	(108,594)	17,900,887	3,242,490	3,242,490	1,417,823	0	0
Restatement	(2,015,820)	0	0	0	0	0	0	0	0	0
See Note I.D.9.	(97,259)	0	0	0	0	0	0	0	0	0
See Note I.D.10.	0	2,927,624	(60,794)	0	0	0	0	0	0	0
See Note I.D.11.	0	1,340,938	0	0	0	0	0	0	0	0
See Note IV.E.	0	0	0	0	0	0	0	0	0	0
Special Item	0	0	0	0	0	0	0	0	0	0
Net Position, June 30, 2013	\$ (104,320,137)	\$ 344,254,055	\$ 4,912,811	\$ (641,291)	\$ 16,077,688	\$ 3,127,662	\$ 3,127,662	\$ 1,360,335	\$ 0	\$ 0

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
	General	Debt Service	Capital Projects	Funds	
ASSETS					
Cash	\$ 8,850	\$ 0	\$ 0	\$ 1,196	\$ 10,046
Equity in Pooled Cash and Investments	22,172,236	35,053,261	23,348,418	3,543,740	84,117,655
Inventories	80,522	0	0	0	80,522
Accounts Receivable	5,957,865	146,756	0	12,024	6,116,645
Allowance for Uncollectibles	(2,002,373)	0	0	0	(2,002,373)
Due from Other Governments	2,081,586	606,957	268,333	633,570	3,590,446
Due from Other Funds	13,081	35,325	720,513	0	768,919
Due from Component Units	0	1,571,429	0	0	1,571,429
Property Taxes Receivable	38,078,259	40,689,040	1,258,182	4,555,889	84,581,370
Allowance for Uncollectible Property Taxes	(801,084)	(867,866)	(28,776)	(99,057)	(1,796,783)
Prepaid Items	106,119	0	0	0	106,119
Total Assets	\$ 65,695,061	\$ 77,234,902	\$ 25,566,670	\$ 8,647,362	\$ 177,143,995
LIABILITIES					
Accounts Payable	\$ 787,381	\$ 0	\$ 145,406	\$ 63,288	\$ 996,075
Accrued Payroll	501,386	0	0	100,784	602,170
Payroll Deductions Payable	195,407	0	0	24,192	219,599
Contracts Payable	0	0	382,783	0	382,783
Retainage Payable	0	0	6,422	0	6,422
Due to Other Funds	61,208	697,797	13,081	0	772,086
Due to State of Tennessee	22	0	0	0	22
Due to Litigants, Heirs, and Others	2,145	0	0	4,432	6,577
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	18,950	0	0	89,000	107,950
Total Liabilities	\$ 1,566,499	\$ 697,797	\$ 547,692	\$ 281,696	\$ 3,093,684
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 36,144,671	\$ 38,571,767	\$ 1,184,349	\$ 4,310,703	\$ 80,211,490
Deferred Delinquent Property Taxes	959,747	1,058,817	38,183	123,838	2,180,585
Other Deferred/Unavailable Revenue	3,286,463	1,875,926	0	274,721	5,437,110
Total Deferred Inflows of Resources	\$ 40,390,881	\$ 41,506,510	\$ 1,222,532	\$ 4,709,262	\$ 87,829,185
FUND BALANCES					
Nonspendable:					
Inventory	\$ 80,522	\$ 0	\$ 0	\$ 0	\$ 80,522
Prepaid Items	106,119	0	0	0	106,119
Restricted:					
Restricted for General Government	244,975	0	0	0	244,975
Restricted for Finance	888,176	0	0	0	888,176
Restricted for Administration of Justice	780,423	0	0	0	780,423
Restricted for Public Safety	193,106	0	0	57,715	250,821
Restricted for Public Health and Welfare	32,759	0	0	0	32,759
Restricted for Highways/Public Works	0	0	0	3,598,689	3,598,689
Restricted for Debt Service	0	35,030,595	0	0	35,030,595
Restricted for Capital Projects	0	0	23,796,446	0	23,796,446
Committed:					
Committed for General Government	169,154	0	0	0	169,154
Committed for Public Safety	91,275	0	0	0	91,275
Committed for Social, Cultural, and Recreational Services	11,135	0	0	0	11,135
Assigned:					
Assigned for General Government	2,658	0	0	0	2,658
Assigned for Finance	201,889	0	0	0	201,889
Assigned for Public Health and Welfare	19,683	0	0	0	19,683
Unassigned	20,915,807	0	0	0	20,915,807
Total Fund Balances	\$ 23,737,681	\$ 35,030,595	\$ 23,796,446	\$ 3,656,404	\$ 86,221,126
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 65,695,061	\$ 77,234,902	\$ 25,566,670	\$ 8,647,362	\$ 177,143,995

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

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	86,221,126
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	7,979,240	
Add: construction in progress		1,634,470	
Add: buildings and improvements net of accumulated depreciation		82,610,159	
Add: other capital assets net of accumulated depreciation		4,550,291	
Add: intangibles net of accumulated depreciation		1,956,666	
Add: infrastructure net of accumulated depreciation		32,416,680	
Less: capital assets of internal service funds, which are included below in item (2)		(18,252)	131,129,254
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.			25,434,459
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(323,685,000)	
Less: notes payable		(43,180)	
Less: other loans payable		(18,940,316)	
Add: due from component unit for debt retirement		555,000	
Add: deferred amount on refunding		11,411,313	
Less: other deferred revenue - premium on debt		(16,844,472)	
Less: accrued interest on bonds, notes, and other loans		(2,690,800)	
Less: other postemployment benefits liability		(1,807,836)	
Less: compensated absences payable		(2,677,380)	(354,722,671)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			7,617,695
Net position of governmental activities (Exhibit A)		\$	<u>(104,320,137)</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 35,276,838	\$ 39,365,349	\$ 1,185,061	\$ 4,152,800	\$ 79,980,048
Licenses and Permits	820,090	0	0	0	820,090
Fines, Forfeitures, and Penalties	1,034,240	0	0	5,221	1,039,461
Charges for Current Services	5,229,349	0	0	43,935	5,273,284
Other Local Revenues	2,080,583	419,946	55,637	71,585	2,627,751
Fees Received from County Officials	8,703,138	0	0	0	8,703,138
State of Tennessee	7,558,183	0	0	3,512,402	11,070,585
Federal Government	797,911	97,016	231,767	0	1,126,694
Other Governments and Citizens Groups	225,543	578,209	746,318	9,304	1,559,374
Total Revenues	\$ 61,725,875	\$ 40,460,520	\$ 2,218,783	\$ 7,795,247	\$ 112,200,425
<u>Expenditures</u>					
Current:					
General Government	\$ 6,634,477	\$ 0	\$ 0	\$ 0	\$ 6,634,477
Finance	5,587,506	0	0	0	5,587,506
Administration of Justice	5,942,650	0	0	43,693	5,986,343
Public Safety	25,241,997	0	0	17,589	25,259,586
Public Health and Welfare	10,797,419	0	0	0	10,797,419
Social, Cultural, and Recreational Services	2,137,169	0	0	0	2,137,169
Agriculture and Natural Resources	367,617	0	0	0	367,617
Other Operations	4,208,241	0	0	0	4,208,241
Highways	126,507	0	0	6,976,088	7,102,595
Debt Service:					
Principal on Debt	0	21,237,789	0	0	21,237,789
Interest on Debt	0	14,575,294	0	0	14,575,294
Other Debt Service	0	1,300,425	0	0	1,300,425
Capital Projects	0	0	29,970,389	0	29,970,389
Total Expenditures	\$ 61,043,583	\$ 37,113,508	\$ 29,970,389	\$ 7,037,370	\$ 135,164,850
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 682,292	\$ 3,347,012	\$ (27,751,606)	\$ 757,877	\$ (22,964,425)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 11,330,000	\$ 0	\$ 11,330,000
Refunding Debt Issued	0	53,830,000	0	0	53,830,000
Premiums on Debt Issued	0	1,374,626	1,072,825	0	2,447,451
Insurance Recovery	10,251	0	98,815	6,582	115,648
Transfers In	0	35,325	813,260	0	848,585
Transfers Out	(84,788)	(697,797)	0	(66,000)	(848,585)
Payments to Refunded Debt Escrow Agent	0	(54,753,782)	0	0	(54,753,782)
Total Other Financing Sources (Uses)	\$ (74,537)	\$ (211,628)	\$ 13,314,900	\$ (59,418)	\$ 12,969,317
Net Change in Fund Balances	\$ 607,755	\$ 3,135,384	\$ (14,436,706)	\$ 698,459	\$ (9,995,108)
Reclassification	(97,259)	0	0	0	(97,259)
Fund Balance, July 1, 2012	23,227,185	31,895,211	38,233,152	2,957,945	96,313,493
Fund Balance, June 30, 2013	\$ 23,737,681	\$ 35,030,595	\$ 23,796,446	\$ 3,656,404	\$ 86,221,126

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (9,995,108)
(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	\$ 3,158,557	
Less: current-year depreciation expense	(4,021,037)	
Add: current-year depreciation expense in internal service fund	<u>991</u>	(861,489)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: capital assets donation	\$ 3,317,066	
Less: loss on disposal of capital assets	<u>(521,719)</u>	2,795,347
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (4,183,623)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>7,617,695</u>	3,434,072
(4) The issuance of long-term debt (e.g., notes, bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: bond proceeds	\$ (65,160,000)	
Add: bonds to be contributed by component unit	625,000	
Add: principal payments on notes	62,737	
Add: principal payments on bonds	19,595,000	
Add: principal payments on other loans	1,580,052	
Less: debt service contributions from component unit to primary government	(70,000)	
Add: payment to refunding agent	54,753,782	
Less: change in deferred amount on refunding debt	(1,333,194)	
Less: premiums on debt issued during the year	(2,447,451)	
Add: amortization of debt issuance premiums	<u>1,777,084</u>	9,383,010
(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	\$ 227,700	
Change in other postemployment benefits liability	(359,798)	
Change in compensated absences payable	<u>(374,511)</u>	(506,609)
(6) Internal service funds are used by management to charge the cost of liability, workers' compensation insurance, and employee dental benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>7,848,499</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 12,097,722</u></u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 35,276,838	\$ 0	\$ 0	\$ 35,276,838	\$ 34,958,800	\$ 34,958,800	\$ 318,038
Licenses and Permits	820,090	0	0	820,090	826,140	834,140	(14,050)
Fines, Forfeitures, and Penalties	1,034,240	0	0	1,034,240	978,900	964,719	69,521
Charges for Current Services	5,229,349	0	0	5,229,349	5,489,086	5,516,449	(287,100)
Other Local Revenues	2,080,583	0	0	2,080,583	2,096,476	2,131,184	(50,601)
Fees Received from County Officials	8,703,138	0	0	8,703,138	8,048,000	8,087,675	615,463
State of Tennessee	7,558,183	0	0	7,558,183	5,570,339	7,013,925	544,258
Federal Government	797,911	0	0	797,911	572,099	1,142,069	(344,158)
Other Governments and Citizens Groups	225,543	0	0	225,543	196,507	223,117	2,426
Total Revenues	\$ 61,725,875	\$ 0	\$ 0	\$ 61,725,875	\$ 58,736,347	\$ 60,872,078	\$ 853,797
Expenditures							
General Government							
County Commission	\$ 215,310	\$ 0	\$ 0	\$ 215,310	\$ 217,656	\$ 221,821	\$ 6,511
Board of Equalization	862	0	0	862	2,688	2,688	1,826
Beer Board	1,501	0	0	1,501	1,615	1,615	114
Other Boards and Committees	1,992	0	0	1,992	3,121	3,121	1,129
County Mayor/Executive	433,254	(285)	0	432,969	434,482	438,795	5,826
Personnel Office	281,297	0	0	281,297	321,882	325,866	44,569
County Attorney	39,629	0	0	39,629	24,000	59,000	19,371
Election Commission	588,915	0	0	588,915	661,810	684,794	95,879
Register of Deeds	491,049	0	0	491,049	504,214	513,979	22,930
Planning	311,112	0	0	311,112	311,112	311,112	0
Building	114,630	0	0	114,630	107,318	120,971	6,341
Codes Compliance	622,139	0	0	622,139	622,142	649,041	26,902
Geographical Information Systems	130,698	0	0	130,698	164,005	164,005	33,307
County Buildings	1,596,048	0	2,098	1,598,146	1,663,547	1,714,250	116,104
Other Facilities	1,094,281	0	0	1,094,281	1,109,347	1,167,698	73,417
Other General Administration	589,276	0	0	589,276	744,499	679,686	90,410

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
General Government (Cont.)							
Preservation of Records	\$ 122,484	\$ 0	\$ 0	\$ 122,484	\$ 121,701	\$ 128,500	\$ 6,016
Finance							
Accounting and Budgeting	497,679	0	0	497,679	529,220	540,461	42,782
Purchasing	284,730	0	0	284,730	279,623	287,447	2,717
Property Assessor's Office	956,556	0	754	957,310	1,040,647	1,053,274	95,964
County Trustee's Office	540,504	0	0	540,504	518,847	550,267	9,763
County Clerk's Office	1,903,908	(3,050)	0	1,900,858	1,878,165	2,043,511	142,653
Data Processing	1,353,882	(48,562)	0	1,305,320	1,316,688	1,479,354	174,034
Other Finance	50,247	0	0	50,247	50,550	50,550	303
Administration of Justice							
Circuit Court	1,961,942	0	0	1,961,942	2,040,362	2,160,716	198,774
Circuit Court Judge	0	0	0	0	3,175	0	0
General Sessions Court	644,085	(242)	0	643,843	649,684	653,428	9,585
Drug Court	50,000	0	0	50,000	50,000	50,000	0
Chancery Court	505,168	0	0	505,168	489,198	513,741	8,573
Juvenile Court	856,878	0	682	857,560	966,060	1,014,450	156,890
Juvenile Court Clerk	392,922	0	0	392,922	469,405	454,311	61,389
District Attorney General	40,657	0	0	40,657	116,756	46,301	5,644
Office of Public Defender	7,292	0	0	7,292	7,725	7,725	433
Judicial Commissioners	232,677	0	0	232,677	266,134	273,006	40,329
Other Administration of Justice	512,450	0	0	512,450	89,726	512,502	52
Probation Services	738,579	0	0	738,579	878,565	909,565	170,986
Public Safety							
Sheriff's Department	7,649,820	(7,612)	7,299	7,649,507	7,546,343	7,957,456	307,949
Special Patrols	1,576,518	0	4,446	1,580,964	1,638,522	1,854,990	274,026
Administration of the Sexual Offender Registry	10,877	0	0	10,877	13,340	14,240	3,363
Jail	12,502,856	0	0	12,502,856	11,509,772	12,859,947	357,091
Workhouse	1,633,806	0	0	1,633,806	1,682,299	1,708,797	74,991

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Correctional Incentive Program Improvements	\$ 453,708	\$ 0	\$ 0	\$ 453,708	\$ 478,406	\$ 486,373	\$ 32,665
Juvenile Services	194,308	0	0	194,308	134,097	209,114	14,806
Fire Prevention and Control	150,650	0	0	150,650	220,948	220,948	70,298
Civil Defense	333,016	0	0	333,016	406,834	409,700	76,684
Other Emergency Management	503,068	0	0	503,068	431,912	805,680	302,612
County Coroner/Medical Examiner	233,370	0	0	233,370	215,500	250,500	17,130
<u>Public Health and Welfare</u>							
Local Health Center	205,391	0	0	205,391	195,865	241,349	35,958
Rabies and Animal Control	631,176	0	0	631,176	553,645	664,955	33,779
Ambulance/Emergency Medical Services	7,687,230	0	0	7,687,230	8,148,101	8,394,865	707,635
Other Local Health Services	2,007,204	0	0	2,007,204	2,238,600	2,407,200	399,996
Regional Mental Health Center	7,000	0	0	7,000	7,000	7,000	0
Appropriation to State	211,452	0	0	211,452	183,912	211,452	0
Other Local Welfare Services	36,766	0	0	36,766	32,825	37,825	1,059
Other Public Health and Welfare	11,200	0	0	11,200	15,000	15,000	3,800
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,743,903	0	0	1,743,903	1,630,891	1,743,903	0
Parks and Fair Boards	383,735	0	0	383,735	437,822	426,613	42,878
Other Social, Cultural, and Recreational	9,531	0	0	9,531	9,688	9,688	157
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	333,036	0	0	333,036	340,977	389,477	56,441
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	32,581	0	0	32,581	32,591	32,591	10
<u>Other Operations</u>							
Tourism	1,174,067	0	0	1,174,067	1,504,000	1,504,000	329,933
Industrial Development	600,404	0	0	600,404	600,404	600,404	0
Airport	200,919	0	0	200,919	200,919	200,919	0
Veterans' Services	373,901	0	0	373,901	357,318	400,491	26,590

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Other Charges	\$ 1,276,185	\$ 0	\$ 0	\$ 1,276,185	\$ 1,246,178	\$ 1,306,910	\$ 30,725
Contributions to Other Agencies	171,302	0	0	171,302	180,500	180,500	9,198
Employee Benefits	398,244	0	0	398,244	493,896	459,522	61,278
Miscellaneous	13,219	0	0	13,219	18,400	18,400	5,181
<u>Highways</u>							
Litter and Trash Collection	126,507	0	0	126,507	102,410	126,892	385
Total Expenditures	\$ 61,043,583	\$ (59,751)	\$ 15,279	\$ 60,999,111	\$ 61,466,584	\$ 65,947,252	\$ 4,948,141
Excess (Deficiency) of Revenues Over Expenditures	\$ 682,292	\$ 59,751	\$ (15,279)	\$ 726,764	\$ (2,730,237)	\$ (5,075,174)	\$ 5,801,938
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 10,251	\$ 0	\$ 0	\$ 10,251	\$ 0	\$ 2,514	\$ 7,737
Transfers In	0	0	0	0	411,625	583,464	(583,464)
Transfers Out	(84,788)	0	0	(84,788)	0	(84,788)	0
Total Other Financing Sources	\$ (74,537)	\$ 0	\$ 0	\$ (74,537)	\$ 411,625	\$ 501,190	\$ (575,727)
Net Change in Fund Balance	\$ 607,755	\$ 59,751	\$ (15,279)	\$ 652,227	\$ (2,318,612)	\$ (4,573,984)	\$ 5,226,211
Reclassification	(97,259)	0	0	(97,259)	0	0	(97,259)
Fund Balance, July 1, 2012	23,227,185	(59,751)	0	23,167,434	19,019,264	19,019,264	4,148,170
Fund Balance, June 30, 2013	\$ 23,737,681	\$ 0	\$ (15,279)	\$ 23,722,402	\$ 16,700,652	\$ 14,445,280	\$ 9,277,122

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

Exhibit D-1

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

Governmental
 Activities -
 Internal
 Service
 Funds

ASSETS

Current Assets:	
Equity in Pooled Cash and Investments	\$ 28,584,427
Cash with Paying Agents	50,000
Accounts Receivable	75,778
Due from Other Funds	2,945
Due from Component Units	17,427
Total Current Assets	<u>\$ 28,730,577</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(6,551)
Total Noncurrent Assets	<u>\$ 18,252</u>
Total Assets	<u>\$ 28,748,829</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 195,522
Accrued Payroll	1,128
Payroll Deductions Payable	1,627
Due to Component Units	58,255
Claims and Judgments Payable	1,528,918
Total Current Liabilities	<u>\$ 1,785,450</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 1,528,920
Total Noncurrent Liabilities	<u>\$ 1,528,920</u>
Total Liabilities	<u>\$ 3,314,370</u>

NET POSITION

Investment in Capital Assets	\$ 18,252
Unrestricted	<u>25,416,207</u>
Total Net Position	<u>\$ 25,434,459</u>

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

Exhibit D-3

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

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 47,399,155
Other Self-Insured Claims	(40,231,249)
Other Receipts (Payments)	890,807
Net Cash Provided By (Used In) Operating Activities	<u>\$ 8,058,713</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 83,889
Net Cash Provided By (Used In) Investing Activities	<u>\$ 83,889</u>
Net Increase (Decrease) in Cash	\$ 8,142,602
Cash, July 1, 2012	<u>20,491,825</u>
Cash, June 30, 2013	<u>\$ 28,634,427</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 6,872,445
Miscellaneous Refunds	892,165
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	(75,536)
(Increase) Decrease in Due from Other Funds	5,272
(Increase) Decrease in Due from Component Units	11,528
Increase (Decrease) in Accounts Payable	119,547
Increase (Decrease) in Accrued Payroll	63
Increase (Decrease) in Payroll Deductions Payable	95
Increase (Decrease) in Due to Component Units	(3,713)
Increase (Decrease) in Claims and Judgments Payable	235,856
Net Cash Provided By (Used In) Operating Activities	<u>\$ 8,058,713</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,810,136
Equity in Pooled Cash and Investments	215,567
Accounts Receivable	3,320
Due from Other Governments	2,288,746
Due from Other Funds	222
	<hr/>
Total Assets	<u>\$ 9,317,991</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 5,758
Accrued Payroll	1,969
Due to Other Taxing Units	2,264,479
Due to Litigants, Heirs, and Others	6,885,571
Due to Joint Ventures	160,214
	<hr/>
Total Liabilities	<u>\$ 9,317,991</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

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

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

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

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

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

Administrative Offices:

Emergency Communications District of Montgomery County
P.O. Box 368
Clarksville, TN 37040

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

Montgomery County issues all debt for the discretely presented Clarksville-Montgomery County School System. Net debt issues totaling \$22,817,312 were contributed by the county to the School System during the year ended June 30, 2013.

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

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

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

Fund financial statements of Montgomery County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Montgomery County reports three proprietary funds (internal service funds). It has no enterprise funds to report.

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

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

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

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

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

Montgomery County reports the following major governmental funds:

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

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

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

Additionally, Montgomery County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds of Montgomery County, the Clarksville-Montgomery County School System, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Montgomery County Rail Service Authority (joint venture). Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and General Debt Service funds. Montgomery County and the School System have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net position value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. 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 ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Montgomery County for animal control spay/neuter vouchers (\$17,200), rental deposits (\$1,750), and road construction (\$89,000). Claims and Judgments Payable totaling \$3,057,838 for the primary government and \$612,049 for the discretely presented Clarksville-Montgomery County School System are discussed in Note V.A. Risk Management.

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Capital Projects Fund.

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$25,000 (\$5,000 for the School System) or more and an estimated useful life of more than two years (one year for the School System). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

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

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

7. Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such

as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, Montgomery County had \$227,803,591 in outstanding debt for capital purposes for the discretely presented Clarksville-Montgomery County School System. This debt is a liability of Montgomery County, but the capital assets acquired are reported in the financial statements of the School System. Therefore, Montgomery County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. A restatement of beginning net position totaling \$2,015,820 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

10. Reclassification

In prior years, the District Attorney General’s activities were accounted for in the General Fund; however, effective July 1, 2012, these activities have been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

11. Prior-period Adjustment

Capital assets of the discretely presented Clarksville-Montgomery County School System were restated \$2,927,624 from the prior year because several projects in construction in progress had been omitted.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

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

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

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Fiscal Services major appropriations category (the legal level of control) of the Extended School Program Fund by \$298. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

Investment Balances. As of June 30, 2013, Montgomery County had the following investments carried at fair value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Montgomery County and the discretely presented Clarksville-Montgomery County School System since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)		Fair Value
State Treasurer's Investment Pool	11 to 138	\$	46,375

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Montgomery County has no investment policy that would further limit its investment choices. As of June 30, 2013, Montgomery County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

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

Primary Government (Includes Internal Service Fund)

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 8,333,750	\$ 120,507	\$ (475,017)	\$ 7,979,240
Construction in Progress	3,846,670	1,681,133	(3,893,333)	1,634,470
Total Capital Assets Not Depreciated	<u>\$ 12,180,420</u>	<u>\$ 1,801,640</u>	<u>\$ (4,368,350)</u>	<u>\$ 9,613,710</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 106,106,826	\$ 3,459,744	\$ 0	\$ 109,566,570
Infrastructure	46,389,232	3,317,066	0	49,706,298
Intangibles	9,251,502	347,547	0	9,599,049
Other Capital Assets	11,798,599	1,442,959	(406,333)	12,835,225
Total Capital Assets Depreciated	<u>\$ 173,546,159</u>	<u>\$ 8,567,316</u>	<u>\$ (406,333)</u>	<u>\$ 181,707,142</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 24,372,465	\$ 2,583,946	\$ 0	\$ 26,956,411
Infrastructure	16,872,991	416,627	0	17,289,618
Intangibles	7,466,412	175,971	0	7,642,383
Other Capital Assets	7,800,072	844,493	(359,631)	8,284,934
Total Accumulated Depreciation	<u>\$ 56,511,940</u>	<u>\$ 4,021,037</u>	<u>\$ (359,631)</u>	<u>\$ 60,173,346</u>

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Total Capital Assets				
Depreciated, Net	\$ 117,034,219	\$ 4,546,279	\$ (46,702)	\$ 121,533,796
Governmental Activities				
Capital Assets, Net	\$ 129,214,639	\$ 6,347,919	\$ (4,415,052)	\$ 131,147,506

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

Governmental Activities:

General Government	\$ 561,955
Finance	225,350
Administration of Justice	543,725
Public Safety	1,223,797
Public Health and Welfare	417,048
Social, Cultural, and Recreational Services	384,243
Agriculture and Natural Resources	34,982
Highway/Public Works	629,937
Total Depreciation Expense - Governmental Activities	<u>\$ 4,021,037</u>

Discretely Presented Clarksville-Montgomery County School System**Governmental Activities:**

	* Restated Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 13,598,186	\$ 616,139	\$ (348,762)	\$ 13,865,563
Construction in Progress	15,286,092	21,545,139	(14,921,279)	21,909,952
Total Capital Assets Not Depreciated	\$ 28,884,278	\$ 22,161,278	\$ (15,270,041)	\$ 35,775,515
Capital Assets Depreciated:				
Buildings and Improvements	\$ 331,757,472	\$ 16,281,055	\$ 0	\$ 348,038,527
Other Capital Assets	31,653,915	1,408,496	(1,500,323)	31,562,088
Total Capital Assets Depreciated	\$ 363,411,387	\$ 17,689,551	\$ (1,500,323)	\$ 379,600,615

Governmental Activities (Cont.):

	* Restated			Balance
	7-1-12	Increases	Decreases	6-30-13
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 84,361,918	\$ 7,430,949	\$ (7,033)	\$ 91,785,834
Other Capital Assets	15,161,293	1,853,494	(1,392,333)	15,622,454
Total Accumulated Depreciation	<u>\$ 99,523,211</u>	<u>\$ 9,284,443</u>	<u>\$ (1,399,366)</u>	<u>\$ 107,408,288</u>
Total Capital Assets Depreciated, Net	<u>\$ 263,888,176</u>	<u>\$ 8,405,108</u>	<u>\$ (100,957)</u>	<u>\$ 272,192,327</u>
Governmental Activities Capital Assets, Net	<u>\$ 292,772,454</u>	<u>\$ 30,566,386</u>	<u>\$ (15,370,998)</u>	<u>\$ 307,967,842</u>

* See footnote I.D.11. for prior-period adjustment.

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

Governmental Activities:

Instruction	\$ 52,081
Support Services	9,018,963
Operation of Non-Instructional Services	<u>213,399</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,284,443</u>

C. Construction Commitments

At June 30, 2013, the General Capital Projects Fund had uncompleted construction contracts of approximately \$847,870 for various construction projects. Funding for these future expenditures has been received.

At June 30, 2013, the discretely presented School System's General Purpose School Fund had uncompleted construction contracts of approximately \$167,663 for various construction projects. Funding for these future expenditures has been received.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	General Capital Projects	\$ 13,081
General Debt Service	General	35,325
General Capital Projects	"	22,716
"	General Debt Service	697,797
Self-Insurance (Internal Service)	General	744
Unemployment Comp (Internal Service)	"	2,201
District Attorney General (Fiduciary)	"	222
School System Component Unit:		
General Purpose School	Nonmajor governmental	440,570
"	Education Capital Projects	721
Nonmajor governmental	General Purpose School	11,153
"	Nonmajor governmental	412

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.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	Component Unit:	
"	Industrial Development Board	\$ 1,571,429
	Bi-County Solid Waste Management System	555,000
School System:		
Internal Service - Self-Insurance	General Purpose School	10,433
"	Nonmajor governmental	6,994
Component Unit:		
School System:		
General Purpose School	Primary Government:	
Nonmajor governmental	Internal Service - Self-Insurance	57,465
	"	790

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	General Debt Service Fund	General Capital Projects Fund
General Fund	\$ 35,325	\$ 49,463
General Debt Service Fund	0	697,797
Nonmajor governmental fund	0	66,000

Discretely Presented Clarksville-Montgomery County School System

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 428,653	\$ 1,297,915

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. Special Item

On June 18, 2013, the Clarksville-Montgomery County School System Board of Education approved the transfer of a 42-acre lot on Lafayette Road valued at \$348,762 to the Clarksville-Montgomery County Industrial Development Board in exchange for land and a building at 1312 Highway 48/Highway 13 valued at \$1,689,700 (\$187,500 for land and \$1,502,200 for building). The gain on the non-monetary exchange of \$1,340,938 has been recognized as a special item in the government-wide statement of activities.

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Montgomery County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School System. In addition, general obligation bonds have been issued to refund other general

obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to five years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	2 to 5.625	4-1-30	\$ 166,810,000	\$ 109,465,000
General Obligation Bonds - Refunding	.20 to 5	4-1-29	265,340,000	214,220,000
Capital Outlay Notes	4	7-1-15	250,000	43,180
Other Loans	variable	7-1-26	26,234,718	18,940,316

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

Qualified School Construction Bonds were issued through the State of Tennessee, and the proceeds were loaned to Montgomery County and various other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 21,405,000	\$ 12,665,677	\$ 34,070,677
2015	22,370,000	11,837,553	34,207,553
2016	22,365,000	11,186,179	33,551,179
2017	23,385,000	10,482,004	33,867,004
2018	24,605,000	9,662,615	34,267,615
2019-2023	125,215,000	34,088,224	159,303,224
2024-2028	79,045,000	10,031,850	89,076,850
2029-2030	5,295,000	253,922	5,548,922
Total	<u>\$ 323,685,000</u>	<u>\$ 100,208,024</u>	<u>\$ 423,893,024</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 0	\$ 0	\$ 0
2015	43,180	1,727	44,907
Total	<u>\$ 43,180</u>	<u>\$ 1,727</u>	<u>\$ 44,907</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	\$ 1,684,049	\$ 303,000	\$ 22,093	\$ 2,009,142
2015	1,684,049	303,000	22,093	2,009,142
2016	1,684,049	303,000	22,093	2,009,142
2017	1,507,569	303,000	21,246	1,831,815
2018	1,507,569	303,000	21,246	1,831,815
2019-2023	6,888,632	1,515,000	103,738	8,507,370
2024-2027	3,984,399	934,250	65,000	4,983,649
Total	<u>\$ 18,940,316</u>	<u>\$ 3,964,250</u>	<u>\$ 277,509</u>	<u>\$ 23,182,075</u>

There is \$35,030,595 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans, totaled \$1,988, based on the 2010 federal census.

The Bi-County Solid Waste Management System, a component unit, is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the Bi-County Solid Waste Management System and as Due from Component Units in the financial statements of the primary government.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-13</u>
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Bonds Payable

Payable by Bi-County Solid Waste Management System

Contributions to the General Debt Service Fund

General Obligation Public Improvement	\$	555,000
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Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>	<u>Other Loans</u>
Balance, July 1, 2012	\$ 312,620,000	\$ 105,917	\$ 38,461,368
Additions	65,160,000	0	0
Reductions	(54,095,000)	(62,737)	(19,521,052)
Balance, June 30, 2013	<u>\$ 323,685,000</u>	<u>\$ 43,180</u>	<u>\$ 18,940,316</u>
Balance Due Within One Year	<u>\$ 21,405,000</u>	<u>\$ 0</u>	<u>\$ 1,684,049</u>

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>	<u>Internal Service Claims and Judgments</u>
Balance, July 1, 2012	\$ 2,302,869	\$ 1,448,038	\$ 2,821,982
Additions	3,004,685	465,722	33,462,970
Reductions	(2,630,174)	(105,924)	(33,227,114)
Balance, June 30, 2013	<u>\$ 2,677,380</u>	<u>\$ 1,807,836</u>	<u>\$ 3,057,838</u>
Balance Due Within One Year	<u>\$ 2,677,380</u>	<u>\$ 0</u>	<u>\$ 1,528,918</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$	350,211,550
Less: Due Within One Year		(27,295,347)
Add: Unamortized Premium on Debt		<u>16,844,472</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$	<u>339,760,675</u>

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

Current Refunding

On October 11, 2012, Montgomery County currently refunded one loan issue with a bond issue. The county issued \$28,040,000 of general obligation refunding bonds to provide resources to retire the loan. By issuing fixed interest rate bonds, the county will reduce interest rate risk and fees associated with the variable rate debt.

Advance Refunding

On May 17, 2013, Montgomery County advance refunded one general obligation refunding bond issue with a separate general obligation bond issue. The county issued \$37,120,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next seven years will be reduced by \$3,200,100, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$3,053,835 was obtained.

Defeasance of Prior Debt

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

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

Discretely Presented Clarksville-Montgomery County School System

Changes in Long-term Obligations

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

	Other Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2012	\$ 3,008,093	\$ 1,228,136	\$ 663,405
Additions	1,123,615	1,307,004	86,642
Reductions	<u>(776,774)</u>	<u>(1,185,475)</u>	<u>(137,998)</u>
Balance, June 30, 2013	<u>\$ 3,354,934</u>	<u>\$ 1,349,665</u>	<u>\$ 612,049</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,309,175</u>	<u>\$ 326,903</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 5,316,648
Less: Due Within One Year	<u>(1,636,078)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,680,570</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Clarksville-Montgomery County School System. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2013, were \$103,452. The School System has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

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

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Revenue Anticipation Notes	\$ 0	\$ 750,000	\$ (750,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Montgomery County, and the Clarksville-Montgomery County School System, the Bi-County Solid Waste Management System, the Emergency Communications District of Montgomery County, and the Clarksville-Montgomery County Public Library, component units, have chosen to establish the Self-Insurance Fund for risks associated with the employees' health insurance plan. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$250,000 per specific loss. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability. The reinsurance carrier will pay 85 percent of paid claims exceeding \$250,000 per specific loss to a maximum \$2,000,000 less the county's deductible.

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 2,756,999	\$ 31,865,575	\$ (31,927,068)	\$ 2,695,506
2012-13	2,695,506	33,165,940	(32,921,271)	2,940,175

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 259,323	\$ 0	\$ (228,517)	\$ 30,806
2012-13	30,806	0	(8,813)	21,993

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 81,400	\$ 214,247	\$ (199,977)	\$ 95,670
2012-13	95,670	297,030	(297,030)	95,670

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

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

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

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 645,339	\$ 0	\$ (39,248)	\$ 606,091
2012-13	606,091	0	(35,799)	570,292

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-12	\$ 58,648	\$ 191,805	\$ (193,139)	\$ 57,314
2012-13	57,314	86,642	(102,199)	41,757

B. Accounting Changes

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

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

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

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

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, Elements of Financial Statements. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Position was renamed to a Statement of Financial Position.

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

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

C. Subsequent Events

Director of Accounts and Budgets Erinne Hester resigned December 8, 2013, and was succeeded by Interim Director of Accounts and Budgets Shannon Holt effective December 9, 2013.

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

On August 12, 2013, the County Commission authorized a capital outlay note not to exceed \$110,000 for construction of an EMS station.

D. Contingent Liabilities

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

E. Changes in Administration

On July 31, 2012, Michael Harris left the Office of Director of Schools and was succeeded by Dr. B. J. Worthington.

On October 14, 2012, Sheriff Norman Lewis died. Chief Deputy John Smith served as acting sheriff from October 15, 2012, through December 10, 2012, when John Fuson was appointed sheriff by the County Commission.

F. Landfill Closure/Postclosure Care Costs

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

G. Joint Ventures

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

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Airport and the Clarksville-Montgomery County Regional Planning Commission. These joint ventures are operated by county/city-appointed boards/commissions for the benefit of all citizens of the two entities. Montgomery County has control over budgeting and financing the joint ventures only to the extent of representation by the board members appointed. Each entity is responsible for funding 50 percent of any deficits from operations if not covered by prior earnings. Montgomery County contributed \$200,919 for the operations of the airport during the year ended June 30, 2013.

The Economic and Community Development Board is a joint venture between Montgomery County and the City of Clarksville. The board comprises the county mayor, city mayor, and several additional members. The purpose of the board is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and city will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Montgomery County did not appropriate any funds to the Economic and Community Development Board during the 2012-13 year.

The Nineteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Nineteenth Judicial District and Montgomery County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general and the Montgomery County Sheriff. Montgomery County did not appropriate any funds to the DTF during the 2012-13 year.

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

Administrative Offices:

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

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

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

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

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

H. Jointly Governed Organizations

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Montgomery County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 14.33 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Montgomery County's annual pension cost of \$9,197,180 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$9,197,180	100%	\$0
6-30-12	9,113,022	100	0
6-30-11	8,861,226	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.27 percent funded. The actuarial accrued liability for benefits was \$160 million, and the actuarial value of assets was \$155.63 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.38 million. The covered payroll (annual payroll of active employees covered by the plan) was \$59.75 million, and the ratio of the UAAL to the covered payroll was 7.32 percent.

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

SCHOOL TEACHERS

Plan Description

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

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the 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 salary to the plan. The employer contribution rate for the School System is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School System is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$10,149,030, \$10,000,983, and \$9,822,189, respectively, equal to the required contributions for each year.

2. Deferred Compensation – Primary Government

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

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

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

statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

J. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

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

Funding Policy

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

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

The School System also offers postemployment health care benefits to employees who have 30 years of verified Tennessee Consolidated Retirement System service, or have reached 55 years of age with a minimum of 20 years of service. The School System provides retirees and their spouses with the same health insurance coverage that full-time employees receive if the eligible employees were covered with the same before their retirement. A portion of the cost of the insurance premium will be paid by the School System. The insurance coverage will remain in effect for ten years after employment ends or until the retiree attains the age of 65, whichever comes first.

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

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School System	Total
ARC	\$ 465,641	\$ 1,118,389	\$ 1,584,030
Interest on the NOPEBO	43,645	135,364	179,009
Adjustment to the ARC	(43,564)	(130,138)	(173,702)
Annual OPEB cost	\$ 465,722	\$ 1,123,615	\$ 1,589,337
Amount of contribution	(105,924)	(776,774)	(882,698)
Increase/decrease in NOPEBO	\$ 359,798	\$ 346,841	\$ 706,639
Net OPEB obligation, 7-1-12	1,448,038	3,008,093	4,456,131
Net OPEB obligation, 6-30-13	\$ 1,807,836	\$ 3,354,934	\$ 5,162,770

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Primary Government	\$ 442,745	10 %	\$ 1,085,315
6-30-12	"	438,199	17	1,448,038
6-30-13	"	465,722	23	1,807,836
6-30-11	School System	1,326,413	45	2,350,721
6-30-12	"	1,336,653	51	3,008,093
6-30-13	"	1,123,615	69	3,354,934

Funded Status and Funding Progress

The funded status of the plans are as follows:

	Primary Government	School System
Actuarial valuation date	7-1-12	7-1-12
Actuarial accrued liability (AAL)	\$ 4,469,167	\$ 11,671,875
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,469,167	\$ 11,671,875
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 29,181,550	\$ 137,701,251
UAAL as a % of covered payroll	15%	8%

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

Actuarial Methods and Assumptions

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

In the July 1, 2012, actuarial valuation for the primary government, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

In the July 1, 2012, actuarial valuation for the School System, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of five percent after seven years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with July 1, 2009.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Laws

Office of Central Purchasing

Purchasing procedures for the Office of County Mayor and the Highway Department are governed by the County Purchasing Law of 1957, Section 5-14-101 et seq., *Tennessee Code Annotated (TCA)*. Purchases for the

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

Office of Director of Schools

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

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

A. Significant Accounting Policies

1. Reporting Entity

The Clarksville-Montgomery County Public Library, for financial purposes, includes all of the funds for which the library is considered to be financially accountable. The library is a special purpose single-program government with only governmental activities. The library is a component unit of Montgomery County Government. The board is comprised of members that are appointed by the Montgomery County Commission. The county provides approximately 85 percent of the revenues of the library.

2. Combination Government-wide and Fund Financial Statements

Combination government-wide and fund financial statements are presented for the library since it is a special purpose single-program governmental entity. The first column of the statements represents the fund financial statements of the library. The second column from the right of the statements represents the government-wide financial statements for the library. The adjustment column represents the adjustments necessary to reconcile the fund financial statements to the government-wide financial statements. The explanations of the reconciling items are presented in the Notes VI.B. and VI.C.

3. Government-wide Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the library.

4. Fund Financial Statements

Fund financial statements report detailed information about the library. The focus of the fund financial statements is on major funds rather than fund type. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which report on sources and uses of current financial resources.

5. Basis of Presentation

The library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The library has only governmental type funds.

Governmental Fund Types

Governmental fund types are used to account for the library's general government activities. Governmental fund types include the following for the library:

General Fund

The General Fund is the general operating fund of the library. It is used to account for all financial resources and expenditures.

6. Measurement Focus and Basis of Accounting

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

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

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

7. Property, Plant, and Equipment

All property, plant, and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated items are valued at their estimated fair value on the date donated. No interest was capitalized during the audit period. Depreciation is computed on capital assets using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and Equipment	5 - 10
Building Improvements	10
Books and Videos	5

Property with an expected life of five years or greater and that is susceptible to misappropriation is capitalized. There is no dollar threshold.

8. Donated Services

Donated services are not valued as contributions and are not recorded as expenditures.

9. Donated Supplies and Equipment

Donated supplies and equipment are recorded as gifts at fair market value on the date donated. Supplies are recorded as expenditures at the same value and donated equipment is capitalized.

10. Accrued Compensated Absences

The library accrues unused annual leave as compensated absences. Unused sick leave is not valued since it is paid only when actually used.

11. **Major Funding**

The library is primarily funded by contributions of funds from Montgomery County. Cessation of funding by Montgomery County would have a major economic impact on the library and might adversely affect the library's ability to continue operations.

12. **Grant Accounting**

Grants are accounted for separately, and separate bank accounts are utilized for large grants. The library received no material grants during the audit period.

13. **Restricted/Unrestricted Resources Usage**

The library's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

14. **Net Position and Fund Equity**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of restricted or invested in capital assets.

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.

The library did not have any nonspendable fund balance at June 30, 2013.

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 the Library Board. These amounts cannot be used for any other purpose unless the Library Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The library did not have any committed resources as of June 30, 2013.

Assigned Fund Balance – includes amounts that are constrained by the library’s intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Library Board or through the Library Board delegating this responsibility to library management. The library did not have any assigned resources at June 30, 2013.

Unassigned Fund Balance – this classification represents fund balance that has not been restricted, committed, or assigned to specific purposes.

15. Other Significant Accounting Policies

Other significant accounting policies are described throughout the notes section of this audit report or disclosed in the statement formats.

B. Bank Deposit Information

Statement No. 40, *Deposit and Investment Risk Disclosures*, of the Governmental Accounting Standards Board, states “If a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact.” The library does not have an official investment policy. Although there is no official investment policy for the library, in order to provide a safe temporary medium for investment of the library’s idle funds, the library invests those idle funds under the provisions of *Tennessee Code Annotated (TCA)*, Section 6-56-106. The library is a passive investor, in that investments are held until maturity. The investments made by the library are authorized by Section 6-56-106, *TCA*. The library recognizes its investments may have one or more risks: (1) custodial credit risk, (2) concentrations of credit risk, (3) interest rate risk,

and (4) foreign currency risk; however, because of the relative safety of the investments authorized in *TCA*, Sections 6-56-106 (a) 1-6 and 8, the exposure to risk is generally limited to interest rate risk.

State statutes authorize the library to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government; (2) deposit accounts at state and federally chartered banks and savings and loan associations; and (3) the Local Government Investment Pool of the State of Tennessee. As of June 30, 2013, the library maintains its cash balances with the Montgomery County Trustee, who deposits the library's cash balances with a financial institution that participates in the Tennessee Collateral Pool. At year-end, the library also had a separate special projects bank account with a book and bank balance of \$116,689.

The library's deposits are entirely covered by federal depository insurance (FDIC) or the Tennessee Collateral Pool. The FDIC insures the first \$250,000 of the library's deposits at each financial institution. Deposit balances over \$250,000 are insured by the collateral pool. State statutes provide for additional amounts to be assessed on a pro rata basis to financial institutions in the collateral pool in the event that the pool's funds would be insufficient to cover a loss.

C. Gracey Trust Income

The library was named as a beneficiary of a portion of the estate of Mrs. Donald Gracey. The principal of the bequest is held in trust for a period of 30 years from the settlement of the estate. Income from this trust totaling 28.5 percent is to be paid to the library on at least a quarterly basis. Upon expiration of 30 years, 28.5 percent of the trust corpus will be delivered to the library. The estate was settled in 1992. During the year, income of \$107,488 was donated to the library. The bequest is to be used for general library purposes as directed by its board.

D. Memorial Income

Memorial income consists of memorial and other special donations to the library. The funds are restricted and are accounted for as a part of the library's General Fund. The restricted memorial income received in 2013 was \$5,503.

E. Component Unit

The Clarksville-Montgomery County Public Library Foundation is a legally separate, tax-exempt component unit of the library. The foundation's primary purpose is to provide assistance to the library through fund-raising activities and through the management, investment, and administration of the funds under the foundation's control. The funds raised by the foundation are not to be used for the funding of day-to-day operations of the library but for special programs, activities, and capital projects. The four-member board is

self-perpetuating and consists of residents of Montgomery County with diverse business, personal, and professional experience. Although the library does not control the timing or amount of receipts from the foundation, all of the resources that the foundation holds are restricted to library purposes. Because these resources can only be used by or for the benefit of the library, the foundation is considered a component unit of the library. The foundation is required to disburse not less than five percent of total assets held by the foundation on December 31st of the previous year. The foundation's by-laws, adopted April 1, 2005, require the foundation's account to be audited annually.

Complete financial statements for the foundation can be obtained from the Secretary/Treasurer, Clarksville-Montgomery County Public Library Foundation, 350 Pageant Lane, Suite 501, Clarksville, Tennessee 37040.

F. Capital Assets

Changes in the capital assets for the year were as follows:

	Balance 7-1-12	Additions	Deductions	Balance 6-30-13
<u>Depreciable Assets</u>				
Furniture, Fixtures, Equipment and Software	\$ 2,038,867	\$ 80,796	\$ 0	\$ 2,119,663
Building Improvements	124,027	43,458	0	167,485
Library Resources	3,992,561	268,212	247,911	4,012,862
Total	\$ 6,155,455	\$ 392,466	\$ 247,911	\$ 6,300,010
<u>Accumulated Depreciation</u>				
Furniture, Fixtures, Equipment and Software	\$ 1,689,003	\$ 129,250	\$ 0	\$ 1,818,253
Building Improvements	78,488	28,982	0	107,470
Library Resources	3,111,583	290,950	247,911	3,154,622
Total	\$ 4,879,074	\$ 449,182	\$ 247,911	\$ 5,080,345
Capital Assets, Net of Accumulated Depreciation	\$ 1,276,381	\$ (56,716)	\$ 0	\$ 1,219,665

The building and related facilities are furnished to the library by Montgomery County. Depreciation expense for the year is \$449,182.

G. Pension Information

1. Plan Description

Employees of the library are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefits

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

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

2. Funding Policy

The library has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The library is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013, was 14.707 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the library is established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Cost

For the year ended June 30, 2013, the library's annual pension cost of \$107,205 to TCRS was equal to the library's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected

three percent annual 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 library's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five years. An actuarial valuation was performed at July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$ 107,205	100%	\$ 0
6-30-12	100,385	100	0
6-30-11	109,944	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 88.86 percent funded. The actuarial accrued liability for benefits was \$1.96 million, and the actuarial value of assets was \$1.74 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.22 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.74 million, and the ratio of the UAAL to the covered payroll was 29.39 percent.

H. Risk Management

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

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

the employees' health insurance plan, workers compensation claims (including on-the-job-injury) and unemployment compensation claims.

I. Customer Receivables

There were customer receivables of \$658,141 and uncollectible amounts of \$329,070, which include uncollectible, waived, or returned items. Gross customer receivables include not only fines and fees receivable, but also an amount due the library for lost books. When a book is returned, the amount due the library is reduced by the cost of the book, but the library receives no cash in this situation. The estimate of uncollectible, waived, and returned items is based on statistical information traced by the library of amounts due and amounts collected by month.

J. Restricted Fund Balance/Net Position

Restricted Fund Balance/Net Position consisted of the following at June 30, 2013:

Library Foundation Donations	\$ 116,689
Memorial Donations	8,276
Friends of the Library Donations	507
Other Restricted Donations	<u>1,304</u>
 Total Restricted Fund Balance/Net Position	 <u><u>\$ 126,776</u></u>

K. Prior-period Adjustment

Certain errors resulting in the understatement of previously reported accumulated depreciation were discovered during the year. An adjustment of \$60,794 was made to accumulated depreciation and net position to reflect the correction.

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

which is on Highway 79, east of Oakwood, and approximately ten miles west of Clarksville, Tennessee.

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

2. Use of Estimates

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

3. Concentration of Credit Risk

Financial instruments that potentially subject the system to significant concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Custodial credit risk for the system's deposits is the risk that in the event of a bank failure, the deposits may not be returned to it. As required by state statutes, the system's policy is to require that financial institutions holding its deposits be members of the State of Tennessee Bank Collateral Pool or pledge collateral in excess of federal depository insurance. The collateral is required to be held by the system or its agent in the system's name. With respect to accounts receivable, credit risk is dispersed across a large number of customers who are geographically concentrated in the system's service area.

4. Basis of Accounting

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

are those expenses that are essential to the primary operations of the system. All other expenses are reported as non-operating expenses.

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

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The net investment in capital assets at June 30, 2013 was:

Capital Assets	\$ 19,657,590
Accumulated Depreciation	(9,442,226)
Debt related to capital assets	<u>(616,523)</u>
Total	<u>\$ 9,598,841</u>

Restricted: Net position for which use is subject to externally imposed stipulations that can be fulfilled by actions of the system pursuant to those stipulations or that expire by the passage of time. The system had no restricted net position as of June 30, 2013.

Unrestricted: Net position that is not subject to externally imposed stipulations and that does not meet the definition of “restricted” or “net investment in capital assets.” Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. The system had a deficit of unrestricted net position of \$10,240,132 as of June 30, 2013.

5. Cash and Cash Equivalents

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

6. Uncollectible Accounts

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

7. Inventories

Inventories consist of expendable supplies, primarily fuel held for consumption, and are valued at average cost. The cost is expensed at

the time individual items or quantities are used and not at the time purchased.

8. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15 - 30
Equipment and Vehicles	5 - 10

9. Accrued Compensated Absences

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

10. Restricted Net Position

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

11. Change in Presentation

Certain items from the prior year may have been reclassified to conform to current year presentation.

B. Deposits and Investments

The system participates in an internal cash and investment pool through the Office of Montgomery County Trustee. The trustee is the treasurer of the

county and in this capacity is responsible for receiving, disbursing, and investing most county funds. The system's portion of this pool is displayed on the Statement of Net Position as cash and cash equivalents. The system paid the trustee \$72,395 during the year ended June 30, 2013, for these services.

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

Custodial credit risk for the system's deposits is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As required by state statutes, the system's policy is to require financial institutions holding its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the system or its agent in the system's name. At June 30, 2013, cash and other deposits reported in the financial statements of \$4,915,695 were represented by bank balances totaling \$5,219,827, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

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

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain

investments as previously explained. The system has no investment policy that would further limit its investment choices.

C. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2013, follows:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Land-Held for Expansion	\$ 616,156	\$ 197,107	\$ (30,017)	\$ 783,246
Land	462,707	0	0	462,707
Buildings and Improvements	4,155,321	85,320	0	4,240,641
Property and Equipment	11,767,274	1,569,784	(35,000)	13,302,058
Other Property	868,938	0	0	868,938
Total Capital Assets	\$ 17,870,396	\$ 1,852,211	\$ (65,017)	\$ 19,657,590

A summary of changes in accumulated depreciation for the year ended June 30, 2013, follows:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Buildings and Improvements	\$ 1,010,689	\$ 109,702	\$ 0	\$ 1,120,391
Property and Equipment	6,646,122	827,376	(1,837)	7,471,661
Other Property	847,998	2,176	0	850,174
Total Accumulated Depreciation	\$ 8,504,809	\$ 939,254	\$ (1,837)	\$ 9,442,226

Land included in the totals is not depreciated.

D. Due to Primary Government - Bonds Payable

Long-term debt consisted as follows:

	<u>2013</u>
\$625,000 series 2012 Public Improvement Bonds due in annual installments of \$140,000 with a final payment of \$135,000 on April 1, 2017, plus interest payable semi-annually on October 1 and April 1 at a rate of five percent	\$ 555,000
Plus: Unamortized net bond premium	61,523
Total long-term debt	\$ 616,523
Less: Current Portion	140,000
Total long-term debt excluding current portion	\$ 476,523

Future payments on long-term debt are as follows:

Year Ending June 30	Principal	Interest
2014	\$ 140,000	\$ 27,750
2015	140,000	20,750
2016	140,000	13,750
2017	135,000	6,750
Total future payments	<u>\$ 555,000</u>	<u>\$ 69,000</u>

Interest incurred of \$2,720 was expensed during the year ended June 30, 2013.

E. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the system to place a final cover on its landfill sections when the section stops accepting waste and to perform certain maintenance and monitoring functions at the section for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the system reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill section capacity used as of each balance sheet date. Closure/postclosure costs are calculated based on an engineering evaluation. The \$15,845,431 reported as landfill closure and postclosure care liability at June 30, 2013, represents the cumulative amount reported to date based on 86 percent of the estimated capacity of the currently open sections of the landfill. The landfill will recognize an additional estimated cost of closure and postclosure care of \$2,504,541 as the remaining estimated capacity is filled in those sections. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Also, expansion of the landfill property could change these estimates. The system currently has 250 acres of unused land that it anticipates using for waste and estimates ample capacity to accept waste until 2107.

Montgomery and Stewart counties have executed a Contract in-Lieu-of Performance Bond in the amount of \$18,943,834 to provide financial assurance to the State of Tennessee for estimated operation, closure, and postclosure costs.

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

Accrued Liability at July 1, 2012	\$ 16,321,558
Current Year Accrual	564,984
Current Year Closure Costs	<u>(1,041,111)</u>
Accrued Liability at June 30, 2013	<u>\$ 15,845,431</u>

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

F. Accrued Compensated Absences

Changes in accrued compensated absences for the year ended June 30, 2013, were as follows:

	Balance 7-1-12	Additions	Deletions	Balance 6-30-13
Accrued Compensated Absences	\$ 218,425	\$ 34,849	\$ 0	\$ 253,274

G. Other Postemployment Benefits (OPEB)

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

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

This plan is a single-employer defined benefit plan. Prior to the year ended June 30, 2010, the plan was funded and expensed on a pay-as-you-go basis. The provisions of Governmental Accounting Standards Board (GASB) Statement No. 45 were retroactively implemented in the year ended June 30, 2010, to be effective as of June 30, 2009. For 2010 and forward, the plan continued to be funded on a pay-as-you-go basis with expense calculated under the provisions of GASB Statement No. 45 as described below. The plan does not issue stand-alone financial reports.

In July 2004, GASB issued GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 requires employers that participate in single-employer or agent multiple-employer defined OPEB plans to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

The annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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

	<u>Year Ended 6-30-13</u>
Normal Cost	\$ 34,688
30 year Amortization of Accrued Liability	25,056
Interest on Net OPEB Obligation	<u>1,183</u>
Annual Required Contribution	\$ 60,927
Interest on Net OPEB Obligation	6,299
Adjustment on Annual Required Contribution	<u>(6,279)</u>
Annual OPEB Expense	\$ 60,947
Contributions Made	<u>(30,152)</u>
Increase in Net OPEB Obligation	\$ 30,795
Net OPEB Obligation - 7-1-12	<u>157,466</u>
 Net OPEB Obligation - 6-30-13	 <u><u>\$ 188,261</u></u>

The system's annual OPEB expense, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6-30-13	\$ 60,947	49%	\$ 188,261
6-30-12	57,372	48%	157,466
6-30-11	46,587	0%	128,013

As of July 1, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$606,254, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$606,254. The covered payroll (annual payroll of active employees covered by the plan) was \$2,762,908 and the ratio of the UAAL to the covered payroll was 21.93 percent. The ARC was 2.21 percent of covered payroll and the funding was determined on a pay-as-you-go basis.

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

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

In the July 1, 2012, actuarial valuations, the projected unit credit cost method was used. The actuarial assumption included an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, is 25 years.

The system pays and expenses the costs of the benefits as they are incurred. At June 30, 2013, the system had one eligible retiree receiving benefits.

H. Retirement Commitments

1. Plan Description

Certain employees of the system are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefits pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits, as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the system participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew

Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

2. Funding Policy

The system has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Montgomery County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 14.63 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirements for the system are established and may be amended by the TCRS Board of Trustees.

3. Annual Pension Cost and Actuarial Information

Pension costs and actuarial information for the system cannot be separately stated from that of Montgomery County. The system is a component unit of Montgomery County, and aggregated pension information is reported for all Montgomery County employees in the June 30, 2013, Montgomery County Annual Financial Report.

I. Concentrations

The system receives a substantial amount of its Charges for Services (tipping fees) from three entities: City of Franklin, Clarksville Disposal, and Waste Industries. These three haulers comprised 55.92 percent of tipping fee revenues earned during the year ended June 30, 2013, as well as \$433,475 (42.26 percent) of accounts receivable balances at June 30, 2013. The system also collects a user fee from each household in Montgomery and Stewart counties. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the system.

J. Operating Leases

The system has convenience centers in 17 locations in Montgomery and Stewart counties. Twelve of these convenience centers are located on leased property. The system also had a short-term lease for a dump truck during the fiscal year ended June 30, 2013. The lease payments for the year ended June 30, 2013, were \$92,781 and are included in the contracted services category on the Statement of Revenues, Expenses, and Changes in Net Position. This amount includes payments made for short- and long-term leases.

Future payments on lease obligations are as follows:

Year Ending June 30	Lease Payments
2014	\$ 57,751
2015	31,952
2016	19,138
2017	12,580
2018	<u>2,400</u>
Total	<u>\$ 123,821</u>

K. Risk Management

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

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

L. Commitments and Contingencies

In the normal course of conducting its business, the system may be involved in legal proceedings. Due to the nature and scope of the system's business, which brings it into regular contact with the general public, a variety of businesses, and multiple governmental entities, which regulate and examine its operations, the system is inherently subject to the hazards of potential litigation, claims, and assessments. Additionally, routine examination performed by the system's federal and state oversight agencies could result in findings and violations, which have an adverse effect on the system. Currently, management is not aware of any such conditions, which would have a material adverse effect on the System.

M. Subsequent Event

On December 9, 2013, the Montgomery County Commission approved \$1,708,900 of equipment purchases to be ultimately funded by bonds issued by Montgomery County in the fiscal year ending June 30, 2016. The system will receive an interest-free temporary loan from Montgomery County for the principal amount of the bonds in fiscal year ending June 30, 2014. The

system will make ten annual bond payments of principal and interest to Montgomery County upon issuance of the bonds.

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

A. Summary of Significant Accounting Policies

1. Financial Reporting Entity

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

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

In fiscal year 1995, the Clarksville-Montgomery County Tourism Commission (Tourism), the Clarksville Area Chamber of Commerce (Chamber), and the board jointly organized the Clarksville-Montgomery County Economic Development Council (EDC) to develop, coordinate, and implement a comprehensive marketing plan relating to economic prosperity of Clarksville-Montgomery County and the surrounding area. The board, Tourism, and Chamber evenly share the cost of the EDC staff's salary, payroll taxes, benefits, and other operating costs and of expenses related to the general administration of the EDC. All other expenses of the EDC are share based on usage allocations.

2. Use of Estimates

The board's financial statements are presented in accordance with accounting principles generally accepted in the United States of America, which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported

amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from these estimates in the near term and these variations can have a material effect on these financial statements.

3. Concentrations of Credit Risk

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

4. Government-wide Financial Statements

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

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

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

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

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

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

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

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

6. Cash and Cash Equivalents

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

7. Uncollectible Accounts

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

8. Capital Assets

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

9. Property Held for Sale or Lease

Property held for sale or lease is recorded at cost or market, if lower. The cost of property sold is charged to expense using the specific identification method.

10. Accrued Compensated Absences

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

11. Fund Balance

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

- Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – amounts constrained to specific purposes by the board's governing body, using its highest level of decision-making authority (i.e., by majority vote of the board of directors at an official meeting). To be reported as committed, amounts cannot be used for any other purpose unless the board of directors takes the same highest level action to remove or change the constraint.
- Assigned Fund Balance – amounts the board intends to use for a specific purpose. Intent can be expressed by management of the board.
- Unassigned Fund Balance – amounts that are available for any purpose.

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

It is the board's policy to use restricted funds first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted or the assignment has been changed by management. Decreases to fund balance first reduce unassigned fund

balance; in the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

12. Funding

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

B. Cash and Cash Equivalents

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

Custodial credit risk for the board's deposits is the risk that in the event of a bank failure, the board's deposits may not be returned to it. As required by state statutes, the board's policy is to require financial institutions holding its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the board or its agent in the board's name. At June 30, 2013, cash and other deposits reported in the financial statements of \$1,300,453 were represented by bank balances totaling \$1,297,933, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

C. Investments and Other Deposits

Investments and other deposits are restricted by state law to deposits with financial institutions and certain obligations guaranteed by the United States Government. Investments and other deposits are stated at cost or amortized cost, which approximates fair value at June 30, 2013. Following is a summary of the board's certificates of deposit at June 30, 2013, all of which were insured by the FDIC or the State of Tennessee Bank Collateral Pool.

	<u>Carrying Amount</u>	<u>Market Value</u>
Certificates of Deposit	\$ 605,662	\$ 605,662

D. Note Receivable from Sale of Land

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

	Balance <u>6-30-13</u>
Hemlock Semiconductor, LLC (HSC) note	\$ 1,571,429

The HSC note is due in seven annual installments of \$785,714 with the last payment scheduled to occur on January 1, 2015.

E. Property Held for Sale or Lease

A summary of property held for sale or lease follows:

	<u>Acres Available</u>	<u>At Cost</u>
Land-Park Expansion	918.21	\$ 12,801,232
Goodpasture Property	20.19	125,032
Bell Property	54.18	199,398
Hamill Property	1.64	7,815
Homemax Property	2.00	13,965
Lafayette Property	43	578,000
Pad-Ready Site	40	<u>1,090,721</u>
Total		<u>\$ 14,816,163</u>

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

During the year ended June 30, 2013, the board entered into a nonmonetary exchange with another component unit of the county. The board exchanged a parcel of land and commercial building for a different parcel of land. The property received was recorded at the cost basis of the land and commercial building exchanged. After the exchange, the carrying value of the land received was written down to its market value, which was lower than the cost basis of the property exchanged. The inventory write-down loss was \$1,363,722.

F. Capital Assets

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

Capital Assets	Balance 7-1-12	Additions	Deductions	Balance 6-30-13
Equipment	\$ 81,500	\$ 0	\$ 6,084	\$ 75,416
Vehicles	36,790	0	0	36,790
Leasehold Improvements	48,793	0	0	48,793
Buildings	1,883,553	0	0	1,883,553
Land	37,641	0	0	37,641
Software	1,385	0	0	1,385
Total	\$ 2,089,662	\$ 0	\$ 6,084	\$ 2,083,578

Accumulated Depreciation

Equipment	\$ 63,363	\$ 9,944	\$ 6,084	\$ 67,223
Vehicles	26,049	7,358	0	33,407
Leasehold Improvements	17,620	3,252	0	20,872
Buildings	149,114	47,090	0	196,204
Software	1,385	0	0	1,385
Total	\$ 257,531	\$ 67,644	\$ 6,084	\$ 319,091

Land is not depreciated or amortized. Capital assets with net book values totaling \$1,732,021 were pledged as collateral for debt at June 30, 2013.

G. Construction in Progress

A summary of changes in construction in progress follows:

	Balance 7-1-12	Additions	Deductions	Balance 6-30-13
Rail to Park Expansion	\$ 280,437	\$ 82,515	\$ 0	\$ 362,952
Speculative Building	81,241	735	0	81,976
Total	\$ 361,678	\$ 83,250	\$ 0	\$ 444,928

Construction in progress is not depreciated until placed in service.

H. Land Sale Options

The board had two land sale options from prospective buyers outstanding at June 30, 2013. The first outstanding option, granted in fiscal year 2004, allows the holder to purchase a 20-acre tract of land at a price of \$6,000 per acre. The option was given for a \$6,400 consideration, with \$7,200 additional consideration received in fiscal year 2009 in order to purchase the right of first refusal. This option expires in 2014.

On August 1, 2008, the board entered into a letter of agreement for the second land sale option in which a developer would purchase or lease a 225-acre lot for the development of approximately two million square feet of Class A bulk warehouse, manufacturing, office, and flex distribution space thereon. Once the option is final, the developer will pay \$5,000 initial consideration and \$50,000 earnest money. The purchase price of the lot is \$34,000 per acre. The option will expire five years after being finalized, at which time additional consideration of \$5,000 will be due if the developer has not acquired all of the property. On June 10, 2009, the board extended the letter of agreement for one year. On June 10, 2010, the board extended the letter of agreement for an additional year. On May 11, 2011, the board extended the letter of agreement until December 31, 2011. On March 14, 2012, the board extended the letter of agreement for ten years with a price increase to \$36,000 per acre in exchange for nonrefundable consideration of \$50,000. Additional consideration of \$25,000 is due if the option has not been exercised by September 30, 2013.

I. Unearned State Grant Revenue

During the fiscal year ended June 30, 2009, the board was required to prepay the estimated costs to move a gas pipeline. Upon completion of the project during the fiscal year ended June 30, 2010, the vendor refunded approximately \$835,000 in project costs, which was credited to unearned state grant revenue. The State of Tennessee allowed the board to keep these funds in anticipation of any future unforeseen nonreimbursable project-related expenses. As of June 30, 2013, the unexpended portion of the unearned state grant revenue was \$173,194.

J. Notes Payable

Notes payable consist of the following:

	<u>2013</u>
Note payable bearing interest at 5.5 percent secured by land and a building; principal and interest are payable in monthly installments, maturing May 2021.	\$ 1,450,317
Note payable bearing interest at 3.9 percent secured by a vehicle; principal and interest are payable in monthly installments, maturing November 2013.	2,399

	<u>2013</u>
Non-interest bearing note payable; payable in annual installments of \$90,000, maturing in 2023. The annual installment payments will be reimbursed by the city and county	\$ 842,485
Total Notes Payable	\$ 2,295,201
Less: Current Portion	<u>(249,811)</u>
Total Notes Payable Excluding Current Portion	<u>\$ 2,045,390</u>

Changes in notes payable (including current portions) for the year ended June 30, 2013, were as follows:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13	Estimated Amount Due in Year Ending 6-30-14
Notes Payable	\$ 1,608,662	\$ 900,000	\$ 213,461	\$ 2,295,201	\$ 249,811

Future payments on notes payable are as follows:

Year Ending June 30	Total Principal	Total Interest
2014	\$ 249,811	\$ 78,634
2015	256,291	69,732
2016	265,672	60,352
2017	275,581	50,443
2018	286,049	39,974
2019-2023	<u>961,797</u>	<u>51,121</u>
Total	<u>\$ 2,295,201</u>	<u>\$ 350,256</u>

K. Due to Montgomery County

At June 30, 2013, the board owed \$1,571,429 to the county in connection with funds that were contributed by the county to the board for the HSC project during the fiscal year ended June 30, 2009. The board holds a corresponding note receivable from HSC. Both the payable to the county and the note receivable from HSC are reduced as payments are received from HSC and then are remitted to the county.

L. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

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

Cost of Capital Assets	\$ 2,083,578
Less: Accumulated Depreciation	<u>(319,091)</u>
Net Capital Assets	<u><u>\$ 1,764,487</u></u>
Debt Related to Capital Assets:	
Current Portion of Note Payable	\$ 147,978
Long-term Portion of Note Payable	<u>1,258,571</u>
Total Debt Related to Capital Assets	<u><u>\$ 1,406,549</u></u>
Other Debt:	
Current Portion of Note Payable	\$ 101,833
Long-term Portion of Note Payable	<u>786,819</u>
Total Other Debt	<u><u>\$ 888,652</u></u>
Total Debt	<u><u>\$ 2,295,201</u></u>

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

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

Depreciation Expense	\$ (67,644)
Debt Service Principal	213,661
Promissory Note Issued	<u>(900,000)</u>
Total	<u><u>\$ (753,983)</u></u>

M. Operating Leases

Beginning December 2006, the board began subleasing office space in the Capital Bank building from the EDC under a five-year agreement. Rental expense under the operating lease was \$24,442 for the year ended June 30, 2013. This lease expired in November 2011, and was renewed for an additional five years ending November 2016.

Future payments on lease obligations are as follows:

2014	\$ 26,667
2015	26,667
2016	26,667
2017	<u>8,889</u>
Total	<u><u>\$ 88,890</u></u>

N. Lease Contracts

On June 27, 2008, the board entered into a lease contract with the State of Tennessee for rental of a medical office building. The lease contract began January 1, 2009, and ends December 31, 2020. Under the terms of the lease, the state makes monthly lease payments of \$21,542 to the board. The state has one option to renew the lease for an additional ten years with monthly rent of \$15,866.

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

<u>Year Ending June 30</u>	<u>Lease Payments</u>
2014	\$ 258,513
2015	258,513
2016	258,513
2017	258,513
2018	258,513
2019 and thereafter	<u>387,770</u>
Total	<u><u>\$ 1,680,335</u></u>

O. Retirement Plan

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

During the fiscal year ended June 30, 2013, contributions totaling \$28,878 were paid and expensed by the board. Employee contributions to the plan were \$28,716 for the year ended June 30, 2013.

P. Related-party Transactions

The board paid EDC \$298,691 for its share of EDC expenses during the year ended June 30, 2013. The board had related-party payables at June 30, 2013, totaling \$48,731, and related-party receivables of \$17,754. Included in related party receivables at June 30, 2013, is \$17,000 that was advanced to the EDC to facilitate payment of routine board expenses and is not expected to be collected within one year.

Q. Fund Balance

The board has unassigned fund balance of \$634,596 and nonspendable fund balance of \$16,816,291 at June 30, 2013. Nonspendable fund balance consisted of the following:

Long-term Portion of Due from City of Clarksville	\$ 228,042
Long-term Portion of Due from Montgomery County	524,443
Long-term Portion of Note Receivable	785,715
Property Held for Sale or Lease	14,816,163
Construction in Progress	444,928
Long-term Portion of Due from Related Parties	<u>17000</u>
Total Nonspendable Fund Balance	<u>\$ 16,816,291</u>

R. Conduit Debt Obligations

The board has participated in several issues of industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public

interest. The board is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the financial statements. The principal balance outstanding as of June 30, 2013, totaled \$1,944,723,745.

S. Annual Budget Procedures

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

T. Commitments and Contingencies

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

After such time as the city has either annexed the land being purchased or recovered its investment, the sale of the land shall be divided equally between the city and county after ten percent is deducted for the board. At June 30, 2013, there was an accrued liability of \$0 to the city and \$0 to the county.

The board's exposure to property loss and general liability is handled through the purchase of commercial insurance. Insurance coverage was adequate to cover settlements for the past three fiscal years.

U. Subsequent Event

On October 14, 2013, the board entered into an agreement with a company to build a manufacturing facility on the board's property. In connection with this agreement, the company will utilize the property in the second land sale option described in Note 9, and as such, the land sale option was terminated. The company holding the option is requesting damages due to the early termination of the option. The ultimate amount to be paid to the company is not expected to be material to the board.

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

A. Summary of Significant Accounting Policies

Organization

The Clarksville Montgomery County Emergency Communications District was created as a “Municipality” or public corporation under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, and approved by the voters of Montgomery County, Tennessee, on November 4, 1986. The powers of the District are vested in and exercised by a majority of the Board of Directors. The board consists of nine (9) members comprised of the county sheriff, Clarksville’s chief of police, the chairman of the E-911 user group, three (3) members (one of whom shall be a county commissioner) nominated by the county mayor and approved by the Montgomery County Board of Commissioners, and three (3) members (one of whom shall be a member of the City Council) nominated by the mayor and approved by the City Council. The district is considered a political sub-division of the county, and is exempt from federal and state income tax.

Reporting Entity

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

Measurement Focus/Basis of Accounting

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

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

Operating Revenues and Expenses

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

The major sources of operating revenue are customer service charges, shared wireless charges, and operating subsidies.

- (1) Customer Service Charges – A monthly subscriber fee is added to each telephone line in Montgomery County. The charge is billed and collected by the telephone company and is remitted to the district after a deduction of a one percent administrative fee.
- (2) Shared Wireless Charges – A monthly wireless E-911 fee is collected by the State of Tennessee from wireless customers and is remitted to the district.
- (3) Operating Subsidies – The district receives an operating subsidy from the Tennessee Emergency Communications Board. The district also receives rent from the city and county on the 911 building.

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

Proprietary funds have the option of consistently following or not following FASB pronouncements issued subsequent to November 30, 1989. The district, considering the requirements of the Office of the Comptroller of the Treasury, will only follow GASB guidance issued after November 1989, and will not follow any FASB guidance subsequent to November 1989.

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

Cash and Cash Equivalents

Cash and cash equivalents, as shown in the Statement of Cash Flows, includes all cash in bank accounts and on hand that is allocated for use by the district. For the purposes of the statement of cash flows, the district

considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash flow statement is prepared in accordance with GASB statement No. 9 as the organization is considered a component of the county. As of June 30, 2013 there were no cash equivalents.

Accounts Receivable/Due from Tennessee Emergency Communications Board

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

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

Accounts receivable is concentrated with two vendors. Both vendors are pass-thru entities that collect and forward wireless and land line collections from customers in Robertson County.

Capital Assets and Depreciation

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

Budgets and Budgetary Accounting

The district board of directors formally approves the budget. The budget is adopted on a basis consistent with generally accepted accounting principles except that depreciation is not budgeted, and the budgeted cost of capital assets purchased is included as an expenditure. The district is required by Section 7-86-120, *Tennessee Code Annotated*, to adopt and operate under an annual budget. In addition, the Accounting and Financial Reporting Manual for Tennessee Emergency Communication Districts established the legal level of control, which is defined to be at the line item.

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

The budget was amended during the year by vote of the Board of Directors.

Leave Policies

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

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

Encumbrances

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

Risk Management

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

Use of Estimates

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

Cash Funds

Cash funds of the district are combined with other county funds and managed by the county trustee. Interest earned on these combined cash

funds is allocated as directed by the County Commissioners. Interest income of \$4,875 was allocated to the district during the current year.

B. Cash Deposits

Cash deposits are carried at cost, which approximates fair value. The carrying amount of deposits is separately displayed on the balance sheet at \$1,454,245.

Custodial credit risk for the district’s deposits is the risk that in the event of a bank failure, the district’s deposits may not be returned to it. At June 30, 2013, a portion of the deposits of the district were held by the Montgomery County Trustee in a combined fund with other Montgomery County deposits. The deposits of the Montgomery County Trustee that exceed Federal Deposit Insurance Corporation insurance limits are further insured by securities set aside as collateral and pledged to the State Treasurer of the State of Tennessee. This pledging is accomplished as prescribed by Tennessee State Code, Public Funds Collateral Pool Board.

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

The district’s deposits with financial institutions consist of the following at June 30, 2013:

<u>Cash</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Held in Pooled Checking	N/A	variable	\$ 1,454,245	\$ 1,456,588

C. Accounts Receivable

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

AT&T	\$ 41,564
Other Service Providers	19,296
Due From TECB	<u>129,767</u>
Total	<u>\$ 190,627</u>

D. Property and Equipment

Property and equipment consisted of the following at June 30, 2013:

	Balance		Balance	
	7-1-12	Additions	Deletions	6-30-13
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,314,855	\$ 0	\$ 0	\$ 5,314,855
Communication Equipment	1,029,794	313,339	(976,111)	367,022
Other Capital Assets	52,120	0	0	52,120
Total Capital Assets Depreciated	\$ 6,396,769	\$ 313,339	\$ (976,111)	\$ 5,733,997
Less: Accumulated Depreciation For:				
Buildings and Improvements	1,059,791	132,965	0	1,192,756
Communication Equipment	442,191	71,708	(462,569)	51,330
Other Capital Assets	25,129	6,702	0	31,831
Total Accumulated Depreciation	\$ 1,527,111	\$ 211,375	\$ (462,569)	\$ 1,275,917
Total Capital Assets Depreciated, Net	\$ 4,869,658	\$ 101,964	\$ (513,542)	\$ 4,458,080

E. Operating Lease and Related Party Transactions

The district entered into a lease effective July 1, 2005, with Montgomery County, Tennessee, a related party, to lease the second floor of the E-911 Building. The base term of this lease is three years from July 1, 2005, continuing through June 30, 2008. A new two-year agreement was entered into for the period from July 1, 2011, to June 30, 2013, at \$6,533/month. In addition, the lessee signed a new one-year agreement from July 1, 2012, to June 30, 2013, to agree to pay a portion of the utility costs, maintenance salaries, custodial supplies, and trash collection on an annual basis. Said reimbursement shall be made monthly at \$3,538/month and shall be in an amount based on the prior year's costs.

The district also signed interlocal agreements with Montgomery County to receive compensation for dispatch services provided by the district. The interlocal agreement for the dispatch services was in place from July 1, 2012, through June 30, 2013, at \$37,083/month. There were no amounts due to or from Montgomery County at June 30, 2013.

Finally, Montgomery County has agreed to reimburse the district for a portion of the annual PSAP maintenance cost. The amount paid to the district for the year ending June 30, 2013 was \$0.

F. Retirement Plan

Plan Description

Employees of the Montgomery County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an agent

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

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

Funding Policy

Montgomery County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

Montgomery County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 12.01 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Montgomery County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Montgomery County Emergency Communications District's annual pension cost of \$131,080 to TCRS was equal to Montgomery County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2011 actuarial valuation using the frozen entry age actuarial

cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the social security wage base, and (e) projected 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. Montgomery County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was eight years. An actuarial valuation was performed July 1, 2011, which established contribution rates effective July 1, 2012.

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 89.25 percent funded. The actuarial accrued liability for the benefits was \$2.57 million, and the actuarial value of assets was \$2.29 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.28 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.99 million, and the ratio of UAAL to the covered payroll was 27.73 percent.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$ 131,080	100%	\$ 0
6-30-12	127,272	100	0
6-30-11	130,915	100	0

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial 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.

G. Long-term Debt

In 2001, an interlocal agreement was signed by the City of Clarksville and the district whereby the City of Clarksville agreed to furnish the land and issue revenue bonds for the construction of the new emergency dispatch center, and the district became responsible for the debt service to retire the revenue bonds. When the debt service is retired, the city will transfer title to the land and building to the district in fee simple free of all liens and encumbrances. This agreement constitutes a lease purchase a therefore and liability for the bond payable is recorded on the district's books. The interlocal agreements call for the payments of the debt service to be due annually on June 1 and December 1 until 2018, with term bonds due June 1, 2020, and June 1, 2022.

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Lease Payable	
	Principal	Interest
2014	\$ 260,000	\$ 129,780
2015	270,000	118,860
2016	285,000	107,250
2017	295,000	94,710
2018	310,000	81,435
Thereafter	1,395,000	205,526
Total	\$ 2,815,000	\$ 737,561

Long-term debt for the year ended June 30, 2013, is as follows:

	Balance 7-1-12	Additions	Reductions	Balance 6-30-13	Due Within One Year
Revenue Bonds	\$ 3,065,000	\$ 0	\$ (250,000)	\$ 2,815,000	\$ 260,000

The total interest incurred on these liabilities for the year ending June 30, 2013, was \$140,093.

H. Economic Dependency

As of and for the year ended June 30, 2013, the district has the following balances and transactions with respect to major customers:

	Revenues	A/R
TECB	\$ 1,281,529	\$ 129,767
AT&T	490,626	41,564

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

Plan Description

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

Funding Policy

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

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

Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution	\$	14,802
Interest on the Net OPEB Obligation		459
Adjustment to the Annual Required Contributions		(447)
Annual OPEB cost	\$	14,814
Amount of contribution		(256)
Increase/decrease in Net OPEB Obligation	\$	14,558
Net OPEB obligation, 7-1-12		11,477
Net OPEB obligation, 6-30-13	\$	26,035

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Emergency Communications District	\$ 13,146	100.00 %	\$ (1,960)
6-30-12	"	13,674	1.73	11,477
6-30-13	"	14,814	1.73	26,035

Funded Status and Funding Progress

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

Actuarial valuation date	7-1-12
Actuarial accrued liability (AAL)	\$ 120,190
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 120,190
Actuarial value of assets as a % of AAL	0%
Covered payroll (active plan members)	\$ 1,138,639
UAAL as a % of covered payroll	10.56%

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

Actuarial Methods and Assumptions

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

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

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

A. Summary of Significant Accounting Policies

Reporting Entity

The Clarksville-Montgomery County Tourism Commission was created by Private Chapter No. 167, Senate Bill No. 1414, by the ninety-first General Assembly, State of Tennessee, on June 4, 1979. On May 22, 2000, Private Chapter No. 140, Senate Bill No. 3303, was passed to amend Chapter No. 167. The purpose of the commission is to promote tourist and recreational activity in the Clarksville-Montgomery County area. The commission office is located in Clarksville, Tennessee.

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

Use of Estimates

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

Concentrations of Credit Risk

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

dispersed across a large number of businesses and certain governmental and nonprofit entities which are geographically concentrated in Montgomery County. The commission does not obtain collateral for receivables.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

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

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Inventories

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

Capital Assets

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

Accrued Compensated Absences

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

Fund Equity

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

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

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the commission’s governing body, using its highest level of decision-making authority (i.e., through a majority vote by the board of commissioners during an official meeting). To be reported as committed, amounts cannot be used for any other purpose unless the board of commissioners takes the same highest level of action to remove or change the constraint.
- Assigned fund balance – amounts the commission intends to use for a specific purpose. Intent can be expressed by management of the commission.
- Unassigned fund balance – amounts that are available for any purpose.

The details of the fund balances are included in the Governmental Fund Balance Sheet and in Note X.7.

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

Advertising Costs

Advertising costs are expensed as incurred.

B. Cash and Other Deposits

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

Custodial credit risk for the commission’s deposits is the risk that in the event of a bank failure, the commission’s deposits may not be returned to it. As required by state statutes, the commission’s policy is to require financial institutions holding its deposits to be members of the Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the commission or its agent in the commission’s name. At June 30, 2013, cash and other deposits reported in the financial statements of \$859,028 were

represented by bank balances totaling \$877,029, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

Both cash and cash equivalents are carried at cost which approximated fair value at June 30, 2013.

C. Capital Assets

Changes in capital assets follow:

<u>Capital Assets</u>	Balance			Balance 6-30-13
	7-1-12	Additions	Deletions	
Land	\$ 21,000	\$ 0	\$ 0	\$ 21,000
Buidling	128,769	0	0	128,769
Furniture, fixtures and equipment	70,105	2,500	(30,747)	41,858
Leasehold improvements	252,147	0	0	252,147
Vehicle	34,657	0	0	34,657
Total Capital Assets Depreciated	<u>\$ 506,678</u>	<u>\$ 2,500</u>	<u>\$ (30,747)</u>	<u>\$ 478,431</u>
Less: Accumulated Depreciation For:				
Buidling	49,528	3,301	0	52,829
Furniture, fixtures and equipment	62,760	2,204	(30,747)	34,217
Leasehold improvements	17,712	16,935	0	34,647
Vehicle	11,552	6,932	0	18,484
Total Accumulated Depreciation	<u>\$ 141,552</u>	<u>\$ 29,372</u>	<u>\$ (30,747)</u>	<u>\$ 140,177</u>

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

D. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

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

Cost of Capital Assets	\$ 478,431
Less: Accumulated Depreciation	<u>(140,177)</u>
Total	<u>\$ 338,254</u>

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over

their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. Proceeds and gain or loss from the sale of capital assets are excluded from the Statement of Activities since the proceeds are not a gain or loss associated with the sale.

Capital Outlays	\$ 2,500
Depreciation Expense	<u>(29,372)</u>
Total	<u><u>\$ (26,872)</u></u>

E. Gifts in Kind

The commission received contributed services from volunteers during the fiscal year ending June 30, 2013. The value of those contributed services could not be reasonably determined and, therefore, are not recorded in the financial statements.

F. Related-party Transactions

The commission paid the EDC \$298,122 for its share of EDC expenses during the year ended June 30, 2013. The commission had related-party payables at June 30, 2013, totaling \$48,854, and related-party receivables of \$67,631. Included in related-party receivables at June 30, 2013, is \$35,000 that was advanced to the EDC in a previous year to facilitate payment of routine commission expenses and is not expected to be collected within one year.

G. Fund Balance

The commission had unassigned fund balance of \$939,014, committed fund balance of \$31,416, and nonspendable fund balance of \$51,651 at June 30, 2013. Committed fund balance consisted of amounts set aside by the board of commissioners through a majority vote in an official meeting for the Civil Way Sesquicentennial marketing campaign. Nonspendable fund balance consisted of the following:

Inventories	\$ 869
Prepaid Expenses	15,782
Long-term Portion of Due from Related Party	<u>35,000</u>
Total Nonspendable Fund Balance	<u><u>\$ 51,651</u></u>

H. Leases

Beginning December 2006, the commission began subleasing office space in the Capital Bank building from EDC under a five-year agreement. This lease expired in November 2011, and was renewed for an additional five years ending November 2016. The commission entered into a lease for parking

space during the fiscal year ended June 30, 2012. Rental expense under the operating leases was \$38,829 for the year ended June 30, 2013.

Future payments on lease obligations are as follows:

2014	\$ 38,667
2015	38,667
2016	38,667
2017	21,089
2018	12,600
2019-2028	<u>125,580</u>
Total Nonspendable Fund Balance	<u>\$ 275,270</u>

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

The commission entered into a sublease agreement with the City of Clarksville on May 5, 2006, for the Post House located on Fort Campbell Boulevard. The lease term is for 77 years and requires an annual rent payment of \$1. The commission is entitled to receive the monthly rentals for placement of an ATM machine on the premises.

I. Retirement Plan

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

During the fiscal year ended June 30, 2013, contributions totaling \$28,130 were paid and expensed by the commission. Employee contributions to the plan were \$20,514 for the year ended June 30, 2013.

J. Concentrations

The commission's primary source of funding is hotel/motel taxes collected by Montgomery County businesses. The amount of taxes collected each fiscal year is impacted by fluctuations in spending for tourism and for industrial and military-related travel. A major reduction in hotel/motel tax collections could have a significant effect on the future operations of the commission.

K. Contingencies

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

L. Budget

The annual budget is prepared and legally adopted by the board of commissioners and approved by the Montgomery County director of accounts and budgets. The budget is prepared using the modified accrual basis of accounting. The board members review the commission's needs for the year as well as prior-year expenditures to arrive at the current-year budget. There is no requirement that the budget be amended for variances that are inconsequential and which occur as the result of normal operations. The "encumbrance" method of budgeting and accounting for expenditures is not used.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Montgomery County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Clarksville-Montgomery
County School System
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 155,626	\$ 160,002	\$ 4,375	97.27 %	\$ 59,749	7.32 %
7-1-09	121,574	127,706	6,131	95.20	56,479	10.86
7-1-07	108,665	116,316	7,651	93.42	49,014	15.61

Exhibit F-2

Montgomery County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Clarksville-Montgomery County School System
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	7-1-08	\$ 0	\$ 3,753	\$ 3,753	0%	\$ 25,359	15%
"	1-1-10	0	3,651	3,651	0	26,551	14
"	7-1-12	0	4,469	4,469	0	29,182	15
School System	7-1-08	0	14,188	14,188	0	129,482	11
"	7-1-10	0	13,236	13,236	0	137,205	10
"	7-1-12	0	11,672	11,672	0	137,701	8

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

BUDGETARY INFORMATION

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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 the transactions of the county's Highway Department.

Exhibit G-1

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional - Officers - Fees	Highway / Public Works	
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,146	\$ 50	\$ 1,196
Equity in Pooled Cash and Investments	57,607	0	3,486,133	3,543,740
Accounts Receivable	108	3,286	8,630	12,024
Due from Other Governments	0	0	633,570	633,570
Property Taxes Receivable	0	0	4,555,889	4,555,889
Allowance for Uncollectible Property Taxes	0	0	(99,057)	(99,057)
Total Assets	\$ 57,715	\$ 4,432	\$ 8,585,215	\$ 8,647,362
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 63,288	\$ 63,288
Accrued Payroll	0	0	100,784	100,784
Payroll Deductions Payable	0	0	24,192	24,192
Due to Litigants, Heirs, and Others	0	4,432	0	4,432
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	89,000	89,000
Total Liabilities	\$ 0	\$ 4,432	\$ 277,264	\$ 281,696
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 4,310,703	\$ 4,310,703
Deferred Delinquent Property Taxes	0	0	123,838	123,838
Other Deferred/Unavailable Revenue	0	0	274,721	274,721
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 4,709,262	\$ 4,709,262
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 57,715	\$ 0	\$ 0	\$ 57,715
Restricted for Highways/Public Works	0	0	3,598,689	3,598,689
Total Fund Balances	\$ 57,715	\$ 0	\$ 3,598,689	\$ 3,656,404
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 57,715	\$ 4,432	\$ 8,585,215	\$ 8,647,362

Exhibit G-2

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 4,152,800	\$ 4,152,800
Fines, Forfeitures, and Penalties	5,221	0	0	5,221
Charges for Current Services	0	43,693	242	43,935
Other Local Revenues	0	0	71,585	71,585
State of Tennessee	0	0	3,512,402	3,512,402
Other Governments and Citizens Groups	0	0	9,304	9,304
Total Revenues	<u>\$ 5,221</u>	<u>\$ 43,693</u>	<u>\$ 7,746,333</u>	<u>\$ 7,795,247</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 43,693	\$ 0	\$ 43,693
Public Safety	17,589	0	0	17,589
Highways	0	0	6,976,088	6,976,088
Total Expenditures	<u>\$ 17,589</u>	<u>\$ 43,693</u>	<u>\$ 6,976,088</u>	<u>\$ 7,037,370</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (12,368)</u>	<u>\$ 0</u>	<u>\$ 770,245</u>	<u>\$ 757,877</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 6,582	\$ 6,582
Transfers Out	0	0	(66,000)	(66,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (59,418)</u>	<u>\$ (59,418)</u>
Net Change in Fund Balances	\$ (12,368)	\$ 0	\$ 710,827	\$ 698,459
Fund Balance, July 1, 2012	70,083	0	2,887,862	2,957,945
Fund Balance, June 30, 2013	<u>\$ 57,715</u>	<u>\$ 0</u>	<u>\$ 3,598,689</u>	<u>\$ 3,656,404</u>

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 5,221	\$ 12,500	\$ 12,500	\$ (7,279)
Total Revenues	\$ 5,221	\$ 12,500	\$ 12,500	\$ (7,279)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 17,589	\$ 37,470	\$ 37,470	\$ 19,881
Total Expenditures	\$ 17,589	\$ 37,470	\$ 37,470	\$ 19,881
Excess (Deficiency) of Revenues Over Expenditures	\$ (12,368)	\$ (24,970)	\$ (24,970)	\$ 12,602
Net Change in Fund Balance	\$ (12,368)	\$ (24,970)	\$ (24,970)	\$ 12,602
Fund Balance, July 1, 2012	70,083	39,145	39,145	30,938
Fund Balance, June 30, 2013	\$ 57,715	\$ 14,175	\$ 14,175	\$ 43,540

Exhibit G-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 4,152,800	\$ 0	\$ 0	\$ 4,152,800	\$ 4,210,349	\$ 4,210,349	\$ (57,549)
Charges for Current Services	242	0	0	242	100	100	142
Other Local Revenues	71,585	0	0	71,585	80,000	80,000	(8,415)
State of Tennessee	3,512,402	0	0	3,512,402	3,682,979	3,682,979	(170,577)
Other Governments and Citizens Groups	9,304	0	0	9,304	100,000	100,000	(90,696)
Total Revenues	\$ 7,746,333	\$ 0	\$ 0	\$ 7,746,333	\$ 8,073,428	\$ 8,073,428	\$ (327,095)
Expenditures							
Highways							
Administration	\$ 398,054	\$ 0	\$ 0	\$ 398,054	\$ 393,342	\$ 401,828	\$ 3,774
Highway and Bridge Maintenance	3,882,333	0	0	3,882,333	4,365,767	4,434,714	552,381
Operation and Maintenance of Equipment	1,193,812	(308)	0	1,193,504	1,260,916	1,289,775	96,271
Traffic Control	424,239	0	0	424,239	473,719	479,758	55,519
Other Charges	381,900	0	0	381,900	404,679	404,679	22,779
Employee Benefits	55,474	0	0	55,474	60,000	60,000	4,526
Capital Outlay	640,276	(89,424)	58,000	608,852	1,614,426	1,637,850	1,028,998
Interest on Debt	0	0	0	0	7,000	7,000	7,000
Highways and Streets	0	0	0	0	7,000	7,000	7,000
Total Expenditures	\$ 6,976,088	\$ (89,732)	\$ 58,000	\$ 6,944,356	\$ 8,579,849	\$ 8,715,604	\$ 1,771,248
Excess (Deficiency) of Revenues Over Expenditures	\$ 770,245	\$ 89,732	\$ (58,000)	\$ 801,977	\$ (506,421)	\$ (642,176)	\$ 1,444,153
Other Financing Sources (Uses)							
Insurance Recovery	\$ 6,582	\$ 0	\$ 0	\$ 6,582	\$ 368,400	\$ 368,400	\$ (361,818)
Transfers Out	(66,000)	0	0	(66,000)	0	(66,000)	0
Total Other Financing Sources	\$ (59,418)	\$ 0	\$ 0	\$ (59,418)	\$ 368,400	\$ 302,400	\$ (361,818)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 710,827	\$ 89,732	\$ (58,000)	\$ 742,559	\$ (138,021)	\$ (339,776)	\$ 1,082,335
Fund Balance, June 30, 2013	\$ 2,887,862	\$ (89,732)	\$ 0	\$ 2,798,130	\$ 2,608,330	\$ 2,608,330	\$ 189,800
Fund Balance, June 30, 2013	\$ 3,598,689	\$ 0	\$ (58,000)	\$ 3,540,689	\$ 2,470,309	\$ 2,268,554	\$ 1,272,135

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 39,365,349	\$ 37,341,000	\$ 38,126,714	\$ 1,238,635
Other Local Revenues	419,946	1,384,339	1,620,975	(1,201,029)
Federal Government	97,016	97,015	97,015	1
Other Governments and Citizens Groups	578,209	0	84,757	493,452
Total Revenues	\$ 40,460,520	\$ 38,822,354	\$ 39,929,461	\$ 531,059
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 5,741,871	\$ 5,538,359	\$ 5,741,873	\$ 2
Education	15,495,918	15,050,255	15,599,916	103,998
<u>Interest on Debt</u>				
General Government	4,289,265	4,229,607	4,289,321	56
Education	10,286,029	10,450,090	10,311,626	25,597
<u>Other Debt Service</u>				
General Government	729,919	236,500	810,240	80,321
Education	570,506	627,738	627,650	57,144
Total Expenditures	\$ 37,113,508	\$ 36,132,549	\$ 37,380,626	\$ 267,118
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,347,012	\$ 2,689,805	\$ 2,548,835	\$ 798,177
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 53,830,000	\$ 154,769	\$ 55,274,638	\$ (1,444,638)
Premiums on Debt Issued	1,374,626	0	0	1,374,626
Transfers In	35,325	0	35,325	0
Transfers Out	(697,797)	(701,952)	(701,952)	4,155
Payments to Refunded Debt Escrow Agent	(54,753,782)	0	(54,753,782)	0
Total Other Financing Sources	\$ (211,628)	\$ (547,183)	\$ (145,771)	\$ (65,857)
Net Change in Fund Balance	\$ 3,135,384	\$ 2,142,622	\$ 2,403,064	\$ 732,320
Fund Balance, July 1, 2012	31,895,211	29,778,021	29,778,021	2,117,190
Fund Balance, June 30, 2013	\$ 35,030,595	\$ 31,920,643	\$ 32,181,085	\$ 2,849,510

Proprietary Funds

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

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

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

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

Exhibit I-1

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

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>ASSETS</u>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 27,382,050	\$ 1,164,377	\$ 38,000	\$ 28,584,427
Cash with Paying Agents	0	50,000	0	50,000
Accounts Receivable	67,253	0	8,525	75,778
Due from Other Funds	744	0	2,201	2,945
Due from Component Units	17,427	0	0	17,427
Total Current Assets	\$ 27,467,474	\$ 1,214,377	\$ 48,726	\$ 28,730,577
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	\$ 24,803	\$ 0	\$ 0	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(6,551)	0	0	(6,551)
Total Noncurrent Assets	\$ 18,252	\$ 0	\$ 0	\$ 18,252
Total Assets	\$ 27,485,726	\$ 1,214,377	\$ 48,726	\$ 28,748,829
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 168,910	\$ 15,886	\$ 10,726	\$ 195,522
Accrued Payroll	0	1,128	0	1,128
Payroll Deductions Payable	0	1,627	0	1,627
Due to Component Units	58,255	0	0	58,255
Claims and Judgments Payable	1,470,087	58,831	0	1,528,918
Total Current Liabilities	\$ 1,697,252	\$ 77,472	\$ 10,726	\$ 1,785,450
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 1,470,088	\$ 58,832	\$ 0	\$ 1,528,920
Total Noncurrent Liabilities	\$ 1,470,088	\$ 58,832	\$ 0	\$ 1,528,920
Total Liabilities	\$ 3,167,340	\$ 136,304	\$ 10,726	\$ 3,314,370
<u>NET POSITION</u>				
Investment in Capital Assets	\$ 18,252	\$ 0	\$ 0	\$ 18,252
Unrestricted	24,300,134	1,078,073	38,000	25,416,207
Total Net Position	\$ 24,318,386	\$ 1,078,073	\$ 38,000	\$ 25,434,459

Exhibit I-2

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

	Internal Service Funds			Total
	Self- Insurance	Workers' Compensation	Unemployment Compensation	
<u>Operating Revenues</u>				
Charges for Current Services	\$ 47,326,923	\$ 0	\$ 124,939	\$ 47,451,862
Total Operating Revenues	\$ 47,326,923	\$ 0	\$ 124,939	\$ 47,451,862
<u>Operating Expenses</u>				
Personnel Office	\$ 0	\$ 0	\$ 6,875	\$ 6,875
Risk Management	0	412,763	0	412,763
Property Assessor's Office	0	0	3,146	3,146
Circuit Court	0	0	3,850	3,850
Probation Services	0	0	8,635	8,635
Jail	0	0	10,170	10,170
Rabies and Animal Control	0	0	3,850	3,850
Ambulance/Emergency Medical Services	0	0	3,729	3,729
Other Local Health Services	0	0	1,652	1,652
Landfill	0	0	2,726	2,726
Parks and Fair Boards	0	0	719	719
Depreciation	991	0	0	991
Other Charges	1,323,558	0	0	1,323,558
Employee Benefits	38,722,141	0	2,520	38,724,661
Other	0	0	72,092	72,092
Total Operating Expenses	\$ 40,046,690	\$ 412,763	\$ 119,964	\$ 40,579,417
Operating Income (Loss)	\$ 7,280,233	\$ (412,763)	\$ 4,975	\$ 6,872,445
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 81,794	\$ 1,841	\$ 254	\$ 83,889
Miscellaneous Refunds	890,807	1,358	0	892,165
Total Nonoperating Revenues (Expenses)	\$ 972,601	\$ 3,199	\$ 254	\$ 976,054
Changes in Net Position	\$ 8,252,834	\$ (409,564)	\$ 5,229	\$ 7,848,499
Net Position, July 1, 2012	16,065,552	1,487,637	32,771	17,585,960
Net Position, June 30, 2013	\$ 24,318,386	\$ 1,078,073	\$ 38,000	\$ 25,434,459

Exhibit I-3

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

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts from Interfund Services Provided	\$ 47,272,690	\$ 1,526	\$ 124,939	\$ 47,399,155
Other Self-Insured Claims	(39,698,434)	(407,899)	(124,916)	(40,231,249)
Other Receipts (Payments)	890,807	0	0	890,807
Net Cash Provided By (Used In) Operating Activities	\$ 8,465,063	\$ (406,373)	\$ 23	\$ 8,058,713
<u>Cash Flows from Investing Activities</u>				
Investment Income	\$ 81,794	\$ 1,841	\$ 254	\$ 83,889
Net Cash Provided By (Used In) Investing Activities	\$ 81,794	\$ 1,841	\$ 254	\$ 83,889
Net Increase (Decrease) in Cash	\$ 8,546,857	\$ (404,532)	\$ 277	\$ 8,142,602
Cash, July 1, 2012	18,835,193	1,618,909	37,723	20,491,825
Cash, June 30, 2013	\$ 27,382,050	\$ 1,214,377	\$ 38,000	\$ 28,634,427

(Continued)

Exhibit I-3

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

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	\$ 7,280,233	\$ (412,763)	\$ 4,975	\$ 6,872,445
Miscellaneous Refunds	890,807	1,358	0	892,165
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation Expense	991	0	0	991
(Increase) Decrease in Accounts Receivable	(67,253)	168	(8,451)	(75,536)
(Increase) Decrease in Due from Other Funds	1,492	0	3,780	5,272
(Increase) Decrease in Due from Component Units	11,528	0	0	11,528
Increase (Decrease) in Accounts Payable	106,309	13,519	(281)	119,547
Increase (Decrease) in Accrued Payroll	0	63	0	63
Increase (Decrease) in Payroll Deductions Payable	0	95	0	95
Increase (Decrease) in Due to Component Units	(3,713)	0	0	(3,713)
Increase (Decrease) in Claims and Judgments Payable	244,669	(8,813)	0	235,856
Net Cash Provided By (Used In) Operating Activities	\$ 8,465,063	\$ (406,373)	\$ 23	\$ 8,058,713

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.

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

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

Exhibit J-1

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

	Agency Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General Fund		
<u>ASSETS</u>						
Cash	\$ 0	\$ 6,791,655	\$ 18,481	\$ 0	\$ 6,810,136	
Equity in Pooled Cash and Investments	0	0	143,477	72,090	215,567	
Accounts Receivable	0	1,817	572	931	3,320	
Due from Other Governments	2,264,479	0	4,251	20,016	2,288,746	
Due from Other Funds	0	0	0	222	222	
Total Assets	\$ 2,264,479	\$ 6,793,472	\$ 166,781	\$ 93,259	\$ 9,317,991	
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 5,567	\$ 191	\$ 5,758	
Accrued Payroll	0	0	1,000	969	1,969	
Due to Other Taxing Units	2,264,479	0	0	0	2,264,479	
Due to Litigants, Heirs, and Others	0	6,793,472	0	92,099	6,885,571	
Due to Joint Ventures	0	0	160,214	0	160,214	
Total Liabilities	\$ 2,264,479	\$ 6,793,472	\$ 166,781	\$ 93,259	\$ 9,317,991	

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 13,594,753	\$ 13,594,753	\$ 0
Due from Other Governments	2,360,487	2,264,479	2,360,487	2,264,479
Total Assets	\$ 2,360,487	\$ 15,859,232	\$ 15,955,240	\$ 2,264,479
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,360,487	\$ 15,859,232	\$ 15,955,240	\$ 2,264,479
Total Liabilities	\$ 2,360,487	\$ 15,859,232	\$ 15,955,240	\$ 2,264,479
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,647,321	\$ 39,962,160	\$ 40,817,826	\$ 6,791,655
Accounts Receivable	1,481	1,817	1,481	1,817
Total Assets	\$ 7,648,802	\$ 39,963,977	\$ 40,819,307	\$ 6,793,472
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,648,802	\$ 39,963,977	\$ 40,819,307	\$ 6,793,472
Total Liabilities	\$ 7,648,802	\$ 39,963,977	\$ 40,819,307	\$ 6,793,472
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 31,265	\$ 18,481	\$ 31,265	\$ 18,481
Equity in Pooled Cash and Investments	190,879	336,720	384,122	143,477
Accounts Receivable	17,022	572	17,022	572
Due from Other Governments	3,644	4,251	3,644	4,251
Total Assets	\$ 242,810	\$ 360,024	\$ 436,053	\$ 166,781
<u>Liabilities</u>				
Accounts Payable	\$ 6,858	\$ 5,567	\$ 6,858	\$ 5,567
Accrued Payroll	1,208	1,000	1,208	1,000
Due to Joint Ventures	234,744	353,457	427,987	160,214
Total Liabilities	\$ 242,810	\$ 360,024	\$ 436,053	\$ 166,781

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 169,182	\$ 97,092	\$ 72,090
Accounts Receivable	0	931	0	931
Due from Other Governments	0	20,016	0	20,016
Due from Other Funds	0	222	0	222
Total Assets	\$ 0	\$ 190,351	\$ 97,092	\$ 93,259
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 191	\$ 0	\$ 191
Accrued Payroll	0	969	0	969
Due to Litigants, Heirs, and Others	0	189,191	97,092	92,099
Total Liabilities	\$ 0	\$ 190,351	\$ 97,092	\$ 93,259
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,678,586	\$ 39,980,641	\$ 40,849,091	\$ 6,810,136
Equity in Pooled Cash and Investments	190,879	14,100,655	14,075,967	215,567
Accounts Receivable	18,503	3,320	18,503	3,320
Due from Other Governments	2,364,131	2,288,746	2,364,131	2,288,746
Due from Other Funds	0	222	0	222
Total Assets	\$ 10,252,099	\$ 56,373,584	\$ 57,307,692	\$ 9,317,991
<u>Liabilities</u>				
Accounts Payable	\$ 6,858	\$ 5,758	\$ 6,858	\$ 5,758
Accrued Payroll	1,208	1,969	1,208	1,969
Due to Other Taxing Units	2,360,487	15,859,232	15,955,240	2,264,479
Due to Litigants, Heirs, and Others	7,648,802	40,153,168	40,916,399	6,885,571
Due to Joint Ventures	234,744	353,457	427,987	160,214
Total Liabilities	\$ 10,252,099	\$ 56,373,584	\$ 57,307,692	\$ 9,317,991

Clarksville-Montgomery County School System

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

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

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

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

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

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

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

Exhibit K-1

Montgomery County, Tennessee
Statement of Activities
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental	Activities
Governmental Activities:							
Instruction	\$ 141,818,239	\$ 11,130,682	\$ 33,469	\$ 147,213	\$ 11,130,682	\$ 33,469	\$ (130,506,875)
Support Services	100,232,897	1,881,990	23,022,348	230,249	1,881,990	23,022,348	(75,098,310)
Operation of Non-Instructional Services	15,936,924	11,247,239	0	4,987,527	11,247,239	0	297,842
Interest on Long-term Debt	14,625	0	0	0	0	0	(14,625)
Other Debt Service	493,452	0	0	0	0	0	(493,452)
Total Governmental Activities	\$ 258,496,137	\$ 24,259,911	\$ 23,055,817	\$ 5,364,989	\$ 24,259,911	\$ 23,055,817	\$ (205,815,420)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes							\$ 32,392,108
Local Option Sales Tax							37,727,536
Wheel Tax							4,022,309
Business Tax							721,440
Interstate Telecommunications Tax							14,178
Grants and Contributions Not Restricted to Specific Programs							136,795,052
Miscellaneous							173,712
Total General Revenues							\$ 211,846,335
Change in Net Position							\$ 6,030,915
Net Position, July 1, 2012							333,954,578
Prior-period Adjustment							2,927,624
Special Item							1,340,938
Net Position, June 30, 2013							\$ 344,254,055

See Note I.D.11.
See Note IV.F.

Exhibit K-2

Montgomery County, Tennessee
Balance Sheet - Governmental Funds
 Discretely Presented Clarksville-Montgomery County School System
 June 30, 2013

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 3,734	\$ 0	\$ 545,798	\$ 549,532
Equity in Pooled Cash and Investments	40,327,645	4,182,836	8,626,869	53,137,350
Inventories	266,009	0	154,028	420,037
Accounts Receivable	118,215	0	62,868	181,083
Due from Other Governments	7,171,885	0	1,958,357	9,130,242
Due from Other Funds	441,291	0	11,565	452,856
Due from Primary Government	57,465	0	790	58,255
Property Taxes Receivable	31,441,256	0	1,929,690	33,370,946
Allowance for Uncollectible Property Taxes	(735,057)	0	(44,963)	(780,020)
Total Assets	\$ 79,092,443	\$ 4,182,836	\$ 13,245,002	\$ 96,520,281
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,016,926	\$ 452,408	\$ 624,984	\$ 2,094,318
Accrued Payroll	11,814,743	0	608,738	12,423,481
Payroll Deductions Payable	7,139,852	0	381,486	7,521,338
Contracts Payable	0	897,716	0	897,716
Retainage Payable	0	47,248	0	47,248
Due to Other Funds	11,153	721	440,982	452,856
Due to Primary Government	10,433	0	6,994	17,427
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	122,734	122,734
Total Liabilities	\$ 19,993,107	\$ 1,398,093	\$ 2,185,918	\$ 23,577,118
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 29,527,422	\$ 0	\$ 1,812,880	\$ 31,340,302
Deferred Delinquent Property Taxes	998,962	0	60,888	1,059,850
Other Deferred/Unavailable Revenue	3,343,086	0	0	3,343,086
Total Deferred Inflows of Resources	\$ 33,869,470	\$ 0	\$ 1,873,768	\$ 35,743,238
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 266,009	\$ 0	\$ 154,028	\$ 420,037
Restricted:				
Restricted for Education	146,852	0	8,937,125	9,083,977
Restricted for Capital Projects	0	2,784,743	0	2,784,743
Committed:				
Committed for Education	2,695,218	0	94,163	2,789,381
Assigned:				
Assigned for Education	702,288	0	0	702,288
Unassigned	21,419,499	0	0	21,419,499
Total Fund Balances	\$ 25,229,866	\$ 2,784,743	\$ 9,185,316	\$ 37,199,925
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 79,092,443	\$ 4,182,836	\$ 13,245,002	\$ 96,520,281

Exhibit K-3

Montgomery County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Clarksville-Montgomery County School System
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	37,199,925
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	13,865,563	
Add: construction in progress		21,909,952	
Add: buildings and improvements net of accumulated depreciation		256,252,693	
Add: other capital assets net of accumulated depreciation		<u>15,939,634</u>	307,967,842
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: claims and judgments payable	\$	(612,049)	
Less: other postemployment benefits liability		(3,354,934)	
Less: compensated absences payable		<u>(1,349,665)</u>	(5,316,648)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>4,402,936</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>344,254,055</u></u>

Exhibit K-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 73,833,409	\$ 0	\$ 1,890,565	\$ 75,723,974
Charges for Current Services	63,464	0	4,883,881	4,947,345
Other Local Revenues	539,140	0	226,849	765,989
State of Tennessee	119,377,850	0	9,579,371	128,957,221
Federal Government	5,018,051	0	26,385,972	31,404,023
Other Governments and Citizens Groups	43,128	22,817,312	90,000	22,950,440
Total Revenues	<u>\$ 198,875,042</u>	<u>\$ 22,817,312</u>	<u>\$ 43,056,638</u>	<u>\$ 264,748,992</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 130,117,704	\$ 0	\$ 11,266,397	\$ 141,384,101
Support Services	71,797,911	0	16,434,219	88,232,130
Operation of Non-Instructional Services	2,046,927	0	14,858,151	16,905,078
Debt Service:				
Interest on Debt	14,625	0	0	14,625
Other Debt Service	493,452	0	0	493,452
Capital Projects	0	24,958,586	0	24,958,586
Total Expenditures	<u>\$ 204,470,619</u>	<u>\$ 24,958,586</u>	<u>\$ 42,558,767</u>	<u>\$ 271,987,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,595,577)</u>	<u>\$ (2,141,274)</u>	<u>\$ 497,871</u>	<u>\$ (7,238,980)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 95,469	\$ 0	\$ 0	\$ 95,469
Transfers In	428,653	0	1,297,915	1,726,568
Transfers Out	0	0	(1,726,568)	(1,726,568)
Total Other Financing Sources (Uses)	<u>\$ 524,122</u>	<u>\$ 0</u>	<u>\$ (428,653)</u>	<u>\$ 95,469</u>
Net Change in Fund Balances	\$ (5,071,455)	\$ (2,141,274)	\$ 69,218	\$ (7,143,511)
Fund Balance, July 1, 2012	<u>30,301,321</u>	<u>4,926,017</u>	<u>9,116,098</u>	<u>44,343,436</u>
Fund Balance, June 30, 2013	<u>\$ 25,229,866</u>	<u>\$ 2,784,743</u>	<u>\$ 9,185,316</u>	<u>\$ 37,199,925</u>

Exhibit K-5

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

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (7,143,511)
(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	\$ 23,136,008	
Less: current-year depreciation expense	<u>(9,284,443)</u>	13,851,565
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Less: revenue from the sale of capital assets	\$ (141,161)	
Add: assets donated and capitalized	103,842	
Add: gain on disposal of capital assets	<u>40,204</u>	2,885
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2012	\$ (4,665,946)	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>4,402,936</u>	(263,010)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in claims and judgments payable	\$ 51,356	
Change in other postemployment benefits liability	(346,841)	
Change in compensated absences payable	<u>(121,529)</u>	(417,014)
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 6,030,915</u></u>

Montgomery County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Clarksville-Montgomery County School System
 June 30, 2013

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>ASSETS</u>					
Cash	\$ 0	\$ 545,798	\$ 0	\$ 0	\$ 545,798
Equity in Pooled Cash and Investments	1,469,248	3,839,349	3,221,522	96,750	8,626,869
Inventories	0	154,028	0	0	154,028
Accounts Receivable	247	7,553	54,343	725	62,868
Due from Other Governments	1,863,883	94,474	0	0	1,958,357
Due from Other Funds	108	10,099	1,358	0	11,565
Due from Primary Government	53	29	708	0	790
Property Taxes Receivable	0	0	1,929,690	0	1,929,690
Allowance for Uncollectible Property Taxes	0	0	(44,963)	0	(44,963)
Total Assets	\$ 3,333,539	\$ 4,651,330	\$ 5,162,658	\$ 97,475	\$ 13,245,002
<u>LIABILITIES</u>					
Accounts Payable	\$ 553,199	\$ 47,076	\$ 21,397	\$ 3,312	\$ 624,984
Accrued Payroll	608,738	0	0	0	608,738
Payroll Deductions Payable	381,468	6	12	0	381,486
Due to Other Funds	440,529	20	433	0	440,982
Due to Primary Government	2,044	0	4,950	0	6,994
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	122,734	0	0	122,734
Total Liabilities	\$ 1,985,978	\$ 169,836	\$ 26,792	\$ 3,312	\$ 2,185,918
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,812,880	\$ 0	\$ 1,812,880
Deferred Delinquent Property Taxes	0	0	60,888	0	60,888
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 1,873,768	\$ 0	\$ 1,873,768
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 154,028	\$ 0	\$ 0	\$ 154,028
Restricted:					
Restricted for Education	1,347,561	4,327,466	3,262,098	0	8,937,125
Committed:					
Committed for Education	0	0	0	94,163	94,163
Total Fund Balances	\$ 1,347,561	\$ 4,481,494	\$ 3,262,098	\$ 94,163	\$ 9,185,316
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,333,539	\$ 4,651,330	\$ 5,162,658	\$ 97,475	\$ 13,245,002

Exhibit K-7

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

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 1,890,565	\$ 0	\$ 1,890,565
Charges for Current Services	0	4,764,786	0	119,095	4,883,881
Other Local Revenues	0	127,834	99,015	0	226,849
State of Tennessee	507,544	131,677	8,940,150	0	9,579,371
Federal Government	17,103,927	9,282,045	0	0	26,385,972
Other Governments and Citizens Groups	0	0	90,000	0	90,000
Total Revenues	\$ 17,611,471	\$ 14,306,342	\$ 11,019,730	\$ 119,095	\$ 43,056,638
<u>Expenditures</u>					
Current:					
Instruction	\$ 11,210,799	\$ 0	\$ 0	\$ 55,598	\$ 11,266,397
Support Services	4,971,393	0	11,433,145	29,681	16,434,219
Operation of Non-Instructional Services	0	14,858,151	0	0	14,858,151
Total Expenditures	\$ 16,182,192	\$ 14,858,151	\$ 11,433,145	\$ 85,279	\$ 42,558,767
Excess (Deficiency) of Revenues Over Expenditures					
	\$ 1,429,279	\$ (551,809)	\$ (413,415)	\$ 33,816	\$ 497,871
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 1,297,915	\$ 0	\$ 1,297,915
Transfers Out	(1,726,568)	0	0	0	(1,726,568)
Total Other Financing Sources (Uses)	\$ (1,726,568)	\$ 0	\$ 1,297,915	\$ 0	\$ (428,653)
Net Change in Fund Balances					
Fund Balance, July 1, 2012	\$ 1,644,850	\$ 5,033,303	\$ 2,377,598	\$ 60,347	\$ 9,116,098
Fund Balance, June 30, 2013	\$ 1,347,561	\$ 4,481,494	\$ 3,262,098	\$ 94,163	\$ 9,185,316

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 73,833,409	\$ 0	\$ 0	\$ 73,833,409	\$ 74,696,819	\$ 73,651,100	\$ 182,309
Charges for Current Services	63,464	0	0	63,464	48,300	76,300	(12,836)
Other Local Revenues	539,140	0	0	539,140	785,500	505,400	33,740
State of Tennessee	119,377,850	0	0	119,377,850	120,856,897	119,230,272	147,578
Federal Government	5,018,051	0	0	5,018,051	4,060,000	4,218,183	793,868
Other Governments and Citizens Groups	43,128	0	0	43,128	25,000	43,000	128
Total Revenues	\$ 198,875,042	\$ 0	\$ 0	\$ 198,875,042	\$ 200,472,516	\$ 197,724,255	\$ 1,150,787
Expenditures							
Instruction							
Regular Instruction Program	\$ 102,842,105	\$ (32,517)	\$ 34,218	\$ 102,843,806	\$ 107,052,039	\$ 106,903,966	\$ 4,060,160
Alternative Instruction Program	1,045,556	0	262	1,045,818	1,048,924	1,078,610	32,792
Special Education Program	21,400,031	(93,672)	89,099	21,395,458	22,510,491	22,969,694	1,574,236
Vocational Education Program	4,830,012	(3,386)	1,871	4,828,497	5,327,453	5,024,509	196,012
Support Services							
Attendance	780,191	0	0	780,191	828,604	796,148	15,957
Health Services	1,161,381	0	199	1,161,580	1,252,287	1,231,697	70,117
Other Student Support	7,117,724	0	0	7,117,724	7,706,217	7,595,402	477,678
Regular Instruction Program	8,492,545	(1,190)	7,519	8,498,874	8,656,823	8,729,216	230,342
Alternative Instruction Program	37,655	0	0	37,655	38,648	39,035	1,380
Special Education Program	2,007,369	0	0	2,007,369	2,153,561	2,111,606	104,237
Vocational Education Program	106,589	0	0	106,589	110,832	115,261	8,672
Adult Programs	132,081	0	0	132,081	138,759	140,366	8,285
Other Programs	103,452	0	0	103,452	0	103,452	0
Board of Education	257,428	0	0	257,428	236,169	295,646	38,218
Director of Schools	972,078	(15,263)	19,570	976,385	1,016,207	1,055,190	78,805
Office of the Principal	14,845,942	(12,154)	0	14,833,788	15,618,734	15,355,371	521,583
Fiscal Services	3,851,492	0	58,930	3,910,422	3,824,863	4,161,512	251,090

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 2,739,178	\$ (6,372)	\$ 7,435	\$ 2,740,241	\$ 3,200,135	\$ 3,223,821	\$ 483,580
Operation of Plant	15,057,240	(130,066)	133,722	15,060,896	16,822,430	16,612,821	1,551,925
Maintenance of Plant	4,724,084	(99,661)	108,008	4,732,431	5,345,184	5,212,551	480,120
Central and Other	9,411,482	(133,748)	241,455	9,519,189	10,126,028	9,913,703	394,514
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	2,046,927	0	0	2,046,927	2,064,778	2,109,761	62,834
Interest on Debt							
Education	14,625	0	0	14,625	21,000	21,000	6,375
Other Debt Service							
Education	493,452	0	0	493,452	0	505,001	11,549
Total Expenditures	\$ 204,470,619	\$ (528,029)	\$ 702,288	\$ 204,644,878	\$ 215,100,166	\$ 215,305,339	\$ 10,660,461
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (5,595,577)	\$ 528,029	\$ (702,288)	\$ (5,769,836)	\$ (14,627,650)	\$ (17,581,084)	\$ 11,811,248
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 95,469	\$ 0	\$ 0	\$ 95,469	\$ 25,000	\$ 95,226	\$ 243
Transfers In	428,653	0	0	428,653	395,167	395,167	33,486
Transfers Out	0	0	0	0	(505,001)	0	0
Total Other Financing Sources	\$ 524,122	\$ 0	\$ 0	\$ 524,122	\$ (84,834)	\$ 490,393	\$ 33,729
<u>Net Change in Fund Balance Fund Balance, July 1, 2012</u>	\$ (5,071,455)	\$ 528,029	\$ (702,288)	\$ (5,245,714)	\$ (14,712,484)	\$ (17,090,691)	\$ 11,844,977
Fund Balance, July 1, 2012	30,301,321	(528,029)	0	29,773,292	21,266,970	26,765,742	3,007,550
Fund Balance, June 30, 2013	\$ 25,229,866	\$ 0	\$ (702,288)	\$ 24,527,578	\$ 6,554,486	\$ 9,675,051	\$ 14,852,527

Exhibit K-9

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
School Federal Projects Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
State of Tennessee	\$ 507,544	0	\$ 507,544	\$ 324,390	\$ 614,920	\$ (107,376)
Federal Government	17,103,927	0	17,103,927	18,976,359	21,821,118	(4,717,191)
Total Revenues	\$ 17,611,471	0	\$ 17,611,471	\$ 19,300,749	\$ 22,436,038	\$ (4,824,567)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 7,639,802	0	\$ 7,639,802	\$ 4,876,348	\$ 9,934,599	\$ 2,294,797
Special Education Program	3,219,233	0	3,219,233	3,008,434	3,472,637	253,404
Vocational Education Program	266,379	(136)	266,243	192,363	272,154	5,911
Adult Education Program	85,385	(781)	84,604	110,186	90,966	6,362
<u>Support Services</u>						
Other Student Support	497,500	(24)	497,476	428,211	643,605	146,129
Regular Instruction Program	3,001,426	(417)	3,001,009	7,331,874	6,034,167	3,033,158
Special Education Program	970,613	0	970,613	1,291,280	1,079,429	108,816
Vocational Education Program	3,605	0	3,605	4,000	3,672	67
Adult Programs	137,594	0	137,594	225,776	141,448	3,854
Office of the Principal	100,353	0	100,353	110,156	126,278	25,925
Operation of Plant	100,725	0	100,725	135,400	200,316	99,591
Transportation	159,577	0	159,577	1,381,525	449,726	290,149
Total Expenditures	\$ 16,182,192	(1,358)	\$ 16,180,834	\$ 19,095,553	\$ 22,448,997	\$ 6,268,163
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,429,279	\$ 1,358	\$ 1,430,637	\$ 205,196	\$ (12,959)	\$ 1,443,596

(Continued)

Exhibit K-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0 \$	0 \$	0 \$	865,122 \$	1,799 \$	(1,799)
Transfers Out	(1,726,568)	0	(1,726,568)	(1,070,318)	(1,889,977)	163,409
Total Other Financing Sources	\$ (1,726,568) \$	0 \$	(1,726,568) \$	(205,196) \$	(1,888,178) \$	161,610
Net Change in Fund Balance	\$ (297,289) \$	1,358 \$	(295,931) \$	0 \$	(1,901,137) \$	1,605,206
Fund Balance, July 1, 2012	1,644,850	(1,358)	1,643,492	628	1,901,138	(257,646)
Fund Balance, June 30, 2013	\$ 1,347,561 \$	0 \$	1,347,561 \$	628 \$	1 \$	1,347,560

Exhibit K-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 4,764,786	\$ 0	\$ 0	\$ 4,764,786	\$ 5,003,157	\$ 5,003,157	\$ (238,371)
Other Local Revenues	127,834	0	0	127,834	137,296	157,296	(29,462)
State of Tennessee	131,677	0	0	131,677	125,378	125,378	6,299
Federal Government	9,282,045	0	0	9,282,045	7,860,480	8,788,546	493,499
Total Revenues	\$ 14,306,342	\$ 0	\$ 0	\$ 14,306,342	\$ 13,126,311	\$ 14,074,377	\$ 231,965
<u>Expenditures</u>							
Operation of Non-Instructional Services							
Food Service	\$ 14,858,151	\$ (129,643)	\$ 98,420	\$ 14,826,928	\$ 13,165,184	\$ 15,331,391	\$ 504,463
Total Expenditures	\$ 14,858,151	\$ (129,643)	\$ 98,420	\$ 14,826,928	\$ 13,165,184	\$ 15,331,391	\$ 504,463
Excess (Deficiency) of Revenues Over Expenditures	\$ (551,809)	\$ 129,643	\$ (98,420)	\$ (520,586)	\$ (38,873)	\$ (1,257,014)	\$ 736,428
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (551,809)	\$ 129,643	\$ (98,420)	\$ (520,586)	\$ (38,873)	\$ (1,257,014)	\$ 736,428
	5,033,303	(129,643)	0	4,903,660	3,733,524	4,903,660	0
Fund Balance, June 30, 2013	\$ 4,481,494	\$ 0	\$ (98,420)	\$ 4,383,074	\$ 3,694,651	\$ 3,646,646	\$ 736,428

Exhibit K-11

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Clarksville-Montgomery County School System
School Transportation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,890,565	\$ 0	\$ 0	\$ 1,890,565	\$ 1,888,299	\$ 1,889,299	\$ 1,266
Other Local Revenues	99,015	0	0	99,015	56,200	95,500	3,515
State of Tennessee	8,940,150	0	0	8,940,150	8,940,150	8,940,150	0
Federal Government	0	0	0	0	1,297,915	0	0
Other Governments and Citizens Groups	90,000	0	0	90,000	0	90,000	0
Total Revenues	\$ 11,019,730	\$ 0	\$ 0	\$ 11,019,730	\$ 12,182,564	\$ 11,014,949	\$ 4,781
<u>Expenditures</u>							
Support Services							
Fiscal Services	\$ 37,689	\$ 0	\$ 0	\$ 37,689	\$ 40,000	\$ 40,000	\$ 2,311
Transportation	11,395,456	(11,181)	10,195	11,394,470	12,782,859	12,867,623	1,473,153
Total Expenditures	\$ 11,433,145	\$ (11,181)	\$ 10,195	\$ 11,432,159	\$ 12,822,859	\$ 12,907,623	\$ 1,475,464
Excess (Deficiency) of Revenues Over Expenditures	\$ (413,415)	\$ 11,181	\$ (10,195)	\$ (412,429)	\$ (640,295)	\$ (1,892,674)	\$ 1,480,245
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,297,915	\$ 0	\$ 0	\$ 1,297,915	\$ 0	\$ 1,297,915	\$ 0
Total Other Financing Sources	\$ 1,297,915	\$ 0	\$ 0	\$ 1,297,915	\$ 0	\$ 1,297,915	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 884,500	\$ 11,181	\$ (10,195)	\$ 885,486	\$ (640,295)	\$ (594,759)	\$ 1,480,245
Fund Balance, July 1, 2012	2,377,598	(11,181)	0	2,366,417	1,133,875	2,359,337	7,080
Fund Balance, June 30, 2013	\$ 3,262,098	\$ 0	\$ (10,195)	\$ 3,251,903	\$ 493,580	\$ 1,764,578	\$ 1,487,325

Exhibit K-12

Montgomery County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Clarksville-Montgomery County School System
Extended School Program Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 119,095	\$ 165,000	\$ 165,000	\$ (45,905)
Total Revenues	\$ 119,095	\$ 165,000	\$ 165,000	\$ (45,905)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 55,598	\$ 112,769	\$ 112,769	\$ 57,171
<u>Support Services</u>				
Office of the Principal	23,598	27,948	27,948	4,350
Fiscal Services	1,298	1,000	1,000	(298)
Operation of Plant	4,785	9,759	9,759	4,974
Total Expenditures	\$ 85,279	\$ 151,476	\$ 151,476	\$ 66,197
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,816	\$ 13,524	\$ 13,524	\$ 20,292
Net Change in Fund Balance	\$ 33,816	\$ 13,524	\$ 13,524	\$ 20,292
Fund Balance, July 1, 2012	60,347	40,996	40,996	19,351
Fund Balance, June 30, 2013	\$ 94,163	\$ 54,520	\$ 54,520	\$ 39,643

MISCELLANEOUS SCHEDULES

Exhibit L-1

Montgomery County, Tennessee
 Schedule of Changes in Long-Term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-13
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Promissory Note - Land for Park	\$ 250,000	4 %	3-31-10	7-1-15	\$ 105,917	0 \$	62,737 \$	0 \$	43,180
Total Notes Payable					\$ 105,917	0 \$	62,737 \$	0 \$	43,180
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Qualified Zone Academy Bonds	2,470,731	0	10-17-02	12-18-15	\$ 705,921	0 \$	176,481 \$	0 \$	529,440
Qualified Zone Academy Bonds	(1)	0	5-22-06	12-1-20	2,206,387	0	259,600	0	1,946,787
School Projects	20,140,987	variable	6-6-08	12-5-12	17,941,000	0	0	17,941,000	0
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	17,608,060	0	1,143,971	0	16,464,089
Total Other Loans Payable					\$ 38,461,368	0 \$	1,580,052 \$	17,941,000 \$	18,940,316
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Various County Capital Projects	25,000,000	2 to 5	6-17-03	5-1-13	\$ 1,000,000	0 \$	1,000,000 \$	0 \$	0
General Obligation Refunding	81,640,000	3 to 4.75	6-17-03	5-1-13	7,900,000	0	7,900,000	0	0
General Obligation Refunding	43,240,000	2 to 5	3-15-04	5-1-14	42,550,000	0	3,800,000	34,500,000	4,250,000
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-15	300,000	0	100,000	0	200,000
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-26	11,250,000	0	250,000	0	11,000,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	56,120,000	0	2,335,000	0	53,785,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	15,450,000	0	700,000	0	14,750,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	16,825,000	0	600,000	0	16,225,000
General Obligation Schools - Build America Bonds	5,400,000	4.55 to 5.6	2-4-10	4-1-30	5,400,000	0	0	0	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	74,025,000	0	65,000	0	73,960,000
General Obligation School and Public Improvement	62,335,000	2 to 5	7-28-11	4-1-29	62,335,000	0	1,000,000	0	61,335,000
General Obligation Refunding	19,465,000	2 to 5	4-25-12	4-1-25	19,465,000	0	375,000	0	19,090,000
General Obligation Public Improvement and Refunding	27,415,000	2 to 5	10-11-12	4-1-29	0	27,415,000	1,400,000	0	26,015,000
General Obligation Refunding	37,120,000	.20 to 1.65	5-17-13	5-1-20	0	37,120,000	0	0	37,120,000
Total Payable through General Debt Service Fund					\$ 312,620,000	\$ 64,555,000	\$ 19,525,000	\$ 34,500,000	\$ 323,130,000
<u>Payable by Bi-County Solid Waste Management System</u>									
Contributions to the General Debt Service Fund	625,000	5	10-11-12	4-1-17	0	625,000	70,000	0	555,000
General Obligation Public Improvement					\$ 312,620,000	\$ 65,160,000	\$ 19,595,000	\$ 34,500,000	\$ 323,685,000
Total Bonds Payable					\$ 312,620,000	\$ 65,160,000	\$ 19,595,000	\$ 34,500,000	\$ 323,685,000

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

Exhibit L-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2014	\$ 0	\$ 0	\$ 0
2015	43,180	1,727	44,907
Total	\$ 43,180	\$ 1,727	\$ 44,907

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2014	\$ 1,684,049	\$ 303,000	\$ 22,093	\$ 2,009,142
2015	1,684,049	303,000	22,093	2,009,142
2016	1,684,049	303,000	22,093	2,009,142
2017	1,507,569	303,000	21,246	1,831,815
2018	1,507,569	303,000	21,246	1,831,815
2019	1,507,569	303,000	21,246	1,831,815
2020	1,507,569	303,000	21,246	1,831,815
2021	1,377,556	303,000	21,246	1,701,802
2022	1,247,969	303,000	20,000	1,570,969
2023	1,247,969	303,000	20,000	1,570,969
2024	1,247,969	303,000	20,000	1,570,969
2025	1,247,969	303,000	20,000	1,570,969
2026	1,370,816	303,000	20,000	1,693,816
2027	117,645	25,250	5,000	147,895
Total	\$ 18,940,316	\$ 3,964,250	\$ 277,509	\$ 23,182,075

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2014	\$ 21,405,000	\$ 12,665,677	\$ 34,070,677
2015	22,370,000	11,837,553	34,207,553
2016	22,365,000	11,186,179	33,551,179
2017	23,385,000	10,482,004	33,867,004
2018	24,605,000	9,662,615	34,267,615
2019	25,530,000	8,804,833	34,334,833
2020	26,410,000	7,941,959	34,351,959
2021	27,535,000	6,960,019	34,495,019
2022	23,120,000	5,681,338	28,801,338
2023	22,620,000	4,700,075	27,320,075
2024	22,580,000	3,691,075	26,271,075
2025	19,410,000	2,739,475	22,149,475
2026	17,675,000	1,834,050	19,509,050
2027	9,980,000	1,112,450	11,092,450
2028	9,400,000	654,800	10,054,800
2029	4,570,000	213,325	4,783,325
2030	725,000	40,597	765,597
Total	\$ 323,685,000	\$ 100,208,024	\$ 423,893,024

Exhibit L-3

Montgomery County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Purchase playground equipment	\$ 20,000
"	"	Purchase ambulance	6,747
"	"	Purchase assessor software	22,716
"	General Debt Service	Commission on sales tax	35,325
Highway/Public Works	General Capital Projects	Oakland road project	66,000
General Debt Service	"	Various capital expenditures	697,797
Total Transfers Primary Government			<u>\$ 848,585</u>
<u>DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY</u>			
<u>COUNTY SCHOOL SYSTEM</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 428,653
"	School Transportation	Equipment and maintenance	15,000
"	"	Salaries	1,282,915
Total Transfers Discretely Presented Clarksville-Montgomery County School System			<u>\$ 1,726,568</u>

Montgomery County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 135,095	\$ 50,000	RLI Insurance Company
Highway Supervisor	Section 8-24-102, TCA	95,076	100,000	Western Surety Company
Director of Schools:				
Michael Harris (7-1-12 through 7-31-12)	State Board of Education and Local Board of Education	23,698 (1)	(6)	(6)
Dr. B.J. Worthington (8-1-12 through 6-30-13)	State Board of Education and Local Board of Education	149,580 (2)	"	"
Trustee	Local Board of Education	86,433	7,383,400	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, TCA	86,433	50,000	Western Surety Company
Director of Accounts and Budgets	Section 8-24-102, TCA	87,978	50,000	"
Purchasing Agent	County Commission	68,186	25,000	Ohio Casualty Insurance Company
County Clerk	Section 8-24-102, TCA	86,433	50,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	86,433	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Judge	86,433 (3)	50,000	Auto-Owners Mutual Insurance Company
Register of Deeds	Section 8-24-102, TCA	86,433	50,000	RLI Insurance Company
Sheriff (7):				
Norman Lewis (7-1-12 through 10-14-12)	Section 8-24-102, TCA, and County Commission	32,212 (4)	25,000	"
John Fuson (12-10-12 through 6-30-13)	Section 8-24-102, TCA, and County Commission	56,163 (5)	25,000	"
County Employees:				
Public Employees Blanket Bond			150,000	Local Government Insurance Pool
School Employees:				
Public School System			500,000	Travelers Insurance

- (1) Includes a \$400 transportation supplement and a \$6,905 payment for unused vacation days.
- (2) Includes a \$4,400 transportation supplement and a \$5,846 payment for unused vacation days.
- (3) Does not include special commissioner fees totaling \$43,693.
- (4) Includes \$2,188 as workhouse superintendent.
- (5) Includes \$4,062 as workhouse superintendent and \$600 for a law enforcement training supplement.
- (6) Director of schools is covered by the public school system employee blanket bond.
- (7) Chief deputy John Smith served as acting sheriff from 10-15-12 through 12-9-12.

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects			
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 28,542,504	0	0	3,682,904	\$ 31,488,827	\$ 1,135,562	\$ 64,849,797		
Trustee's Collections - Prior Year	949,018	0	0	122,454	1,046,981	37,757	2,156,210		
Interest and Penalty	223,864	0	0	28,886	246,973	8,906	508,629		
Payments in-Lieu-of Taxes - T.V.A.	763	0	0	0	0	0	763		
Payments in-Lieu-of Taxes - Local Utilities	1,225,560	0	0	0	0	0	1,225,560		
Payments in-Lieu-of Taxes - Other	587,738	0	0	0	785,714	0	1,373,452		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	0	0	3,532,476	0	3,532,476		
Hotel/Motel Tax	1,482,407	0	0	0	0	0	1,482,407		
Litigation Tax - General	404,675	0	0	0	350,986	0	755,661		
Litigation Tax - Special Purpose	74,985	0	0	0	0	0	74,985		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	382,368	0	382,368		
Business Tax	1,273,001	0	0	109,741	109,741	0	1,492,483		
Mineral Severance Tax	0	0	0	199,616	0	0	199,616		
Adequate Facilities/Development Tax	0	0	0	0	1,342,630	0	1,342,630		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	71,293	0	0	9,199	78,653	2,836	161,981		
Wholesale Beer Tax	437,670	0	0	0	0	0	437,670		
Interstate Telecommunications Tax	3,360	0	0	0	0	0	3,360		
Total Local Taxes	\$ 35,276,838	0	0	4,152,800	\$ 39,365,349	\$ 1,185,061	\$ 79,980,048		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Registration	\$ 44,701	0	0	0	0	0	44,701		
Animal Vaccination	5,643	0	0	0	0	0	5,643		
Cable TV Franchise	234,047	0	0	0	0	0	234,047		
<u>Permits</u>									
Building Permits	441,112	0	0	0	0	0	441,112		
Plumbing Permits	14,400	0	0	0	0	0	14,400		
Other Permits	80,187	0	0	0	0	0	80,187		
Total Licenses and Permits	\$ 820,090	0	0	0	0	0	\$ 820,090		
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 13,736	0	0	0	0	0	13,736		
Officers Costs	30,158	0	0	0	0	0	30,158		

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Circuit Court (Cont.)</u>							
Drug Court Fees	\$ 3,078	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,078
Jail Fees	36,841	0	0	0	0	0	36,841
Data Entry Fee - Circuit Court	10,378	0	0	0	0	0	10,378
Courtroom Security Fee	9,204	0	0	0	0	0	9,204
Victims Assistance Assessments	5,399	0	0	0	0	0	5,399
<u>General Sessions Court</u>							
Fines	133,302	0	0	0	0	0	133,302
Fines for Littering	546	0	0	0	0	0	546
Officers Costs	200,991	0	0	0	0	0	200,991
Game and Fish Fines	198	0	0	0	0	0	198
Drug Court Fees	22,404	0	0	0	0	0	22,404
Jail Fees	300,166	0	0	0	0	0	300,166
DUI Treatment Fines	31,084	0	0	0	0	0	31,084
Data Entry Fee - General Sessions Court	46,651	0	0	0	0	0	46,651
Victims Assistance Assessments	68,636	0	0	0	0	0	68,636
<u>Juvenile Court</u>							
Fines	2,270	0	0	0	0	0	2,270
Officers Costs	4,042	0	0	0	0	0	4,042
Jail Fees	36,770	0	0	0	0	0	36,770
Data Entry Fee - Juvenile Court	7,051	0	0	0	0	0	7,051
<u>Chancery Court</u>							
Officers Costs	31,171	0	0	0	0	0	31,171
Data Entry Fee - Chancery Court	4,644	0	0	0	0	0	4,644
<u>Other Courts - In-county</u>							
Fines	2,734	0	0	0	0	0	2,734
Drug Control Fines	0	5,221	0	0	0	0	5,221
Drug Court Fees	24,962	0	0	0	0	0	24,962
<u>Other Fines, Forfeitures, and Penalties</u>							
Other Fines, Forfeitures, and Penalties	7,824	0	0	0	0	0	7,824
Total Fines, Forfeitures, and Penalties	\$ 1,034,240	\$ 5,221	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,039,461
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 4,380,256	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,380,256
Zoning Studies	5,750	0	0	0	0	0	5,750
Other General Service Charges	76,205	0	0	0	0	0	76,205

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects			
<u>Charges for Current Services (Cont.)</u>									
<u>Fees</u>									
Recreation Fees	\$ 7,577	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,577
Copy Fees	7,906	0	0	0	0	0	0	0	7,906
Archives and Records Management Fee - County Clerk	389,257	0	0	0	0	0	0	0	389,257
Greenbelt Late Application Fee	1,850	0	0	0	0	0	0	0	1,850
Telephone Commissions	134,592	0	0	0	0	0	0	0	134,592
Vending Machine Collections	71,719	0	0	242	0	0	0	0	71,961
Special Commissioner Fees/Special Master Fees	0	0	43,693	0	0	0	0	0	43,693
Data Processing Fee - Register	81,152	0	0	0	0	0	0	0	81,152
Probation Fees	11,756	0	0	0	0	0	0	0	11,756
Data Processing Fee - Sheriff	32,006	0	0	0	0	0	0	0	32,006
Sexual Offender Registration Fees - Sheriff	11,903	0	0	0	0	0	0	0	11,903
Data Processing Fee - County Clerk	13,024	0	0	0	0	0	0	0	13,024
<u>Other Charges for Services</u>									
Other Charges for Services	4,396	0	0	0	0	0	0	0	4,396
Total Charges for Current Services	\$ 5,229,349	\$ 0	\$ 43,693	\$ 242	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,273,284
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 506,416	\$ 0	\$ 0	\$ 0	\$ 391,209	\$ 6,121	\$ 0	\$ 0	903,746
Lease/Rentals	647,392	0	0	0	0	0	0	0	647,392
Sale of Gasoline	0	0	0	62,034	0	0	0	0	62,034
Sale of Maps	1,561	0	0	0	0	0	0	0	1,561
Miscellaneous Refunds	205,034	0	0	6,851	4,801	0	0	0	216,686
<u>Nonrecurring Items</u>									
Sale of Equipment	8,636	0	0	2,700	604	49,516	0	0	61,456
Sale of Property	0	0	0	0	23,332	0	0	0	23,332
Contributions and Gifts	11,200	0	0	0	0	0	0	0	11,200
<u>Other Local Revenues</u>									
Other Local Revenues	700,344	0	0	0	0	0	0	0	700,344
Total Other Local Revenues	\$ 2,080,583	\$ 0	\$ 0	\$ 71,585	\$ 419,946	\$ 55,637	\$ 0	\$ 0	\$ 2,627,751
<u>Fees Received from County Officials</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	\$ 1,571,589	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,571,589
Circuit Court Clerk	799,337	0	0	0	0	0	0	0	799,337
General Sessions Court Clerk	1,391,404	0	0	0	0	0	0	0	1,391,404

(Continued)

Exhibit L-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees in-Lieu-of-Salary (Cont.)</u>								
Clerk and Master	\$ 362,100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 362,100
Juvenile Court Clerk	222,619	0	0	0	0	0	0	222,619
Register	1,227,944	0	0	0	0	0	0	1,227,944
Sheriff	34,497	0	0	0	0	0	0	34,497
Trustee	3,093,648	0	0	0	0	0	0	3,093,648
Total Fees Received from County Officials	\$ 8,703,138	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,703,138
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 575,127	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 575,127
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	45,000	0	0	0	0	0	0	45,000
<u>Public Works Grants</u>								
Bridge Program	0	0	0	207,196	0	0	0	207,196
State Aid Program	0	0	0	368,553	0	0	0	368,553
Litter Program	82,700	0	0	0	0	0	0	82,700
<u>Other State Revenues</u>								
Flood Control	57	0	0	0	0	0	0	57
Beer Tax	18,586	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	206,646	0	0	0	0	0	0	206,646
State Revenue Sharing - T.V.A.	1,642,365	0	0	0	0	0	0	1,642,365
Prisoner Transportation	23,463	0	0	0	0	0	0	23,463
Contracted Prisoner Boarding	2,368,999	0	0	0	0	0	0	2,368,999
Gasoline and Motor Fuel Tax	0	0	0	2,812,308	0	0	0	2,812,308
Petroleum Special Tax	0	0	0	124,345	0	0	0	124,345
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	15,164
Other State Grants	2,508,156	0	0	0	0	0	0	2,508,156
Other State Revenues	71,920	0	0	0	0	0	0	71,920
Total State of Tennessee	\$ 7,558,183	\$ 0	\$ 0	\$ 3,512,402	\$ 0	\$ 0	\$ 0	\$ 11,070,585
<u>Federal Government</u>								
<u>Federal Through State</u>								
USDA - Other	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Homeland Security Grants	571,498	0	0	0	0	0	0	571,498
Other Federal through State	143,117	0	0	0	0	0	231,767	374,884

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects			
<u>Federal Government (Cont.)</u>									
<u>Direct Federal Revenue</u>									
Asset Forfeiture Funds	\$ 8,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,000	
Tax Credit Bond Rebate	0	0	0	0	97,016	0	0	97,016	
Other Direct Federal Revenue	66,296	0	0	0	0	0	0	66,296	
Total Federal Government	\$ 797,911	\$ 0	\$ 0	\$ 0	\$ 97,016	\$ 231,767	\$ 0	\$ 1,126,694	
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Prisoner Board	\$ 19,167	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,167	
Paving and Maintenance	0	0	0	9,304	0	0	0	9,304	
Contributions	167,804	0	0	0	578,209	730,018	0	1,476,031	
<u>Citizens Groups</u>									
Donations	38,572	0	0	0	0	16,300	0	54,872	
Total Other Governments and Citizens Groups	\$ 225,543	\$ 0	\$ 0	\$ 9,304	\$ 578,209	\$ 746,318	\$ 0	\$ 1,559,374	
Total	\$ 61,725,875	\$ 5,221	\$ 43,693	\$ 7,746,333	\$ 40,460,520	\$ 2,218,783	\$ 112,200,425		

Exhibit L-6

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	School Transportation	Extended School Program	Education Capital Projects	
Local Taxes							
<u>County Property Taxes</u>							
Current Property Tax	\$ 28,863,498	\$ 0	\$ 0	\$ 1,759,311	\$ 0	\$ 0	\$ 30,622,809
Trustee's Collections - Prior Year	1,103,795	0	0	67,206	0	0	1,171,001
Interest and Penalty	247,349	0	0	15,076	0	0	262,425
Payments in-Lieu-of Taxes - Local Utilities	729,259	0	0	44,449	0	0	773,708
<u>County Local Option Taxes</u>							
Local Option Sales Tax	38,057,375	0	0	0	0	0	38,057,375
Wheel Tax	4,022,309	0	0	0	0	0	4,022,309
Business Tax	721,440	0	0	0	0	0	721,440
<u>Statutory Local Taxes</u>							
Bank Excise Tax	74,206	0	0	4,523	0	0	78,729
Interstate Telecommunications Tax	14,178	0	0	0	0	0	14,178
Total Local Taxes	\$ 73,833,409	\$ 0	\$ 0	\$ 1,890,565	\$ 0	\$ 0	\$ 75,723,974
<u>Charges for Current Services</u>							
<u>Fees</u>							
Archives and Records Management Fee - County Clerk	\$ 8,116	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,116
<u>Education Charges</u>							
Tuition - Regular Day Students	28,118	0	0	0	0	0	28,118
Tuition - Summer School	0	0	0	0	119,095	0	119,095
Lunch Payments - Children	0	0	2,759,897	0	0	0	2,759,897
Lunch Payments - Adults	0	0	203,608	0	0	0	203,608
Income from Breakfast	0	0	134,161	0	0	0	134,161
A la carte Sales	0	0	1,533,930	0	0	0	1,533,930
TBI Criminal Background Fees	27,230	0	0	0	0	0	27,230
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	133,190	0	0	0	133,190
Total Charges for Current Services	\$ 63,464	\$ 0	\$ 4,764,786	\$ 0	\$ 119,095	\$ 0	\$ 4,947,345
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 8,282	\$ 0	\$ 0	\$ 0	\$ 8,282
Lease/Rentals	156,420	0	0	0	0	0	156,420
Sale of Materials and Supplies	4,592	0	58,039	2,830	0	0	65,561
Sale of Recycled Materials	3,160	0	0	5,963	0	0	9,123
Refund of Telecommunication & Internet Fees (E-Rate)	159,246	0	0	0	0	0	159,246
Miscellaneous Refunds	32,351	0	36,203	16,789	0	0	85,343

(Continued)

Exhibit L-6

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

	Special Revenue Funds			Capital Projects Fund		Total
	General Purpose School	School Federal Projects	Extended School Program	Education Capital Projects		
Other Local Revenues (Cont.)						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 43,061	\$ 0	\$ 25,310	\$ 72,223	\$ 0	\$ 140,594
Damages Recovered from Individuals	1,321	0	0	1,110	0	2,431
Contributions and Gifts	138,989	0	0	0	0	138,989
Total Other Local Revenues	\$ 539,140	\$ 0	\$ 127,834	\$ 99,015	\$ 0	\$ 765,989
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 103,452	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,452
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	87,408	0	0	0	0	87,408
<u>State Education Funds</u>						
Basic Education Program	115,940,035	0	0	8,940,150	0	124,880,185
Early Childhood Education	1,833,517	0	0	0	0	1,833,517
School Food Service	0	0	131,677	0	0	131,677
Other State Education Funds	135,684	507,544	0	0	0	643,228
Career Ladder Program	671,600	0	0	0	0	671,600
Career Ladder - Extended Contract	142,100	0	0	0	0	142,100
<u>Other State Revenues</u>						
Income Tax	134,769	0	0	0	0	134,769
Mixed Drink Tax	329,285	0	0	0	0	329,285
Total State of Tennessee	\$ 119,377,850	\$ 507,544	\$ 131,677	\$ 8,940,150	\$ 0	\$ 128,957,221
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 6,051,761	\$ 0	\$ 0	\$ 6,051,761
USDA - Commodities	0	0	662,827	0	0	662,827
Breakfast	0	0	2,567,457	0	0	2,567,457
Adult Education State Grant Program	0	166,648	0	0	0	166,648
Vocational Education - Basic Grants to States	0	387,614	0	0	0	387,614
Title I Grants to Local Education Agencies	0	5,999,841	0	0	0	5,999,841
Special Education - Grants to States	74,483	5,538,617	0	0	0	5,613,100
Special Education Preschool Grants	0	37,111	0	0	0	37,111
English Language Acquisition Grants	0	51,963	0	0	0	51,963
Safe and Drug-Free Schools - State Grants	0	485,000	0	0	0	485,000
Eisenhower Professional Development State Grants	0	801,135	0	0	0	801,135

(Continued)

Exhibit L-6

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

	General Purpose School	Special Revenue Funds			School Transportation	Extended School Program	Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	0 \$			Education Capital Projects	0 \$	
<u>Federal Government (Cont.)</u>									
<u>Federal Through State (Cont.)</u>									
Race-to-the-Top - ARRA	0 \$	1,295,485 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,295,485
Other Federal through State	0	6,618	0	0	0	0	0	0	6,618
<u>Direct Federal Revenue</u>									
Public Law 874 - Maintenance and Operation	4,370,560	0	0	0	0	0	0	0	4,370,560
ROTC Reimbursement	573,008	0	0	0	0	0	0	0	573,008
Other Direct Federal Revenue	0	2,333,895	0	0	0	0	0	0	2,333,895
<u>Total Federal Government</u>	<u>5,018,051 \$</u>	<u>17,103,927 \$</u>	<u>9,282,045 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>31,404,023</u>
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	16,000 \$	0 \$	0 \$	0 \$	0 \$	0 \$	22,817,312 \$	0 \$	22,833,312
Contracted Services	27,128	0	0	0	0	0	0	0	27,128
<u>Other</u>									
Other	0	0	0	90,000	0	0	0	0	90,000
<u>Total Other Governments and Citizens Groups</u>	<u>43,128 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>90,000 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>22,817,312 \$</u>	<u>0 \$</u>	<u>22,950,440</u>
<u>Total</u>	<u>198,875,042 \$</u>	<u>17,611,471 \$</u>	<u>14,306,342 \$</u>	<u>11,019,730 \$</u>	<u>119,095 \$</u>	<u>0 \$</u>	<u>22,817,312 \$</u>	<u>0 \$</u>	<u>264,748,992</u>

Exhibit L-7

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

General Fund

General Government

County Commission

Secretary(ies)	\$	36,799	
Board and Committee Members Fees		77,700	
Social Security		6,776	
State Retirement		5,273	
Life Insurance		30	
Medical Insurance		13,899	
Employer Medicare		1,585	
Audit Services		51,699	
Legal Notices, Recording, and Court Costs		3,630	
Postal Charges		123	
Printing, Stationery, and Forms		75	
Travel		7,943	
Tuition		4,125	
Other Contracted Services		5,325	
Food Supplies		34	
Office Supplies		277	
Other Supplies and Materials		17	
Total County Commission			\$ 215,310

Board of Equalization

Board and Committee Members Fees	\$	800	
Social Security		50	
Employer Medicare		12	
Total Board of Equalization			862

Beer Board

Board and Committee Members Fees	\$	1,400	
Social Security		82	
Employer Medicare		19	
Total Beer Board			1,501

Other Boards and Committees

Board and Committee Members Fees	\$	1,850	
Social Security		115	
Employer Medicare		27	
Total Other Boards and Committees			1,992

County Mayor/Executive

County Official/Administrative Officer	\$	135,095	
Supervisor/Director		86,416	
Secretary(ies)		50,059	
Clerical Personnel		27,980	
Social Security		16,644	
State Retirement		43,334	
Life Insurance		118	
Medical Insurance		34,558	
Employer Medicare		4,245	
Advertising		1,000	
Communication		3,331	
Dues and Memberships		385	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Licenses	\$	14	
Maintenance and Repair Services - Vehicles		473	
Postal Charges		1,066	
Printing, Stationery, and Forms		620	
Rentals		2,533	
Travel		4,358	
Tuition		4,280	
Other Contracted Services		7,871	
Custodial Supplies		86	
Food Supplies		500	
Gasoline		3,704	
Library Books/Media		343	
Office Supplies		2,197	
Periodicals		240	
Other Supplies and Materials		708	
Premiums on Corporate Surety Bonds		98	
Communication Equipment		100	
Furniture and Fixtures		898	
Total County Mayor/Executive			\$ 433,254

Personnel Office

Supervisor/Director	\$	57,923	
Accountants/Bookkeepers		42,141	
Clerical Personnel		64,886	
Overtime Pay		3,227	
Other Salaries and Wages		917	
Social Security		9,662	
State Retirement		22,392	
Life Insurance		104	
Medical Insurance		23,445	
Unemployment Compensation		6,875	
Employer Medicare		2,260	
Communication		1,220	
Dues and Memberships		974	
Evaluation and Testing		15,855	
Postal Charges		1,079	
Printing, Stationery, and Forms		86	
Rentals		2,652	
Travel		964	
Tuition		932	
Other Contracted Services		17,980	
Data Processing Supplies		1,095	
Duplicating Supplies		564	
Riprap		597	
Office Supplies		2,814	
Periodicals		204	
Communication Equipment		219	
Furniture and Fixtures		230	
Total Personnel Office			281,297

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 39,629	
Total County Attorney		\$ 39,629

Election Commission

Supervisor/Director	\$ 79,518	
Clerical Personnel	120,664	
Temporary Personnel	29,027	
Overtime Pay	12,991	
Election Commission	7,144	
Election Workers	146,158	
Social Security	14,768	
State Retirement	30,053	
Life Insurance	149	
Medical Insurance	45,463	
Employer Medicare	3,454	
Communication	1,482	
Legal Notices, Recording, and Court Costs	17,221	
Maintenance and Repair Services - Office Equipment	14,907	
Postal Charges	14,001	
Printing, Stationery, and Forms	7,525	
Rentals	4,928	
Travel	3,863	
Tuition	2,085	
Other Contracted Services	20,752	
Equipment and Machinery Parts	1,070	
Office Supplies	6,263	
Other Supplies and Materials	5,429	
Total Election Commission		588,915

Register of Deeds

County Official/Administrative Officer	\$ 86,433	
Deputy(ies)	171,954	
Social Security	15,269	
State Retirement	37,027	
Life Insurance	178	
Medical Insurance	56,786	
Employer Medicare	3,571	
Communication	607	
Data Processing Services	104,792	
Postal Charges	381	
Rentals	2,978	
Other Contracted Services	6,528	
Data Processing Supplies	1,984	
Duplicating Supplies	1,501	
Other Supplies and Materials	962	
Premiums on Corporate Surety Bonds	98	
Total Register of Deeds		491,049

Planning

Contributions	\$ 311,112	
Total Planning		311,112

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Building

Supervisor/Director	\$	79,892	
Social Security		4,768	
State Retirement		11,448	
Life Insurance		27	
Medical Insurance		12,741	
Employer Medicare		1,115	
Communication		902	
Dues and Memberships		280	
Licenses		550	
Maintenance and Repair Services - Vehicles		93	
Postal Charges		40	
Printing, Stationery, and Forms		22	
Travel		33	
Tuition		793	
Gasoline		1,015	
Library Books/Media		343	
Office Supplies		568	
Total Building			\$ 114,630

Codes Compliance

Assistant(s)	\$	239,381	
Supervisor/Director		68,185	
Clerical Personnel		81,106	
Social Security		22,226	
State Retirement		55,747	
Life Insurance		291	
Medical Insurance		92,713	
Employer Medicare		5,198	
Communication		7,262	
Contracts with Private Agencies		7,760	
Dues and Memberships		1,425	
Legal Services		962	
Legal Notices, Recording, and Court Costs		2,194	
Maintenance and Repair Services - Office Equipment		1,264	
Maintenance and Repair Services - Vehicles		3,391	
Postal Charges		857	
Rentals		6,924	
Travel		396	
Tuition		1,720	
Permits		3,460	
Other Contracted Services		539	
Data Processing Supplies		521	
Gasoline		13,571	
Library Books/Media		1,997	
Office Supplies		1,103	
Uniforms		887	
Other Supplies and Materials		1,059	
Total Codes Compliance			622,139

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

Contracts with Government Agencies	\$ 130,698	
Total Geographical Information Systems		\$ 130,698

County Buildings

Supervisor/Director	\$ 156,026	
Secretary(ies)	37,456	
Custodial Personnel	146,323	
Maintenance Personnel	334,968	
Part-time Personnel	9,009	
Overtime Pay	8,570	
Social Security	40,072	
State Retirement	93,803	
Life Insurance	608	
Medical Insurance	182,511	
Employer Medicare	9,372	
Communication	14,772	
Licenses	700	
Maintenance Agreements	53,851	
Maintenance and Repair Services - Buildings	1,991	
Maintenance and Repair Services - Equipment	33,585	
Maintenance and Repair Services - Vehicles	8,897	
Pest Control	3,310	
Printing, Stationery, and Forms	108	
Rentals	2,760	
Travel	39	
Disposal Fees	4,560	
Other Contracted Services	18,932	
Custodial Supplies	29,475	
Drugs and Medical Supplies	463	
Electricity	264,250	
Equipment Parts - Light	593	
Gasoline	19,562	
Natural Gas	38,930	
Office Supplies	930	
Propane Gas	890	
Small Tools	1,189	
Tires and Tubes	608	
Uniforms	4,396	
Water and Sewer	12,416	
Other Supplies and Materials	50,401	
Boiler Insurance	1,201	
Maintenance Equipment	1,828	
Other Capital Outlay	6,693	
Total County Buildings		1,596,048

Other Facilities

Supervisor/Director	\$ 4,275
Secretary(ies)	37,745
Custodial Personnel	136,215
Maintenance Personnel	134,808

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Overtime Pay	\$	4,880	
Social Security		17,704	
State Retirement		41,949	
Life Insurance		319	
Medical Insurance		114,057	
Employer Medicare		4,140	
Communication		6,490	
Licenses		377	
Maintenance and Repair Services - Buildings		4,086	
Maintenance and Repair Services - Equipment		82,100	
Pest Control		1,100	
Rentals		5,481	
Disposal Fees		1,710	
Other Contracted Services		8,926	
Custodial Supplies		18,688	
Electricity		294,833	
Food Supplies		836	
Gasoline		2,153	
Natural Gas		55,455	
Uniforms		743	
Water and Sewer		42,224	
Other Supplies and Materials		26,903	
Building and Contents Insurance		2,742	
Communication Equipment		838	
Heating and Air Conditioning Equipment		4,000	
Other Equipment		38,504	
Total Other Facilities			\$ 1,094,281

Other General Administration

Supervisor/Director	\$	52,482	
Other Salaries and Wages		36,502	
Social Security		5,112	
State Retirement		12,830	
Life Insurance		59	
Medical Insurance		25,507	
Employer Medicare		1,200	
Communication		699	
Contracts with Other Public Agencies		444,995	
Travel		454	
Other Contracted Services		7,315	
Other Supplies and Materials		1,812	
Data Processing Equipment		309	
Total Other General Administration			589,276

Preservation of Records

Supervisor/Director	\$	42,419	
Clerical Personnel		24,861	
Part-time Personnel		11,543	
Board and Committee Members Fees		350	
Social Security		4,747	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

State Retirement	\$	9,641	
Life Insurance		74	
Medical Insurance		3,889	
Employer Medicare		1,110	
Communication		593	
Data Processing Services		9,000	
Dues and Memberships		240	
Maintenance and Repair Services - Office Equipment		1,979	
Rentals		3,334	
Travel		1,898	
Other Contracted Services		406	
Duplicating Supplies		246	
Library Books/Media		1,987	
Office Supplies		4,048	
Other Supplies and Materials		119	
Total Preservation of Records			\$ 122,484

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	87,978	
Accountants/Bookkeepers		194,727	
Clerical Personnel		32,629	
Temporary Personnel		9,484	
Overtime Pay		2,665	
Social Security		19,985	
State Retirement		42,963	
Life Insurance		194	
Medical Insurance		53,435	
Employer Medicare		4,624	
Communication		2,990	
Data Processing Services		8,255	
Dues and Memberships		1,429	
Postal Charges		5,167	
Printing, Stationery, and Forms		805	
Rentals		490	
Travel		7,160	
Tuition		6,759	
Other Contracted Services		2,087	
Data Processing Supplies		4,333	
Duplicating Supplies		156	
Food Supplies		414	
Library Books/Media		623	
Office Supplies		3,170	
Periodicals		176	
Other Supplies and Materials		1,525	
Premiums on Corporate Surety Bonds		985	
Other Charges		310	
Communication Equipment		300	
Data Processing Equipment		1,861	
Total Accounting and Budgeting			497,679

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing

County Official/Administrative Officer	\$	68,186	
Purchasing Personnel		41,978	
Clerical Personnel		34,370	
Other Salaries and Wages		28,454	
Social Security		10,053	
State Retirement		24,875	
Life Insurance		118	
Medical Insurance		40,745	
Employer Medicare		2,378	
Advertising		265	
Communication		2,955	
Dues and Memberships		420	
Maintenance and Repair Services - Equipment		10,691	
Maintenance and Repair Services - Vehicles		163	
Postal Charges		700	
Rentals		5,934	
Travel		637	
Tuition		75	
Other Contracted Services		409	
Custodial Supplies		224	
Data Processing Supplies		850	
Duplicating Supplies		953	
Food Supplies		270	
Gasoline		2,117	
Office Supplies		1,854	
Periodicals		204	
Other Supplies and Materials		4,752	
Premiums on Corporate Surety Bonds		100	
Total Purchasing			\$ 284,730

Property Assessor's Office

County Official/Administrative Officer	\$	86,433
Deputy(ies)		486,495
Temporary Personnel		1,815
Educational Incentive - Official/Admin Officer		1,000
Overtime Pay		114
Social Security		33,200
State Retirement		76,445
Life Insurance		409
Medical Insurance		139,886
Unemployment Compensation		3,146
Employer Medicare		7,788
Audit Services		42,843
Communication		3,460
Data Processing Services		21,102
Dues and Memberships		4,266
Operating Lease Payments		1,992
Legal Notices, Recording, and Court Costs		317
Maintenance and Repair Services - Vehicles		1,768
Postal Charges		1,367

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Printing, Stationery, and Forms	\$	10,199	
Rentals		4,061	
Travel		2,293	
Tuition		2,591	
Other Contracted Services		41	
Data Processing Supplies		3,116	
Duplicating Supplies		504	
Food Supplies		616	
Gasoline		7,653	
Office Supplies		1,174	
Other Supplies and Materials		1,134	
Premiums on Corporate Surety Bonds		595	
Communication Equipment		650	
Data Processing Equipment		8,083	
Total Property Assessor's Office			\$ 956,556

County Trustee's Office

County Official/Administrative Officer	\$	86,433	
Supervisor/Director		48,145	
Deputy(ies)		113,461	
Accountants/Bookkeepers		46,003	
Part-time Personnel		27,290	
Overtime Pay		3,261	
Board and Committee Members Fees		150	
Social Security		18,946	
State Retirement		46,118	
Life Insurance		223	
Medical Insurance		71,736	
Employer Medicare		4,431	
Bank Charges		1,430	
Communication		4,542	
Data Processing Services		21,679	
Dues and Memberships		1,209	
Legal Notices, Recording, and Court Costs		1,789	
Postal Charges		25,179	
Printing, Stationery, and Forms		1,238	
Rentals		3,072	
Travel		1,399	
Other Contracted Services		184	
Food Supplies		276	
Office Supplies		4,862	
Periodicals		1,700	
Premiums on Corporate Surety Bonds		5,434	
Communication Equipment		314	
Total County Trustee's Office			540,504

County Clerk's Office

County Official/Administrative Officer	\$	86,433	
Supervisor/Director		50,716	
Deputy(ies)		929,985	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Part-time Personnel	\$	37,876	
Overtime Pay		3,068	
Social Security		62,370	
State Retirement		146,391	
Life Insurance		1,043	
Medical Insurance		336,994	
Employer Medicare		14,586	
Communication		2,731	
Maintenance and Repair Services - Equipment		18,040	
Postal Charges		46,165	
Printing, Stationery, and Forms		732	
Rentals		20,320	
Travel		2,178	
Other Contracted Services		46,906	
Data Processing Supplies		18,107	
Duplicating Supplies		2,062	
Food Supplies		572	
Office Supplies		11,277	
Other Supplies and Materials		3,579	
Premiums on Corporate Surety Bonds		148	
Data Processing Equipment		56,233	
Furniture and Fixtures		5,396	
Total County Clerk's Office			\$ 1,903,908

Data Processing

Supervisor/Director	\$	86,416
Computer Programmer(s)		275,307
Data Processing Personnel		211,122
Secretary(ies)		34,761
Social Security		36,188
State Retirement		84,223
Life Insurance		315
Medical Insurance		89,205
Employer Medicare		8,463
Communication		45,661
Data Processing Services		449,262
Dues and Memberships		195
Freight Expenses		45
Licenses		948
Maintenance and Repair Services - Equipment		1,599
Postal Charges		8
Rentals		735
Travel		5,133
Tuition		7,356
Other Contracted Services		1,257
Custodial Supplies		103
Data Processing Supplies		5,381
Food Supplies		146
Gasoline		2,114
Office Supplies		573

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Other Supplies and Materials	\$	20	
Communication Equipment		272	
Data Processing Equipment		7,074	
Total Data Processing			\$ 1,353,882

Other Finance

Legal Notices, Recording, and Court Costs	\$	35,305	
Postal Charges		14,942	
Total Other Finance			50,247

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	86,433	
Assistant(s)		97,495	
Supervisor/Director		93,388	
Deputy(ies)		779,488	
Accountants/Bookkeepers		82,811	
Part-time Personnel		60,343	
Overtime Pay		11,020	
Jury and Witness Expense		50,639	
Social Security		68,731	
State Retirement		169,283	
Life Insurance		1,107	
Medical Insurance		327,728	
Unemployment Compensation		3,850	
Employer Medicare		16,074	
Communication		4,808	
Data Processing Services		10,703	
Dues and Memberships		814	
Legal Notices, Recording, and Court Costs		1,734	
Maintenance and Repair Services - Office Equipment		119	
Postal Charges		13,247	
Printing, Stationery, and Forms		14,692	
Rentals		8,835	
Travel		1,498	
Tuition		175	
Other Contracted Services		2,453	
Custodial Supplies		212	
Data Processing Supplies		9,177	
Drugs and Medical Supplies		22	
Duplicating Supplies		6,973	
Food Supplies		1,813	
Library Books/Media		1,441	
Office Supplies		9,426	
Other Supplies and Materials		584	
Premiums on Corporate Surety Bonds		196	
Communication Equipment		867	
Data Processing Equipment		13,011	
Food Service Equipment		450	
Furniture and Fixtures		3,525	
Office Equipment		6,777	
Total Circuit Court			1,961,942

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	459,264	
Secretary(ies)		30,760	
Social Security		22,060	
State Retirement		70,220	
Life Insurance		116	
Medical Insurance		54,787	
Employer Medicare		6,878	
Total General Sessions Court			\$ 644,085

Drug Court

Probation Officer(s)	\$	37,504	
Social Security		1,962	
State Retirement		4,008	
Life Insurance		30	
Employer Medicare		500	
Travel		496	
Other Contracted Services		5,000	
Other Supplies and Materials		500	
Total Drug Court			50,000

Chancery Court

County Official/Administrative Officer	\$	86,433	
Deputy(ies)		250,170	
Social Security		19,410	
State Retirement		46,015	
Life Insurance		251	
Medical Insurance		71,249	
Employer Medicare		4,539	
Communication		199	
Dues and Memberships		624	
Legal Notices, Recording, and Court Costs		5,316	
Maintenance and Repair Services - Office Equipment		1,057	
Postal Charges		3,722	
Printing, Stationery, and Forms		453	
Rentals		5,456	
Travel		759	
Data Processing Supplies		405	
Duplicating Supplies		1,807	
Library Books/Media		577	
Office Supplies		2,229	
Premiums on Corporate Surety Bonds		100	
Furniture and Fixtures		4,397	
Total Chancery Court			505,168

Juvenile Court

Supervisor/Director	\$	71,769	
Probation Officer(s)		58,278	
Youth Service Officer(s)		210,512	
Overtime Pay		3,951	
Social Security		20,830	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

State Retirement	\$	51,641	
Life Insurance		237	
Medical Insurance		89,496	
Employer Medicare		4,872	
Communication		3,235	
Operating Lease Payments		2,452	
Legal Services		140	
Maintenance and Repair Services - Office Equipment		45	
Postal Charges		373	
Travel		6,319	
Other Contracted Services		323,723	
Drugs and Medical Supplies		45	
Library Books/Media		3,303	
Office Supplies		3,104	
Furniture and Fixtures		2,553	
Total Juvenile Court			\$ 856,878

Juvenile Court Clerk

Supervisor/Director	\$	37,174	
Deputy(ies)		195,971	
Accountants/Bookkeepers		656	
Temporary Personnel		3,918	
Part-time Personnel		20,015	
Overtime Pay		595	
Social Security		15,291	
State Retirement		29,976	
Life Insurance		262	
Medical Insurance		42,697	
Employer Medicare		3,576	
Operating Lease Payments		120	
Postal Charges		571	
Printing, Stationery, and Forms		6,673	
Data Processing Supplies		1,575	
Duplicating Supplies		1,487	
Library Books/Media		133	
Office Supplies		3,306	
Other Supplies and Materials		159	
Communication Equipment		217	
Data Processing Equipment		5,649	
Furniture and Fixtures		20,033	
Office Equipment		2,868	
Total Juvenile Court Clerk			392,922

District Attorney General

Communication	\$	397	
Dues and Memberships		345	
Legal Notices, Recording, and Court Costs		109	
Travel		31,636	
Other Contracted Services		716	
Custodial Supplies		1,300	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Duplicating Supplies	\$	463	
Food Supplies		1,522	
Library Books/Media		2,494	
Office Supplies		1,330	
Other Supplies and Materials		345	
Total District Attorney General			\$ 40,657

Office of Public Defender

Contributions	\$	124	
Data Processing Services		4,046	
Travel		2,122	
Other Contracted Services		1,000	
Total Office of Public Defender			7,292

Judicial Commissioners

Part-time Personnel	\$	56,323	
Overtime Pay		1,377	
Other Salaries and Wages		102,241	
Social Security		8,877	
State Retirement		14,701	
Life Insurance		139	
Medical Insurance		38,219	
Employer Medicare		2,076	
Communication		2,871	
Rentals		1,830	
Travel		2,260	
Other Contracted Services		1,606	
Office Supplies		157	
Total Judicial Commissioners			232,677

Other Administration of Justice

Supervisor/Director	\$	61,520	
Social Security		3,726	
State Retirement		8,816	
Life Insurance		30	
Medical Insurance		5,920	
Employer Medicare		871	
Communication		1,036	
Contracts with Private Agencies		422,082	
Dues and Memberships		930	
Postal Charges		306	
Printing, Stationery, and Forms		1,191	
Travel		302	
Duplicating Supplies		86	
Instructional Supplies and Materials		5,548	
Office Supplies		86	
Total Other Administration of Justice			512,450

Probation Services

Assistant(s)	\$	24,585	
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(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Supervisor/Director	\$	68,092	
Probation Officer(s)		175,385	
Clerical Personnel		24,130	
Overtime Pay		406	
Other Salaries and Wages		144,914	
Social Security		26,018	
State Retirement		53,070	
Life Insurance		358	
Medical Insurance		79,657	
Unemployment Compensation		8,635	
Employer Medicare		6,044	
Communication		1,740	
Dues and Memberships		740	
Evaluation and Testing		55,605	
Legal Notices, Recording, and Court Costs		1,039	
Licenses		810	
Postal Charges		494	
Printing, Stationery, and Forms		877	
Rentals		1,752	
Travel		8,685	
Tuition		4,128	
Other Contracted Services		22,789	
Data Processing Supplies		1,024	
Duplicating Supplies		1,011	
Instructional Supplies and Materials		19,822	
Office Supplies		3,293	
Other Supplies and Materials		3,476	
Total Probation Services			\$ 738,579

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,525
Assistant(s)		137,724
Deputy(ies)		2,365,026
Investigator(s)		533,770
Captain(s)		212,596
Lieutenant(s)		218,762
Sergeant(s)		578,725
Secretary(ies)		37,746
Clerical Personnel		317,244
Part-time Personnel		68,653
Overtime Pay		278,509
In-Service Training		45,000
Social Security		288,496
State Retirement		678,155
Life Insurance		3,113
Medical Insurance		942,290
Employer Medicare		66,833
Communication		51,074
Contracts with Government Agencies		825

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Dues and Memberships	\$	3,450	
Evaluation and Testing		5,060	
Legal Services		19,728	
Legal Notices, Recording, and Court Costs		1,792	
Licenses		448	
Maintenance and Repair Services - Equipment		35,565	
Maintenance and Repair Services - Vehicles		53,213	
Pest Control		128	
Postal Charges		5,478	
Printing, Stationery, and Forms		2,970	
Rentals		13,816	
Transportation - Other than Students		11,636	
Travel		12,826	
Tuition		26,645	
Veterinary Services		681	
Other Contracted Services		65,781	
Animal Food and Supplies		690	
Custodial Supplies		572	
Data Processing Supplies		2,526	
Drugs and Medical Supplies		561	
Duplicating Supplies		1,765	
Electricity		5,652	
Food Supplies		207	
Gasoline		272,457	
Law Enforcement Supplies		47,403	
Natural Gas		1,246	
Office Supplies		5,493	
Periodicals		185	
Tires and Tubes		21,223	
Uniforms		36,064	
Vehicle Parts		1,921	
Water and Sewer		391	
Other Supplies and Materials		2,852	
Premiums on Corporate Surety Bonds		338	
Workers' Compensation Insurance		9,818	
Communication Equipment		42,521	
Furniture and Fixtures		2,025	
Law Enforcement Equipment		16,642	
Other Capital Outlay		11,985	
Total Sheriff's Department			\$ 7,649,820
<u>Special Patrols</u>			
Supervisor/Director	\$	99,920	
Deputy(ies)		770,560	
Investigator(s)		112,621	
Sergeant(s)		22,017	
Clerical Personnel		22,500	
Overtime Pay		10,620	
Social Security		61,295	
State Retirement		148,779	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Life Insurance	\$	696	
Medical Insurance		163,789	
Employer Medicare		14,335	
Communication		5,299	
Maintenance and Repair Services - Equipment		512	
Maintenance and Repair Services - Vehicles		7,575	
Printing, Stationery, and Forms		58	
Rentals		605	
Travel		5,302	
Tuition		42,009	
Other Contracted Services		434	
Data Processing Supplies		442	
Gasoline		41,273	
Law Enforcement Supplies		5,350	
Office Supplies		363	
Tires and Tubes		3,940	
Uniforms		4,553	
Vehicle Parts		196	
Other Supplies and Materials		14,116	
Law Enforcement Equipment		17,359	
Total Special Patrols			\$ 1,576,518

Administration of the Sexual Offender Registry

Overtime Pay	\$	6,525	
Communication		1,052	
Travel		883	
Tuition		469	
Law Enforcement Supplies		1,516	
Uniforms		310	
Other Supplies and Materials		122	
Total Administration of the Sexual Offender Registry			10,877

Jail

Assistant(s)	\$	52,890	
Supervisor/Director		132,784	
Deputy(ies)		4,100,791	
Lieutenant(s)		75,735	
Sergeant(s)		480,250	
Clerical Personnel		597,001	
Maintenance Personnel		172,974	
Overtime Pay		189,959	
Board and Committee Members Fees		1,050	
Social Security		338,859	
State Retirement		747,077	
Life Insurance		4,671	
Medical Insurance		1,199,392	
Unemployment Compensation		10,170	
Employer Medicare		79,249	
Communication		7,981	
Evaluation and Testing		7,906	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Laundry Service	\$	4,126	
Operating Lease Payments		600	
Legal Services		18,615	
Licenses		1,810	
Maintenance and Repair Services - Buildings		9,334	
Maintenance and Repair Services - Equipment		110,452	
Maintenance and Repair Services - Vehicles		3,258	
Medical and Dental Services		2,460,313	
Pest Control		4,440	
Postal Charges		392	
Printing, Stationery, and Forms		1,748	
Rentals		8,532	
Travel		1,393	
Tuition		300	
Disposal Fees		28,056	
Other Contracted Services		623,622	
Custodial Supplies		28,253	
Data Processing Supplies		7,176	
Duplicating Supplies		3,025	
Electricity		353,921	
Equipment and Machinery Parts		4,655	
Food Preparation Supplies		151	
Gasoline		15,750	
Law Enforcement Supplies		23,622	
Library Books/Media		714	
Natural Gas		56,956	
Office Supplies		1,167	
Prisoners Clothing		5,954	
Tires and Tubes		1,076	
Uniforms		24,875	
Water and Sewer		121,438	
Other Supplies and Materials		77,673	
Boiler Insurance		844	
Building and Contents Insurance		152,363	
Liability Insurance		146,893	
Maintenance Equipment		620	
Total Jail			\$ 12,502,856

Workhouse

County Official/Administrative Officer	\$	6,250
Deputy(ies)		633,236
Lieutenant(s)		55,797
Sergeant(s)		49,634
Overtime Pay		21,814
Social Security		44,890
State Retirement		107,528
Life Insurance		552
Medical Insurance		125,074
Employer Medicare		10,499
Communication		3,197

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Laundry Service	\$	2,265	
Maintenance and Repair Services - Equipment		2,678	
Maintenance and Repair Services - Vehicles		1,106	
Medical and Dental Services		371,339	
Pest Control		360	
Rentals		1,835	
Disposal Fees		384	
Other Contracted Services		85,606	
Custodial Supplies		5,534	
Diesel Fuel		6,282	
Electricity		25,217	
Equipment and Machinery Parts		1,127	
Gasoline		3,821	
Law Enforcement Supplies		2,390	
Natural Gas		5,030	
Prisoners Clothing		1,882	
Tires and Tubes		64	
Uniforms		1,558	
Water and Sewer		22,696	
Other Supplies and Materials		5,012	
Building and Contents Insurance		14,601	
Liability Insurance		11,128	
Other Equipment		3,420	
Total Workhouse			\$ 1,633,806

Correctional Incentive Program Improvements

Supervisor/Director	\$	57,157
Probation Officer(s)		200,885
Secretary(ies)		21,543
Social Security		16,571
State Retirement		38,443
Life Insurance		260
Medical Insurance		32,576
Employer Medicare		3,875
Accounting Services		10,000
Communication		5,758
Maintenance and Repair Services - Buildings		105
Maintenance and Repair Services - Office Equipment		2,408
Maintenance and Repair Services - Vehicles		1,054
Postal Charges		117
Printing, Stationery, and Forms		399
Rentals		32,520
Travel		4,992
Tuition		840
Other Contracted Services		10,440
Custodial Supplies		476
Data Processing Supplies		23
Duplicating Supplies		228
Electricity		1,554
Food Supplies		187

(Continued)

Exhibit L-7

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

General Fund (Cont.)Public Safety (Cont.)Correctional Incentive Program Improvements (Cont.)

Gasoline	\$	2,797	
Instructional Supplies and Materials		178	
Office Supplies		1,909	
Periodicals		204	
Other Supplies and Materials		2,710	
Building and Contents Insurance		399	
Liability Insurance		1,317	
Vehicle and Equipment Insurance		1,645	
Furniture and Fixtures		138	
Total Correctional Incentive Program Improvements			\$ 453,708

Juvenile Services

Supervisor/Director	\$	46,308	
Probation Officer(s)		16,000	
Medical Personnel		37,824	
Clerical Personnel		23,127	
Social Security		5,984	
State Retirement		15,370	
Life Insurance		86	
Medical Insurance		25,507	
Employer Medicare		1,399	
Communication		3,803	
Dues and Memberships		1,010	
Evaluation and Testing		2,060	
Operating Lease Payments		2,144	
Travel		1,910	
Tuition		3,332	
Other Contracted Services		2,000	
Food Supplies		30	
Riprap		1,000	
Office Supplies		4,045	
Other Supplies and Materials		391	
Data Processing Equipment		978	
Total Juvenile Services			194,308

Fire Prevention and Control

Board and Committee Members Fees	\$	2,150	
Social Security		133	
Employer Medicare		31	
Communication		2,141	
Contributions		1,500	
Licenses		366	
Maintenance and Repair Services - Equipment		6,669	
Maintenance and Repair Services - Vehicles		16,348	
Postal Charges		87	
Travel		4,831	
Other Contracted Services		6,767	
Diesel Fuel		22,852	
Equipment and Machinery Parts		550	
Food Preparation Supplies		30	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Food Supplies	\$	136	
Gasoline		12,497	
Uniforms		8,582	
Utilities		25,010	
Chemicals		661	
Other Supplies and Materials		15,128	
Liability Insurance		6,998	
Workers' Compensation Insurance		431	
Communication Equipment		4,985	
Other Equipment		11,767	
Total Fire Prevention and Control			\$ 150,650

Civil Defense

Assistant(s)	\$	624	
Supervisor/Director		68,797	
Secretary(ies)		40,359	
Other Salaries and Wages		36,064	
Social Security		8,685	
State Retirement		20,900	
Life Insurance		74	
Medical Insurance		19,155	
Employer Medicare		2,031	
Communication		5,179	
Contracts with Private Agencies		1,176	
Maintenance and Repair Services - Vehicles		875	
Rentals		80,329	
Other Contracted Services		2,413	
Gasoline		1,688	
Utilities		42,450	
Other Supplies and Materials		1,947	
Furniture and Fixtures		270	
Total Civil Defense			333,016

Other Emergency Management

Tuition	\$	5,261	
Other Supplies and Materials		30	
Communication Equipment		160,767	
Other Equipment		337,010	
Total Other Emergency Management			503,068

County Coroner/Medical Examiner

Medical and Dental Services	\$	218,220	
Other Contracted Services		12,940	
Premiums on Corporate Surety Bonds		2,210	
Total County Coroner/Medical Examiner			233,370

Public Health and Welfare

Local Health Center

Medical Personnel	\$	40,735	
Social Security		2,387	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

State Retirement	\$	2,849	
Life Insurance		25	
Medical Insurance		11,010	
Employer Medicare		558	
Communication		35,756	
Dues and Memberships		200	
Laundry Service		340	
Licenses		305	
Maintenance Agreements		4,642	
Maintenance and Repair Services - Buildings		3,434	
Maintenance and Repair Services - Equipment		1,649	
Pest Control		420	
Travel		427	
Disposal Fees		1,401	
Other Contracted Services		790	
Custodial Supplies		5,794	
Drugs and Medical Supplies		321	
Electricity		73,918	
Natural Gas		13,656	
Office Supplies		80	
Water and Sewer		3,706	
Other Supplies and Materials		646	
Boiler Insurance		342	
Total Local Health Center			\$ 205,391

Rabies and Animal Control

Supervisor/Director	\$	59,997
Clerical Personnel		29,264
Temporary Personnel		25,130
Part-time Personnel		158
Overtime Pay		23,557
Other Salaries and Wages		193,845
Board and Committee Members Fees		1,450
Social Security		19,432
State Retirement		39,623
Life Insurance		258
Medical Insurance		71,707
Unemployment Compensation		3,850
Employer Medicare		4,545
Communication		5,142
Legal Services		402
Licenses		1,154
Maintenance and Repair Services - Buildings		381
Maintenance and Repair Services - Equipment		25
Maintenance and Repair Services - Vehicles		4,123
Pest Control		240
Printing, Stationery, and Forms		1,291
Rentals		843
Travel		3,876
Tuition		830

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Veterinary Services	\$	3,124	
Other Contracted Services		15,382	
Animal Food and Supplies		5,869	
Custodial Supplies		6,295	
Drugs and Medical Supplies		4,978	
Electricity		20,718	
Gasoline		17,934	
Natural Gas		3,338	
Office Supplies		1,437	
Uniforms		2,712	
Water and Sewer		3,105	
Other Supplies and Materials		6,121	
Data Processing Equipment		5,205	
Other Equipment		40,438	
Other Capital Outlay		3,397	
Total Rabies and Animal Control			\$ 631,176

Ambulance/Emergency Medical Services

Assistant(s)	\$	63,608
Supervisor/Director		86,423
Captain(s)		311,386
Lieutenant(s)		355,413
Accountants/Bookkeepers		148,995
Medical Personnel		3,304,701
Part-time Personnel		419,759
Overtime Pay		35,104
Board and Committee Members Fees		2,600
Social Security		273,803
State Retirement		594,302
Life Insurance		3,023
Medical Insurance		929,272
Unemployment Compensation		3,729
Employer Medicare		64,150
Communication		44,543
Data Processing Services		9,841
Debt Collection Services		17,071
Dues and Memberships		930
Janitorial Services		5,200
Laundry Service		9,783
Legal Services		4,692
Licenses		6,412
Maintenance and Repair Services - Buildings		9,282
Maintenance and Repair Services - Equipment		75,896
Maintenance and Repair Services - Vehicles		165,068
Medical and Dental Services		2,590
Pest Control		1,512
Postal Charges		11,925
Printing, Stationery, and Forms		1,173
Rentals		4,328
Travel		5,445

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Tuition	\$	16,254	
Disposal Fees		4,545	
Other Contracted Services		9,329	
Custodial Supplies		7,837	
Data Processing Supplies		240	
Diesel Fuel		209,276	
Drugs and Medical Supplies		295,002	
Duplicating Supplies		945	
Electricity		45,742	
Food Supplies		533	
Gasoline		25,504	
Instructional Supplies and Materials		6,304	
Natural Gas		11,264	
Office Supplies		3,858	
Propane Gas		4,617	
Tires and Tubes		24,654	
Uniforms		17,148	
Water and Sewer		6,347	
Other Supplies and Materials		9,590	
Indirect Cost		5,910	
Building Improvements		4,771	
Furniture and Fixtures		2,207	
Other Equipment		3,394	
Total Ambulance/Emergency Medical Services			\$ 7,687,230

Other Local Health Services

Social Workers	\$	229,621	
Medical Personnel		608,079	
Clerical Personnel		465,742	
Educational Assistants		24,905	
Part-time Personnel		39,535	
Social Security		79,363	
State Retirement		174,334	
Life Insurance		1,123	
Medical Insurance		306,440	
Unemployment Compensation		1,652	
Employer Medicare		18,614	
Communication		3,080	
Licenses		498	
Maintenance and Repair Services - Buildings		156	
Maintenance and Repair Services - Equipment		25	
Pest Control		300	
Rentals		2,008	
Travel		11,594	
Electricity		8,260	
Natural Gas		2,203	
Office Supplies		1,151	
Water and Sewer		441	
Liability Insurance		28,080	
Total Other Local Health Services			2,007,204

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Contributions	\$ 7,000	
Total Regional Mental Health Center		\$ 7,000

Appropriation to State

Contributions	\$ 211,452	
Total Appropriation to State		211,452

Other Local Welfare Services

Contributions	\$ 16,000	
Pauper Burials	20,466	
Other Contracted Services	300	
Total Other Local Welfare Services		36,766

Other Public Health and Welfare

Contributions	\$ 10,000	
Medical and Dental Services	1,200	
Total Other Public Health and Welfare		11,200

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 1,743,903	
Total Libraries		1,743,903

Parks and Fair Boards

Assistant(s)	\$ 36,238	
Supervisor/Director	62,986	
Maintenance Personnel	73,684	
Temporary Personnel	30,677	
Social Security	12,118	
State Retirement	24,481	
Life Insurance	118	
Medical Insurance	26,640	
Unemployment Compensation	719	
Employer Medicare	2,834	
Communication	7,807	
Dues and Memberships	460	
Legal Services	88	
Postal Charges	53	
Rentals	205	
Travel	2,407	
Tuition	1,455	
Disposal Fees	1,816	
Other Contracted Services	13,775	
Custodial Supplies	3,018	
Electricity	31,402	
Gasoline	16,463	
Office Supplies	452	
Water and Sewer	7,442	
Other Supplies and Materials	24,976	
Maintenance Equipment	648	
Other Equipment	773	
Total Parks and Fair Boards		383,735

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Postal Charges	\$	64	
Gasoline		7,507	
Office Supplies		315	
Vehicle and Equipment Insurance		1,645	
Total Other Social, Cultural, and Recreational	\$		9,531

Agriculture and Natural Resources

Agriculture Extension Service

Assistant(s)	\$	35,054	
Salary Supplements		189,780	
Board and Committee Members Fees		600	
Social Security		7,703	
State Retirement		25,822	
Life Insurance		33	
Medical Insurance		35,204	
Unemployment Compensation		197	
Employer Medicare		2,740	
Communication		4,088	
Rentals		3,656	
Other Contracted Services		18,000	
Office Supplies		1,063	
Workers' Compensation Insurance		96	
Other Capital Outlay		9,000	
Total Agriculture Extension Service			333,036

Forest Service

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

Soil Conservation

Secretary(ies)	\$	25,210	
Social Security		1,563	
State Retirement		3,612	
Life Insurance		30	
Employer Medicare		366	
Other Contracted Services		1,782	
Other Supplies and Materials		18	
Total Soil Conservation			32,581

Other Operations

Tourism

Contracts with Government Agencies	\$	293,517	
Contracts with Other Public Agencies		880,550	
Total Tourism			1,174,067

Industrial Development

Contributions	\$	600,404	
Total Industrial Development			600,404

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Contributions	\$ 200,919	
Total Airport		\$ 200,919

Veterans' Services

Assistant(s)	\$ 132,603	
Supervisor/Director	51,634	
Secretary(ies)	55,148	
Temporary Personnel	8,033	
Board and Committee Members Fees	1,350	
Social Security	14,710	
State Retirement	33,162	
Life Insurance	200	
Medical Insurance	46,054	
Employer Medicare	3,440	
Communication	625	
Postal Charges	3,120	
Rentals	2,744	
Travel	5,799	
Other Contracted Services	6,033	
Electricity	50	
Food Supplies	607	
Library Books/Media	3,635	
Natural Gas	223	
Water and Sewer	456	
Other Supplies and Materials	2,949	
Furniture and Fixtures	1,326	
Total Veterans' Services		373,901

Other Charges

Contributions	\$ 50,732	
Legal Services	128,949	
Boiler Insurance	11,250	
Building and Contents Insurance	342,317	
Liability Insurance	3,920	
Trustee's Commission	739,017	
Total Other Charges		1,276,185

Contributions to Other Agencies

Contributions	\$ 145,047	
Dues and Memberships	26,255	
Total Contributions to Other Agencies		171,302

Employee Benefits

Handling Charges and Administrative Costs	\$ 39,441	
Medical Insurance	164,265	
Disability Insurance	170,012	
Other Fringe Benefits	24,526	
Total Employee Benefits		398,244

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Advertising	\$	325	
Contributions		250	
Travel		3,364	
Other Contracted Services		8,314	
Other Supplies and Materials		966	
Total Miscellaneous			\$ 13,219

Highways

Litter and Trash Collection

Deputy(ies)	\$	80,448	
Social Security		4,882	
State Retirement		11,528	
Life Insurance		59	
Medical Insurance		7,792	
Unemployment Compensation		56	
Employer Medicare		1,142	
Other Contracted Services		20,600	
Total Litter and Trash Collection			126,507

Total General Fund \$ 61,043,583

Drug Control Fund

Public Safety

Sheriff's Department

Tuition	\$	1,500	
Veterinary Services		633	
Animal Food and Supplies		423	
Law Enforcement Supplies		450	
Trustee's Commission		35	
Law Enforcement Equipment		6,548	
Other Equipment		8,000	
Total Sheriff's Department			\$ 17,589

Total Drug Control Fund 17,589

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	43,693	
Total Chancery Court			\$ 43,693

Total Constitutional Officers - Fees Fund 43,693

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	95,076	
Assistant(s)		60,356	
Accountants/Bookkeepers		40,388	
Secretary(ies)		34,105	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Clerical Personnel	\$	34,070	
Overtime Pay		799	
Board and Committee Members Fees		3,600	
Social Security		15,692	
State Retirement		37,945	
Life Insurance		152	
Medical Insurance		53,498	
Employer Medicare		3,670	
Dues and Memberships		4,134	
Rentals		3,449	
Travel		441	
Other Contracted Services		4,350	
Drugs and Medical Supplies		1,807	
Office Supplies		1,588	
Other Supplies and Materials		2,934	
Total Administration			\$ 398,054

Highway and Bridge Maintenance

Foremen	\$	402,801	
Mechanic(s)		108,862	
Equipment Operators - Heavy		483,286	
Equipment Operators - Light		179,855	
Truck Drivers		477,752	
Laborers		96,393	
Temporary Personnel		15,490	
Overtime Pay		43,511	
Social Security		105,230	
State Retirement		244,232	
Life Insurance		1,520	
Medical Insurance		462,442	
Employer Medicare		24,610	
Rentals		10,767	
Other Contracted Services		3,308	
Asphalt - Hot Mix		1,072,550	
Asphalt - Liquid		25,204	
Concrete		3,917	
Crushed Stone		51,283	
Fertilizer, Lime, and Seed		2,211	
Pipe - Metal		25,558	
Salt		32,950	
Structural Steel		3,365	
Other Supplies and Materials		5,236	
Total Highway and Bridge Maintenance			3,882,333

Operation and Maintenance of Equipment

Foremen	\$	48,966	
Mechanic(s)		188,560	
Truck Drivers		29,466	
Clerical Personnel		32,231	
Overtime Pay		6,130	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Social Security	\$	17,588	
State Retirement		43,757	
Life Insurance		242	
Medical Insurance		80,729	
Employer Medicare		4,113	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		16,211	
Maintenance and Repair Services - Vehicles		21,203	
Other Contracted Services		5,857	
Diesel Fuel		189,732	
Equipment and Machinery Parts		156,614	
Garage Supplies		1,009	
Gasoline		165,267	
Lubricants		21,734	
Small Tools		8,070	
Tires and Tubes		64,978	
Vehicle Parts		57,336	
Other Supplies and Materials		33,139	
Total Operation and Maintenance of Equipment			\$ 1,193,812

Traffic Control

Foremen	\$	22,209	
Equipment Operators - Heavy		69,044	
Laborers		51,935	
Overtime Pay		3,456	
Social Security		8,831	
State Retirement		18,429	
Life Insurance		132	
Medical Insurance		19,820	
Employer Medicare		2,065	
Operating Lease Payments		395	
Maintenance and Repair Services - Equipment		168	
Other Contracted Services		11,395	
Electricity		25,698	
Road Signs		36,187	
Small Tools		1,452	
Uniforms		1,050	
Other Supplies and Materials		151,973	
Total Traffic Control			424,239

Other Charges

Communication	\$	8,565	
Licenses		522	
Other Contracted Services		4,317	
Electricity		23,487	
Natural Gas		2,636	
Water and Sewer		3,267	
Building and Contents Insurance		221,230	
Indirect Cost		9,050	
Premiums on Corporate Surety Bonds		1,190	
Trustee's Commission		107,636	
Total Other Charges			381,900

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Medical Insurance	\$ 55,474	
Total Employee Benefits		\$ 55,474

Capital Outlay

Engineering Services	\$ 1,288	
Bridge Construction	11,668	
Building Construction	40,365	
Building Improvements	11	
Communication Equipment	1,874	
Data Processing Equipment	395	
Furniture and Fixtures	1,348	
Highway Equipment	12,925	
Motor Vehicles	106,133	
Office Equipment	439	
State Aid Projects	460,995	
Other Equipment	2,835	
Total Capital Outlay		<u>640,276</u>

Total Highway/Public Works Fund \$ 6,976,088

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 5,679,134	
Principal on Notes	62,737	
Total General Government		\$ 5,741,871

Education

Principal on Bonds	\$ 13,915,866	
Principal on Other Loans	1,580,052	
Total Education		15,495,918

Interest on Debt

General Government

Interest on Bonds	\$ 4,285,444	
Interest on Notes	3,821	
Total General Government		4,289,265

Education

Interest on Bonds	\$ 9,978,416	
Interest on Other Loans	307,613	
Total Education		10,286,029

Other Debt Service

General Government

Trustee's Commission	\$ 172,866	
Underwriter's Discount	248,609	
Other Debt Issuance Charges	238,076	
Other Debt Service	70,368	
Total General Government		729,919

(Continued)

Exhibit L-7

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Trustee's Commission	\$	528,639	
Other Debt Service		41,867	
Total Education			\$ 570,506

Total General Debt Service Fund \$ 37,113,508

General Capital Projects Fund

Capital Projects

General Administration Projects

Contracts with Private Agencies	\$	44	
Other Contracted Services		160	
Trustee's Commission		23,646	
Underwriter's Discount		97,384	
Building Construction		139,450	
Building Improvements		35,330	
Data Processing Equipment		170,508	
Heating and Air Conditioning Equipment		223,052	
Other Construction		198,335	
Total General Administration Projects			\$ 887,909

Public Safety Projects

Building Improvements	\$	71,250	
Communication Equipment		60,880	
Motor Vehicles		467,413	
Other Equipment		256,752	
Other Capital Outlay		21,518	
Total Public Safety Projects			877,813

Public Health and Welfare Projects

Advertising	\$	342	
Architects		58,956	
Contributions		698,560	
Building Construction		39,546	
Building Improvements		123,129	
Communication Equipment		25,922	
Data Processing Equipment		6,265	
Furniture and Fixtures		2,167	
Motor Vehicles		551,087	
Health Equipment		117,478	
Other Capital Outlay		1,404,755	
Total Public Health and Welfare Projects			3,028,207

Social, Cultural, and Recreation Projects

Architects	\$	348,269	
Building Construction		111,706	
Building Improvements		638,760	
Furniture and Fixtures		42,061	
Land		135,021	
Maintenance Equipment		34,940	
Motor Vehicles		33,400	

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects (Cont.)

Site Development	\$	15,030	
Other Equipment		34,284	
Other Construction		100	
Other Capital Outlay		39,682	
Total Social, Cultural, and Recreation Projects			\$ 1,433,253

Other General Government Projects

Building Improvements	\$	474,563	
Data Processing Equipment		222,600	
Other Capital Outlay		169,640	
Total Other General Government Projects			866,803

Highway and Street Capital Projects

Engineering Services	\$	59,092	
Total Highway and Street Capital Projects			59,092

Education Capital Projects

Contributions	\$	22,817,312	
Total Education Capital Projects			22,817,312

Total General Capital Projects Fund \$ 29,970,389

Total Governmental Funds - Primary Government \$ 135,164,850

Exhibit L-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	70,399,242	
Career Ladder Program		360,570	
Career Ladder Extended Contracts		121,522	
Homebound Teachers		140,610	
Educational Assistants		1,143,442	
Social Security		4,281,915	
State Retirement		6,462,707	
Life Insurance		95,603	
Medical Insurance		12,723,350	
Employer Medicare		1,001,693	
Maintenance and Repair Services - Equipment		12,600	
Transportation - Other than Students		235	
Travel		17,652	
Tuition		174,696	
Contracts for Substitute Teachers - Certified		1,154,737	
Contracts for Substitute Teachers - Non-certified		622,407	
Other Contracted Services		196,096	
Basic Skills Materials		35,545	
Instructional Supplies and Materials		775,119	
Textbooks		2,693,674	
Fee Waivers		396,425	
Regular Instruction Equipment		32,265	
Total Regular Instruction Program			\$ 102,842,105

Alternative Instruction Program

Teachers	\$	771,017	
Career Ladder Program		5,000	
Educational Assistants		11,033	
Social Security		47,111	
State Retirement		69,881	
Life Insurance		855	
Medical Insurance		101,604	
Employer Medicare		11,018	
Contracts for Substitute Teachers - Certified		8,251	
Contracts for Substitute Teachers - Non-certified		17,048	
Instructional Supplies and Materials		2,738	
Total Alternative Instruction Program			1,045,556

Special Education Program

Teachers	\$	11,334,509	
Career Ladder Program		61,100	
Homebound Teachers		112,412	
Educational Assistants		2,327,180	
Speech Pathologist		933,955	
Overtime Pay		90	
Social Security		870,693	
State Retirement		1,387,191	
Life Insurance		21,762	
Medical Insurance		2,770,031	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	203,608	
Contracts with Private Agencies		905,347	
Travel		74	
Contracts for Substitute Teachers - Certified		152,889	
Contracts for Substitute Teachers - Non-certified		93,153	
Other Contracted Services		141,828	
Instructional Supplies and Materials		75,748	
Special Education Equipment		8,461	
Total Special Education Program			\$ 21,400,031

Vocational Education Program

Teachers	\$	3,294,930	
Career Ladder Program		11,990	
Salary Supplements		31,052	
Social Security		198,390	
State Retirement		296,639	
Life Insurance		4,279	
Medical Insurance		572,558	
Employer Medicare		46,398	
Maintenance and Repair Services - Equipment		783	
Travel		88	
Contracts for Substitute Teachers - Certified		31,756	
Contracts for Substitute Teachers - Non-certified		36,560	
Instructional Supplies and Materials		154,848	
T&I Construction Materials		140,000	
Vocational Instruction Equipment		9,741	
Total Vocational Education Program			4,830,012

Support Services

Attendance

Supervisor/Director	\$	131,943	
Career Ladder Program		5,000	
Pupil Personnel		375,143	
Secretary(ies)		63,357	
Temporary Personnel		2,188	
Social Security		34,049	
State Retirement		54,552	
Life Insurance		607	
Medical Insurance		89,702	
Employer Medicare		7,995	
Dues and Memberships		85	
Travel		7,024	
Office Supplies		3,861	
In Service/Staff Development		4,685	
Total Attendance			780,191

Health Services

Medical Personnel	\$	789,013	
Temporary Personnel		18,897	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Overtime Pay	\$	264	
Social Security		46,482	
State Retirement		104,058	
Life Insurance		1,356	
Medical Insurance		162,129	
Employer Medicare		10,871	
Other Contracted Services		630	
Other Supplies and Materials		15,106	
Health Equipment		12,575	
Total Health Services			\$ 1,161,381

Other Student Support

Career Ladder Program	\$	24,000	
Guidance Personnel		3,361,812	
Career Ladder Extended Contracts		3,832	
Social Workers		169,696	
Salary Supplements		1,255,214	
Clerical Personnel		271,709	
Educational Assistants		138,831	
Overtime Pay		134	
Other Salaries and Wages		24,051	
Social Security		312,412	
State Retirement		469,342	
Life Insurance		5,304	
Medical Insurance		810,827	
Employer Medicare		73,092	
Evaluation and Testing		180,685	
Other Contracted Services		16,783	
Total Other Student Support			7,117,724

Regular Instruction Program

Supervisor/Director	\$	1,113,337	
Career Ladder Program		51,219	
Librarians		2,246,728	
Salary Supplements		167,942	
Secretary(ies)		68,687	
Clerical Personnel		28,746	
Educational Assistants		656,419	
Overtime Pay		117	
Other Salaries and Wages		1,294,677	
In-Service Training		11,916	
Social Security		333,869	
State Retirement		541,056	
Life Insurance		6,182	
Medical Insurance		911,653	
Employer Medicare		78,341	
Dues and Memberships		26,619	
Travel		11,567	
Other Contracted Services		125,604	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Gasoline	\$	3,860	
Library Books/Media		156,290	
Office Supplies		13,895	
Periodicals		36,337	
Other Supplies and Materials		416,696	
In Service/Staff Development		171,715	
Other Charges		19,073	
Total Regular Instruction Program			\$ 8,492,545

Alternative Instruction Program

Clerical Personnel	\$	20,490	
Social Security		1,055	
State Retirement		2,936	
Life Insurance		40	
Medical Insurance		12,887	
Employer Medicare		247	
Total Alternative Instruction Program			37,655

Special Education Program

Supervisor/Director	\$	103,572	
Career Ladder Program		7,000	
Psychological Personnel		711,056	
Secretary(ies)		50,654	
Other Salaries and Wages		581,790	
Social Security		86,819	
State Retirement		135,662	
Life Insurance		1,375	
Medical Insurance		217,077	
Employer Medicare		20,304	
Dues and Memberships		1,227	
Travel		14,926	
Office Supplies		6,348	
Other Supplies and Materials		58,635	
In Service/Staff Development		10,924	
Total Special Education Program			2,007,369

Vocational Education Program

Supervisor/Director	\$	65,033	
Secretary(ies)		12,680	
Social Security		4,624	
State Retirement		5,812	
Life Insurance		78	
Medical Insurance		16,983	
Employer Medicare		1,081	
Office Supplies		298	
Total Vocational Education Program			106,589

Adult Programs

Supervisor/Director	\$	35,956	
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(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Career Ladder Program	\$	1,000	
Guidance Personnel		25,200	
Other Salaries and Wages		52,959	
Social Security		7,115	
State Retirement		7,985	
Life Insurance		202	
Employer Medicare		1,664	
Total Adult Programs			\$ 132,081

Other Programs

On-Behalf Payments to OPEB	\$	103,452	
Total Other Programs			103,452

Board of Education

Secretary to Board	\$	25,951	
Board and Committee Members Fees		23,950	
Social Security		3,007	
State Retirement		3,719	
Life Insurance		31	
Medical Insurance		5,804	
Employer Medicare		704	
Dues and Memberships		32,190	
Legal Services		107,952	
Liability Insurance		35,531	
In Service/Staff Development		16,282	
Other Charges		2,307	
Total Board of Education			257,428

Director of Schools

County Official/Administrative Officer	\$	173,278	
Education Media Personnel		82,462	
Secretary(ies)		25,951	
Clerical Personnel		151,919	
Temporary Personnel		1,145	
Other Salaries and Wages		147,917	
Social Security		32,526	
State Retirement		72,502	
Life Insurance		496	
Medical Insurance		94,766	
Employer Medicare		8,035	
Advertising		500	
Dues and Memberships		6,100	
Postal Charges		35,831	
Travel		2,304	
Other Contracted Services		48,458	
Duplicating Supplies		38,640	
Food Supplies		2,052	
Office Supplies		8,914	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Periodicals	\$	270	
Other Supplies and Materials		4,796	
In Service/Staff Development		21,271	
Other Equipment		11,945	
Total Director of Schools			\$ 972,078

Office of the Principal

Principals	\$	3,238,634	
Career Ladder Program		48,499	
Accountants/Bookkeepers		1,339,741	
Career Ladder Extended Contracts		8,280	
Assistant Principals		4,165,765	
Clerical Personnel		2,013,772	
Temporary Personnel		3,488	
Overtime Pay		187	
Social Security		641,430	
State Retirement		1,128,520	
Life Insurance		11,228	
Medical Insurance		2,027,201	
Employer Medicare		150,014	
Dues and Memberships		8,250	
Other Contracted Services		2,844	
In Service/Staff Development		36,000	
Administration Equipment		22,089	
Total Office of the Principal			14,845,942

Fiscal Services

Supervisor/Director	\$	429,983	
Accountants/Bookkeepers		564,577	
Temporary Personnel		7,284	
Overtime Pay		285	
Other Salaries and Wages		374,141	
Social Security		80,472	
State Retirement		191,086	
Life Insurance		1,249	
Medical Insurance		239,268	
Employer Medicare		18,868	
Audit Services		63,000	
Bank Charges		8,437	
Dues and Memberships		1,061	
Laundry Service		2,144	
Maintenance and Repair Services - Equipment		1,590	
Travel		861	
Other Contracted Services		95,794	
Gasoline		15,381	
Office Supplies		20,820	
Other Supplies and Materials		1,604	
Premiums on Corporate Surety Bonds		1,576	
Trustee's Commission		1,250,979	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Liability Claims	\$	189,540	
Other Self-Insured Claims		34,837	
In Service/Staff Development		15,950	
Other Charges		240,705	
Total Fiscal Services			\$ 3,851,492

Human Services/Personnel

Supervisor/Director	\$	478,768	
Secretary(ies)		479,068	
Temporary Personnel		240	
Overtime Pay		5,449	
Other Salaries and Wages		46,060	
Other Per Diem and Fees		6,000	
Social Security		60,497	
State Retirement		130,992	
Life Insurance		831	
Medical Insurance		138,375	
Disability Insurance		435,567	
Unemployment Compensation		68,939	
Employer Medicare		14,152	
Other Fringe Benefits		550,522	
Advertising		5,335	
Dues and Memberships		2,080	
Travel		15,940	
Other Contracted Services		36,981	
Office Supplies		10,726	
Other Supplies and Materials		21,724	
Workers' Compensation Insurance		147,086	
In Service/Staff Development		41,367	
Criminal Investigation of Applicants - TBI		42,054	
Administration Equipment		425	
Total Human Services/Personnel			2,739,178

Operation of Plant

Supervisor/Director	\$	235,092	
Salary Supplements		30,000	
Foremen		34,194	
Secretary(ies)		22,181	
Custodial Personnel		4,160,011	
Overtime Pay		5,831	
Social Security		260,325	
State Retirement		602,367	
Life Insurance		6,684	
Medical Insurance		1,389,210	
Employer Medicare		60,882	
Dues and Memberships		150	
Evaluation and Testing		9,162	
Laundry Service		65,146	
Licenses		5,079	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Contracted Services	\$	403,196	
Custodial Supplies		343,901	
Electricity		5,388,147	
Fertilizer, Lime, and Seed		35,000	
Fuel Oil		19,568	
Natural Gas		448,016	
Office Supplies		4,664	
Water and Sewer		636,791	
Gravel and Chert		15,750	
Other Supplies and Materials		39,835	
Building and Contents Insurance		761,847	
In Service/Staff Development		2,384	
Furniture and Fixtures		38,485	
Plant Operation Equipment		33,342	
Total Operation of Plant			\$ 15,057,240

Maintenance of Plant

Supervisor/Director	\$	75,664	
Foremen		55,890	
Secretary(ies)		60,178	
Maintenance Personnel		1,988,886	
Overtime Pay		1,639	
Social Security		128,398	
State Retirement		301,793	
Life Insurance		2,312	
Medical Insurance		522,856	
Employer Medicare		30,029	
Dues and Memberships		50	
Laundry Service		12,516	
Maintenance and Repair Services - Equipment		346,546	
Maintenance and Repair Services - Vehicles		635	
Other Contracted Services		84,304	
Gasoline		214,187	
Lubricants		3,588	
Office Supplies		2,222	
Tires and Tubes		14,580	
Vehicle Parts		39,438	
Chemicals		40,254	
Other Supplies and Materials		727,947	
Vehicle and Equipment Insurance		19,131	
In Service/Staff Development		2,379	
Maintenance Equipment		48,662	
Total Maintenance of Plant			4,724,084

Central and Other

Supervisor/Director	\$	274,128	
Computer Programmer(s)		274,496	
Instructional Computer Personnel		949,025	
Salary Supplements		12,148	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Secretary(ies)	\$	27,501	
Overtime Pay		130	
Other Salaries and Wages		585,796	
Social Security		127,152	
State Retirement		270,719	
Life Insurance		1,849	
Medical Insurance		293,781	
Employer Medicare		29,737	
Communication		827,577	
Dues and Memberships		1,445	
Travel		29,833	
Other Contracted Services		1,760,532	
Data Processing Supplies		793,573	
Office Supplies		1,171	
Other Supplies and Materials		72,925	
In Service/Staff Development		25,219	
Data Processing Equipment		236,785	
Other Equipment		2,815,960	
Total Central and Other			\$ 9,411,482

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	986,090	
Educational Assistants		332,312	
Overtime Pay		90	
Other Salaries and Wages		86,758	
Social Security		81,674	
State Retirement		142,543	
Life Insurance		2,135	
Medical Insurance		340,804	
Employer Medicare		19,145	
Travel		752	
Contracts for Substitute Teachers - Certified		9,942	
Contracts for Substitute Teachers - Non-certified		11,092	
Other Contracted Services		12,996	
Instructional Supplies and Materials		5,830	
In Service/Staff Development		14,764	
Total Early Childhood Education			2,046,927

Interest on Debt

Education

Interest on Notes	\$	14,625	
Total Education			14,625

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	493,452	
Total Education			493,452

Total General Purpose School Fund \$ 204,470,619

(Continued)

Exhibit L-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,514,197	
Salary Supplements		1,795,110	
Educational Assistants		411,430	
Overtime Pay		29	
Other Salaries and Wages		66,035	
Social Security		287,898	
State Retirement		441,442	
Life Insurance		4,174	
Medical Insurance		485,711	
Employer Medicare		67,331	
Contracts for Substitute Teachers - Certified		98,918	
Contracts for Substitute Teachers - Non-certified		70,176	
Other Contracted Services		486,848	
Instructional Supplies and Materials		596,586	
Regular Instruction Equipment		313,917	
Total Regular Instruction Program	\$		7,639,802

Special Education Program

Teachers	\$	232,757	
Educational Assistants		1,700,689	
Overtime Pay		104	
Social Security		111,166	
State Retirement		249,231	
Life Insurance		4,190	
Medical Insurance		422,773	
Employer Medicare		25,999	
Contracts for Substitute Teachers - Certified		17,291	
Contracts for Substitute Teachers - Non-certified		2,379	
Other Contracted Services		188,664	
Instructional Supplies and Materials		100,363	
Other Supplies and Materials		116,226	
Other Charges		9,751	
Special Education Equipment		37,650	
Total Special Education Program			3,219,233

Vocational Education Program

Teachers	\$	49,905	
Social Security		3,001	
State Retirement		4,432	
Life Insurance		62	
Medical Insurance		5,921	
Employer Medicare		702	
Maintenance and Repair Services - Equipment		167	
Instructional Supplies and Materials		35,090	
Other Supplies and Materials		4,790	
Other Charges		9,941	
Vocational Instruction Equipment		152,368	
Total Vocational Education Program			266,379

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	53,632	
Social Security		2,607	
State Retirement		751	
Employer Medicare		777	
Other Contracted Services		1,177	
Instructional Supplies and Materials		23,491	
Regular Instruction Equipment		2,950	
Total Adult Education Program			\$ 85,385

Support Services

Other Student Support

Guidance Personnel	\$	44,477	
Social Workers		25,681	
Other Salaries and Wages		132,655	
Social Security		8,189	
State Retirement		13,247	
Life Insurance		218	
Medical Insurance		29,071	
Employer Medicare		2,776	
Travel		56,000	
Other Contracted Services		12,494	
Other Supplies and Materials		46,718	
In Service/Staff Development		66,847	
Other Charges		56,944	
Other Equipment		2,183	
Total Other Student Support			497,500

Regular Instruction Program

Supervisor/Director	\$	146,833	
Secretary(ies)		12,165	
Clerical Personnel		21,167	
Other Salaries and Wages		1,390,327	
Social Security		93,653	
State Retirement		142,487	
Life Insurance		1,270	
Medical Insurance		216,652	
Employer Medicare		22,000	
Communication		720	
Consultants		2,989	
Dues and Memberships		169	
Travel		10,525	
Other Contracted Services		414,210	
Library Books/Media		198,969	
Other Supplies and Materials		31,379	
In Service/Staff Development		269,111	
Other Charges		26,800	
Total Regular Instruction Program			3,001,426

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	137,883	
Secretary(ies)		35,610	
Clerical Personnel		47,616	
Other Salaries and Wages		483,824	
Social Security		41,820	
State Retirement		67,128	
Life Insurance		727	
Medical Insurance		103,292	
Employer Medicare		9,781	
Travel		12,986	
Other Contracted Services		6,852	
Other Supplies and Materials		2,517	
In Service/Staff Development		20,548	
Other Charges		29	
Total Special Education Program			\$ 970,613

Vocational Education Program

Travel	\$	188	
In Service/Staff Development		3,417	
Total Vocational Education Program			3,605

Adult Programs

Supervisor/Director	\$	35,956	
Clerical Personnel		28,101	
Other Salaries and Wages		31,658	
Social Security		5,604	
State Retirement		11,756	
Medical Insurance		17,529	
Employer Medicare		1,311	
Office Supplies		1,982	
In Service/Staff Development		3,697	
Total Adult Programs			137,594

Office of the Principal

Assistant Principals	\$	74,413	
Social Security		4,353	
State Retirement		6,608	
Life Insurance		62	
Medical Insurance		13,899	
Employer Medicare		1,018	
Total Office of the Principal			100,353

Operation of Plant

Communication	\$	14,000	
Other Contracted Services		1,200	
Other Equipment		85,525	
Total Operation of Plant			100,725

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	94,422	
Social Security		5,635	
State Retirement		12,107	
Life Insurance		72	
Medical Insurance		1,879	
Employer Medicare		1,318	
Contracts with Parents		179	
Gasoline		26,593	
Lubricants		950	
Vehicle Parts		2,800	
Other Charges		13,622	
Total Transportation			\$ 159,577

Total School Federal Projects Fund \$ 16,182,192

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	172,588	
Salary Supplements		50,770	
Truck Drivers		74,086	
Secretary(ies)		112,529	
Cafeteria Personnel		3,149,399	
Custodial Personnel		206,688	
Overtime Pay		150,315	
Other Salaries and Wages		271,629	
Social Security		243,208	
State Retirement		562,095	
Life Insurance		8,174	
Medical Insurance		1,097,104	
Employer Medicare		56,879	
Bank Charges		1,105	
Dues and Memberships		9,365	
Laundry Service		57,735	
Licenses		2,880	
Printing, Stationery, and Forms		2,792	
Travel		8,139	
Other Contracted Services		463,104	
Equipment and Machinery Parts		88,011	
Food Supplies		5,971,322	
Gasoline		20,009	
Lubricants		210	
Office Supplies		37,419	
Uniforms		10,143	
Utilities		250,000	
Vehicle Parts		2,580	
USDA - Commodities		662,827	
Other Supplies and Materials		516,390	
Workers' Compensation Insurance		1,519	

(Continued)

Exhibit L-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

In Service/Staff Development	\$	24,751	
Food Service Equipment		572,386	
Total Food Service			\$ 14,858,151

Total Central Cafeteria Fund \$ 14,858,151

School Transportation Fund

Support Services

Fiscal Services

Trustee's Commission	\$	37,689	
Total Fiscal Services			\$ 37,689

Transportation

Supervisor/Director	\$	197,831	
Salary Supplements		17,325	
Mechanic(s)		590,300	
Bus Drivers		3,981,500	
Dispatchers/Radio Operators		172,551	
Secretary(ies)		118,458	
Temporary Personnel		199,354	
Overtime Pay		13,146	
Other Salaries and Wages		932,176	
Social Security		364,206	
State Retirement		820,291	
Life Insurance		13,166	
Medical Insurance		1,646,254	
Employer Medicare		85,336	
Dues and Memberships		250	
Laundry Service		7,084	
Licenses		4,281	
Maintenance and Repair Services - Equipment		13,205	
Maintenance and Repair Services - Vehicles		14,538	
Medical and Dental Services		49,380	
Transportation - Other than Students		151,200	
Other Contracted Services		35,367	
Garage Supplies		7,164	
Gasoline		1,257,274	
Lubricants		24,158	
Office Supplies		15,590	
Tires and Tubes		83,136	
Vehicle Parts		400,802	
Other Supplies and Materials		7,485	
Vehicle and Equipment Insurance		46,363	
In Service/Staff Development		20,320	
Communication Equipment		49,429	
Transportation Equipment		56,536	
Total Transportation			11,395,456

Total School Transportation Fund 11,433,145

(Continued)

Exhibit L-8

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

<u>Extended School Program Fund</u>		
<u>Instruction</u>		
<u>Regular Instruction Program</u>		
Teachers	\$	36,054
Educational Assistants		8,543
Social Security		2,765
State Retirement		4,426
Employer Medicare		647
Other Contracted Services		3,163
Total Regular Instruction Program	\$	55,598
<u>Support Services</u>		
<u>Office of the Principal</u>		
Assistant Principals	\$	20,250
Social Security		1,256
State Retirement		1,798
Employer Medicare		294
Total Office of the Principal		23,598
<u>Fiscal Services</u>		
Trustee's Commission	\$	1,298
Total Fiscal Services		1,298
<u>Operation of Plant</u>		
Custodial Personnel	\$	3,923
Social Security		243
State Retirement		562
Employer Medicare		57
Total Operation of Plant		4,785
Total Extended School Program Fund	\$	85,279
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	390,559
Engineering Services		50,215
Other Contracted Services		2,200
Building Construction		19,819,732
Building Improvements		1,943,413
Data Processing Equipment		443,064
Land		324,798
Plant Operation Equipment		807,661
Regular Instruction Equipment		224,455
Site Development		582,064
Transportation Equipment		370,425
Total Education Capital Projects	\$	24,958,586
Total Education Capital Projects Fund		24,958,586
Total Governmental Funds - Clarksville-Montgomery County School System	\$	271,987,972

Exhibit L-9

Montgomery County, Tennessee
 Schedule of Detailed Revenues and Expenses
 All Proprietary Funds
 For the Year Ended June 30, 2013

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Revenues</u>				
<u>Operating Revenues</u>				
<u>Charges for Current Services</u>				
Self-Insurance Premiums/Contributions	\$ 42,537,395	\$ 0	\$ 124,939	\$ 42,662,334
Other Employee Benefit Charges	3,006,747	0	0	3,006,747
Other Charges for Services	55,316	0	0	55,316
Retirees' Insurance Payments	1,727,465	0	0	1,727,465
Total Operating Revenues	\$ 47,326,923	\$ 0	\$ 124,939	\$ 47,451,862
<u>Nonoperating Revenues</u>				
Investment Income	\$ 81,794	\$ 1,841	\$ 254	\$ 83,889
Miscellaneous Refunds	890,807	1,358	0	892,165
Total Nonoperating Revenues	\$ 972,601	\$ 3,199	\$ 254	\$ 976,054
Total Revenues	\$ 48,299,524	\$ 3,199	\$ 125,193	\$ 48,427,916
<u>Expenses</u>				
<u>Operating Expenses</u>				
<u>Personnel Office</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 6,875	\$ 6,875
Total Other Facilities	\$ 0	\$ 0	\$ 6,875	\$ 6,875
<u>Risk Management</u>				
Supervisor/Director	\$ 0	\$ 45,965	\$ 0	\$ 45,965
Clerical Personnel	0	32,677	0	32,677
Social Security	0	4,581	0	4,581
State Retirement	0	11,677	0	11,677
Life Insurance	0	59	0	59
Medical Insurance	0	19,703	0	19,703
Employer Medicare	0	1,071	0	1,071
Communication	0	436	0	436
Consultants	0	12,300	0	12,300
Contracts with Private Agencies	0	75,195	0	75,195
Dues and Memberships	0	140	0	140
Legal Services	0	1,534	0	1,534
Medical and Dental Services	0	187,143	0	187,143
Printing, Stationery, and Forms	0	178	0	178
Travel	0	1,984	0	1,984
Tuition	0	381	0	381
Drug and Medical Supplies	0	14,582	0	14,582
Instructional Supplies and Materials	0	1,866	0	1,866
Library Books/Media	0	199	0	199
Other Supplies and Materials	0	764	0	764
Communication Equipment	0	248	0	248
Furniture and Fixtures	0	80	0	80
Total Risk Management	\$ 0	\$ 412,763	\$ 0	\$ 412,763

(Continued)

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds (Cont.)

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Expenses (Cont.)</u>				
<u>Property Assessor's Office</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 3,146	\$ 3,146
Total Property Assessor's Office	\$ 0	\$ 0	\$ 3,146	\$ 3,146
<u>Circuit Court</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 3,850	\$ 3,850
Total Circuit Court	\$ 0	\$ 0	\$ 3,850	\$ 3,850
<u>Probation Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 8,635	\$ 8,635
Total Probation Services	\$ 0	\$ 0	\$ 8,635	\$ 8,635
<u>Jail</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 10,170	\$ 10,170
Total Jail	\$ 0	\$ 0	\$ 10,170	\$ 10,170
<u>Rabies and Animal Control</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 3,850	\$ 3,850
Total Rabies and Animal Control	\$ 0	\$ 0	\$ 3,850	\$ 3,850
<u>Ambulance/Emergency Medical Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 3,729	\$ 3,729
Total Ambulance/Emergency Medical Services	\$ 0	\$ 0	\$ 3,729	\$ 3,729
<u>Other Local Health Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 1,652	\$ 1,652
Total Other Local Health Services	\$ 0	\$ 0	\$ 1,652	\$ 1,652
<u>Landfill Operation and Maintenance</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 2,726	\$ 2,726
Total Landfill Operation and Maintenance	\$ 0	\$ 0	\$ 2,726	\$ 2,726
<u>Parks and Fair Boards</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 719	\$ 719
Total Parks and Fair Boards	\$ 0	\$ 0	\$ 719	\$ 719
<u>Other Charges</u>				
Medical Personnel	\$ 9,901	\$ 0	\$ 0	\$ 9,901
Social Security	602	0	0	602
State Retirement	1,419	0	0	1,419
Life Insurance	6	0	0	6
Medical Insurance	695	0	0	695
Employer Medicare	141	0	0	141
Other Contracted Services	1,141,557	0	0	1,141,557
Other Supplies and Materials	137,612	0	0	137,612
Depreciation	991	0	0	991
Other Charges	31,625	0	0	31,625
Total Other Charges	\$ 1,324,549	\$ 0	\$ 0	\$ 1,324,549

(Continued)

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds (Cont.)

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	
<u>Expenses (Cont.)</u>				
<u>Employee Benefits</u>				
Life Insurance	\$ 260,157	\$ 0	\$ 0	\$ 260,157
Medical and Dental Services	2,147,649	0	0	2,147,649
Excess Risk Insurance	526,010	0	0	526,010
Medical Claims	33,163,123	0	0	33,163,123
Unemployment Compensation	0	0	2,520	2,520
Contracts with Private Agencies	1,804,375	0	0	1,804,375
Other Contracted Services	580,002	0	0	580,002
Other Supplies and Materials	11,441	0	0	11,441
Other Charges	226,567	0	0	226,567
Other Self-Insured Claims	2,817	0	0	2,817
Total Employee Benefits	<u>\$ 38,722,141</u>	<u>\$ 0</u>	<u>\$ 2,520</u>	<u>\$ 38,724,661</u>
<u>Other</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 72,092	\$ 72,092
Total Other	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,092</u>	<u>\$ 72,092</u>
Total Expenses	<u>\$ 40,046,690</u>	<u>\$ 412,763</u>	<u>\$ 119,964</u>	<u>\$ 40,579,417</u>

Exhibit L-10

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 13,594,753
Total Cash Receipts	<u>\$ 13,594,753</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 13,458,805
Trustee's Commission	135,948
Total Cash Disbursements	<u>\$ 13,594,753</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2012	<u>0</u>
 Cash Balance, June 30, 2013	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements, and have issued our report thereon dated January 31, 2014. Our report includes a reference to other auditors who audited the financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, the Clarksville-Montgomery County Public Library, and the Clarksville-Montgomery County Tourism Commission, as described in our report on Montgomery County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of

expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Montgomery County's internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery County's internal control.

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

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

Compliance and Other Matters

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

Montgomery County's Responses to Findings

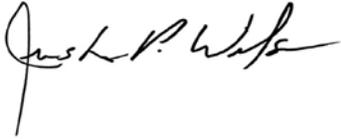
Montgomery County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Montgomery County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express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

Purpose of this Report

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

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

Very truly yours,

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
Nashville, Tennessee

January 31, 2014

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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NASHVILLE, TENNESSEE 37243-1402
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

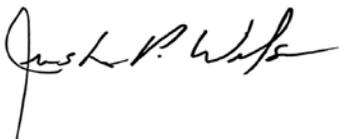
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements. We issued our report thereon dated January 31, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 31, 2014

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Rural Business Enterprise Grant	10.769	N/A	\$ 9,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	662,827 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	2,567,457
National School Lunch Program	10.555	(2)	6,051,761 (3)
Total U.S. Department of Agriculture			<u>\$ 9,291,045</u>
U.S. Department of Defense:			
Direct Program:			
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	\$ 346,167
Passed-through the Army Morale Welfare and Recreation Fund:			
Army Youth Programs in Your Neighborhood	12.XXX	(2)	2,157,618
Total U.S. Department of Defense			<u>\$ 2,503,785</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	\$ 183,352
Total U.S. Department of Housing and Urban Development			<u>\$ 183,352</u>
U.S. Department of Justice:			
Direct Program:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 8,000
State Criminal Alien Assistance Program	16.606	N/A	33,508
Bulletproof Vest Partnership Program	16.607	N/A	9,701
Passed-through State Commission on Children and Youth:			
Juvenile Accountability Block Grants	16.523	(2)	1,221
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	11,000
Passed-through the City of Clarksville:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	70,490
Total U.S. Department of Justice			<u>\$ 133,920</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 48,335
Alcohol Open Container Requirements	20.607	(2)	60,406
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	(2)	80
Total U.S. Department of Transportation			<u>\$ 108,821</u>
U.S. Environmental Protection Agency:			
Passed-through American Lung Association of the Upper Midwest:			
National Clean Diesel Emissions Reduction Program, Recovery	66.039	2011DERA023-2	\$ 90,000
Total U.S. Environmental Protection Agency			<u>\$ 90,000</u>
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 4,370,560
Passed-through State Department of Education:			
Adult Education - Basic Grants to States	84.002	(2)	167,429
Title I Grants to Local Educational Agencies	84.010	N/A	6,000,347

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont):			
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	\$ 5,675,390
Special Education - Preschool Grants	84.173	N/A	37,709
Career and Technical Education - Basic Grants to States	84.048	N/A	387,750
Twenty-first Century Community Learning Centers	84.287	(2)	485,000
Educational Technology State Grants	84.318	(2)	6,618
English Language Acquisition State Grants	84.365	N/A	51,963
Improving Teacher Quality State Grants	84.367	N/A	816,115
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	1,341,095
Total U.S. Department of Education			<u>\$ 19,339,976</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 69,350
Homeland Security Grant Program	97.067	(2)	502,148
Total U.S. Department of Homeland Security			<u>\$ 571,498</u>
Total Federal Awards			<u>\$ 32,222,397</u>
		Contract Number	
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(2)	\$ 1,833,517
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	247,500
Juvenile Justice States Supplemental Funds - State Commission on Children and Youth	N/A	(2)	9,000
Coordinated School Health - State Department of Education	N/A	(2)	105,000
Safe Schools Act - State Department of Education	N/A	(2)	101,993
Adult Education - State Department of Education	N/A	(2)	55,549
Connect Tenn - State Department of Education	N/A	(2)	135,684
Child Advocacy Center - State Department of Children's Services	N/A	(2)	94,950
Juvenile Court Prevention - State Department of Children's Services	N/A	(2)	58,095
Litter Program - State Department of Transportation	N/A	(2)	82,700
Rural Local Health Services - State Department of Health	N/A	(2)	2,007,205
Community Correction Grant - State Department of Correction	N/A	(2)	441,951
School to Work Transition Grant - State Department of Human Services	N/A	(2)	87,408
Adult Drug Court - State Office of Criminal Justice Programs	N/A	(2)	50,000
Teen Learning Center - State Department of Children's Services	N/A	(2)	422,082
Total State Grants			<u>\$ 5,732,634</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 \$6,714,588.

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Annual Financial Report of Montgomery County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

MONTGOMERY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion was issued on the financial statements of Montgomery County.
2. The audit of the financial statements of Montgomery County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Montgomery County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Army Youth Programs in Your Neighborhood (CFDA No. 12.XXX), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and State Fiscal Stabilization Fund – Race-to-the-Top Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$966,672 threshold was used to distinguish between Type A and Type B federal programs.
9. Montgomery County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The director of accounts and budgets provided written responses on the findings, which are paraphrased in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2013-001 **AN AMBULANCE SERVICE DEPARTMENT SUPERVISOR USED HIS POSITION TO OBTAIN FREE USE OF THE WILLIAM O. BEACH CIVIC HALL**
(Internal Control – Significant Deficiency Under *Government Audit Standards*)

The William O. Beach Civic Hall is a county-owned and operated building that may be rented for meetings, private parties, weddings, and other purposes. Reservations and a deposit must be made two weeks in advance and approved by the facilities manager. Rental costs vary depending on what equipment is required, the amount of space needed, and the amount of time the building is used. Between March 20, 2013, and June 6, 2013, an Ambulance Service Department supervisor reserved and used the civic hall after his normal work hours at no charge to teach public CPR classes for personal profit. The supervisor reserved the room in advance but did not submit a deposit or final fee. The facilities manager advised us that he thought the reservation was for county business; therefore, he did not collect a deposit or final fee. Officials calculated the total costs the county should have charged the supervisor was approximately \$3,300. County assets utilized for private businesses should result in rental fees to the county. The failure to charge rent for the CPR classes was a management decision, which may have resulted in the loss of county revenue. On July 2, 2013, the Ambulance Service Department supervisor resigned from his position and no longer works for the county.

RECOMMENDATION

Management should ensure the civic hall collects rental fees for all meetings other than those set up for county purposes. Officials should determine whether to bill the former Ambulance Service Department supervisor for the costs of using the facilities.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. The county will review our procedures relating to rental of public spaces. We will explore procedures to ensure that all rental fees due are collected. Any departmental use by the Ambulance Service must have the approval of the department head.

FINDING 2013-002

OFFICIAL PRENUMBERED RECEIPTS WERE NOT ISSUED FOR COLLECTIONS RECEIVED AT THE AMBULANCE SERVICE DEPARTMENT

(Noncompliance Under *Government Auditing Standards*)

Official prenumbered receipts were not issued by the Ambulance Service Department. Section 9-2-103, *Tennessee Code Annotated*, requires official prenumbered receipts for all collections. This deficiency can be attributed to a lack of management oversight. Since receipts were not issued for collections, we could not determine if all collections had been accounted for properly.

RECOMMENDATION

Official prenumbered receipts should be issued for all collections as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. The Ambulance Service Department has implemented a new software system that issues prenumbered receipts that cannot be altered or deleted. The system will generate a report that lists receipts in numerical order that can be traced to deposits.

BEST PRACTICE

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

Montgomery County does not have a central system of accounting, budgeting, and purchasing for all departments. Montgomery County operates under the provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting, budgeting, and purchasing covering all funds administered by the county mayor and highway supervisor, 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.

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

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