

ANNUAL FINANCIAL REPORT
MONTGOMERY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

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Summary of Audit Findings

Annual Financial Report
Montgomery County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Montgomery County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ A promissory note was not issued in compliance with state statutes.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Deficiencies existed in the Child Nutrition Department.

OFFICE OF TRUSTEE

- ◆ The office had accounting deficiencies.

INTRODUCTORY SECTION

Montgomery County Officials
June 30, 2015

Officials

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

Board of County Commissioners

Jim Durrett, County Mayor, Chairperson
John Gannon, Sr.
Arnold Hodges
Edward Baggett
Mark Riggins
John Genis
Robert Gibbs, Jr.
Brandon Butts
Audrey Tooley
Ronald Sokol
Charles Keene

Martha Brockman
Joe Creek
David Harper
Wallace Redd
Robert Nichols
Tommy Vallejos
Jason Hodges
Monroe Gildersleeve
Garland Johnson
Larry Rocconi
Jerry Allbert

Highway Commission

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

Board of Education

Jimmie Garland, Chairman
Willie Freeman
Josh Baggett
George Giles

Stephanie Lobdell
Eula Dowdy
Anne Murtha

Audit Committee

John Gannon, Sr., Chairman
Martha Brockman
Larry Rocconi

David Harper
Monroe Gildersleeve

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, 2015, 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 Bi-County Solid Waste Management System, which represent 4.2 percent, 1.2 percent, and 4.6 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 8.2 percent, 7.4 percent, and 13.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Clarksville-Montgomery County Public Library, which represent 1.2 percent, 1.5 percent, and 0.9 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 0.3 percent, 0.4 percent, and 0.4 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 Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial Development Board, the Clarksville-Montgomery County Public Library, and the Clarksville-Montgomery County Tourism Commission, is based solely on the report 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 report 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Montgomery County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position of Montgomery County by \$2,130,071 and the discretely presented Clarksville-Montgomery County School System's net position by \$42,117,427 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and schools contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 139-145 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.

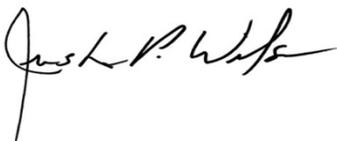
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Clarksville-Montgomery County School System (a discretely presented component unit), 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. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Clarksville-Montgomery 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 December 3, 2015, on our consideration of Montgomery County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 3, 2015

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Montgomery County, Tennessee
Statement of Net Position
June 30, 2015

	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	Clarksville- Montgomery County Tourism Commission
<u>ASSETS</u>						
Cash	\$ 69,360	\$ 1,145,222	\$ 695,710	\$ 5,489,854	\$ 2,370,495	\$ 838,927
Equity in Pooled Cash and Investments	112,405,930	48,741,118	0	0	0	0
Inventories	92,794	535,940	0	50,609	0	2,047
Investments	0	0	3,734,858	0	0	0
Accounts Receivable	6,881,031	548,886	28,846	1,842,831	59,329	108,887
Allowance for Uncollectibles	(3,491,485)	0	0	0	0	0
Due from Other Governments	2,077,945	14,803,336	0	20,778	6,622,217	57,409
Due from Primary Government	0	255	0	0	0	0
Due from Component Units	468,671	0	0	0	0	0
Due from Foundation	0	0	195,603	0	0	0
Property Taxes Receivable	78,493,552	34,509,479	0	0	0	0
Allowance for Uncollectible Property Taxes	(1,886,844)	(869,935)	0	0	0	0
Prepaid Items	20,326	0	0	0	0	577
Notes Receivable	1,378,741	0	0	0	0	0
Net Pension Asset	485,504	1,459,054	0	0	0	0
Unbilled Reimbursable Costs	0	0	0	0	147,024	0
Property Held for Sale or Lease	0	0	0	0	27,347,002	0
Due from Related Parties	0	0	0	0	17,000	35,000
Capital Assets:						
Assets Not Depreciated:						
Land	8,154,357	13,865,563	0	1,238,908	37,641	21,000
Construction in Progress	10,075,404	16,484,019	0	57,397	362,952	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	86,335,688	258,297,739	38,811	2,900,023	0	0
Other Capital Assets	5,029,942	16,934,003	947,058	8,218,883	1,632,812	288,737
Intangibles	1,839,465	0	8,541	0	0	0
Infrastructure	33,435,835	0	0	0	0	0
Total Assets	\$ 341,866,216	\$ 406,454,679	\$ 5,649,427	\$ 19,819,283	\$ 38,596,472	\$ 1,352,584

(Continued)

Exhibit A

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

	Primary Government 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	Clarksville- Montgomery County Tourism Commission
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Charge on Refunding	\$ 11,018,753	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Pension Changes in Experience	315,056	1,825,319	65,915	0	0	0
Pension Other Deferrals	0	1,319,317	0	0	0	0
Pension Contributions After Measurement Date	4,578,864	15,508,762	113,194	0	0	0
Total Deferred Outflows of Resources	<u>\$ 15,912,673</u>	<u>\$ 18,653,398</u>	<u>\$ 179,109</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 2,308,177	\$ 1,976,374	\$ 215,782	\$ 708,630	\$ 6,348,846	\$ 74,559
Accrued Payroll	651,670	13,383,897	55,600	159,500	0	0
Payroll Deductions Payable	248,821	7,845,943	0	0	0	0
Accrued Interest Payable	2,301,843	0	0	0	0	0
Notes Payable	0	0	0	1,378,741	0	0
Retainage Payable	0	0	0	0	1,394,039	0
Due to Primary Government	0	193,671	0	275,000	0	0
Due to Component Units	255	0	0	0	0	0
Due to Litigants, Heirs, and Others	12,348	0	0	0	0	0
Other Current Liabilities	47,508	0	0	55,327	0	0
Customer Deposits Payable	90,720	159,188	0	24,357	0	0
Due to Related Parties	0	0	0	0	32,889	25,086
Noncurrent Liabilities:						
Due Within One Year	29,971,263	1,689,864	0	288,501	194,473	0
Due in More Than One Year (net of unamortized premium on debt)	324,224,310	5,151,727	255,117	12,803,080	4,637,428	0
Total Liabilities	<u>\$ 359,856,915</u>	<u>\$ 30,400,664</u>	<u>\$ 526,499</u>	<u>\$ 15,693,136</u>	<u>\$ 12,607,675</u>	<u>\$ 99,645</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 74,318,731	\$ 32,527,559	\$ 0	\$ 0	\$ 0	\$ 0
Pension Changes in Investment Earnings	4,136,786	48,915,309	143,535	0	0	0
Total Deferred Inflows of Resources	<u>\$ 78,455,517</u>	<u>\$ 81,442,868</u>	<u>\$ 143,535</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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	Clarksville- Montgomery County Tourism Commission
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 14,149,555	\$ 305,581,324	\$ 994,410	\$ 9,984,856	\$ 554,189	\$ 309,737
Restricted for:						
Capital Projects	708,221	3,670,931	0	0	0	0
Debt Service	49,928,165	0	0	0	0	0
Highways	4,444,597	0	0	0	0	0
Library	0	0	3,906,029	0	0	0
Other Purposes	485,504	0	0	0	0	0
General Government	319,247	0	0	0	0	0
Finance	1,399,356	0	0	0	0	0
Administration of Justice	813,404	0	0	0	0	0
Public Safety	216,192	0	0	0	0	0
Public Health and Welfare	106,470	0	0	0	0	0
Central Cafeteria	0	5,017,534	0	0	0	0
School Transportation	0	1,932,374	0	0	0	0
School Federal Projects	0	680,408	0	0	0	0
Education	0	1,585,328	0	0	0	0
Unrestricted	<u>(153,104,254)</u>	<u>(5,203,354)</u>	<u>258,063</u>	<u>(5,858,709)</u>	<u>25,434,608</u>	<u>943,202</u>
Total Net Position	<u>\$ (80,533,543)</u>	<u>\$ 313,264,545</u>	<u>\$ 5,158,502</u>	<u>\$ 4,126,147</u>	<u>\$ 25,988,797</u>	<u>\$ 1,252,939</u>

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

Exhibit B

Montgomery County, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
						Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities Total	Clarksville-Montgomery County School System	Clarksville-Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville-Montgomery County Industrial Development Board	Clarksville-Montgomery County Tourism Commission
Primary Government:										
Governmental Activities:										
General Government	\$ 15,202,448	\$ 2,243,242	\$ 924,696	\$ 0	\$ (12,034,510)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	5,185,803	5,585,170	0	0	399,367	0	0	0	0	0
Administration of Justice	6,779,718	4,253,894	701,356	0	(1,824,468)	0	0	0	0	0
Public Safety	27,758,634	1,878,894	1,086,327	0	(24,793,413)	0	0	0	0	0
Public Health and Welfare	12,765,852	7,325,469	2,216,157	0	(3,224,226)	0	0	0	0	0
Social, Cultural, and Recreational Services	275,952	391,530	360,065	0	475,643	0	0	0	0	0
Agriculture and Natural Resources	6,819,761	0	0	0	(6,819,761)	0	0	0	0	0
Highways/Public Works	8,011,933	30,076	3,291,588	1,568,635	(3,121,634)	0	0	0	0	0
Education	43,719,214	39,176,897	0	0	(4,542,317)	0	0	0	0	0
Interest on Long-term Debt	14,127,169	0	0	0	(14,127,169)	0	0	0	0	0
Total Primary Government	\$ 140,646,484	\$ 60,885,172	\$ 8,580,189	\$ 1,568,635	\$ (69,612,488)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Clarksville-Montgomery County School System	\$ 256,079,836	\$ 5,169,701	\$ 26,473,603	\$ 60,303	\$ 0	\$ (224,376,229)	\$ 0	\$ 0	\$ 0	\$ 0
Clarksville-Montgomery County Public Library	2,458,069	150,927	430,017	0	0	0	(1,877,125)	0	0	0
Bi-County Solid Waste Management System	14,347,652	14,765,447	0	0	0	0	0	417,795	0	0
Clarksville-Montgomery County Industrial Development Board	26,995,473	0	41,399,709	0	0	0	0	0	14,404,236	0
Clarksville-Montgomery County Tourism Commission	1,484,631	175,958	207,579	0	0	0	0	0	0	(1,101,094)
Total Component Units	\$ 301,365,661	\$ 20,262,033	\$ 68,510,908	\$ 60,303	\$ 0	\$ (224,376,229)	\$ (1,877,125)	\$ 417,795	\$ 14,404,236	\$ (1,101,094)

(Continued)

Exhibit B

Montgomery County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Primary Governmental Total Activities	Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Component Units				
						Clarksville- Montgomery County School System	Clarksville- Montgomery County Public Library	Bi-County Solid Waste Management System	Clarksville- Montgomery County Industrial Development Board	Clarksville- Montgomery County Tourism Commission
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 38,854,771	\$ 33,732,769	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service					32,187,779	0	0	0	0	0
Local Option Sales Tax					3,215,289	42,012,795	0	0	0	0
Hotel/Motel Tax					1,668,313	0	0	0	0	990,978
Wheel Tax					0	4,154,355	0	0	0	0
Business Tax					1,445,367	698,839	0	0	0	0
Mixed Drink Tax					0	360,374	0	0	0	0
Adequate Facilities/Development Tax					1,080,080	0	0	0	0	0
Litigation Tax					1,203,293	0	0	0	0	0
Wholesale Beer Tax					389,625	0	0	0	0	0
Mineral Severance Tax					201,870	0	0	0	0	0
Interstate Telecommunications Tax					3,906	17,082	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs					6,026,035	148,620,251	1,896,812	40,676	882,528	0
Interest Income					767,403	9,272	238,741	8,758	2,186	953
Pension Income					0	203,666	0	0	0	0
Miscellaneous					3,842,345	274,712	39,757	43,549	624,171	6,000
Total General Revenues					\$ 90,886,076	\$ 230,084,115	\$ 2,175,310	\$ 92,983	\$ 1,508,885	\$ 997,931
Change in Net Position					\$ 21,273,588	\$ 5,707,886	\$ 298,185	\$ 510,778	\$ 15,913,121	\$ (103,163)
Net Position, July 1, 2014					(99,677,060)	349,674,086	5,018,680	3,615,369	10,075,676	1,356,102
Restatement (See Note I.D.9.)					(2,130,071)	(42,117,427)	0	0	0	0
Restatement (See Note IV.Q.)					0	0	(158,363)	0	0	0
Net Position, June 30, 2015					\$ (80,533,543)	\$ 313,264,545	\$ 5,158,502	\$ 4,126,147	\$ 25,988,797	\$ 1,252,939

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, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 8,950	\$ 0	\$ 0	\$ 10,410	\$ 19,360
Equity in Pooled Cash and Investments	16,527,104	38,158,657	23,039,400	4,276,502	82,001,663
Inventories	92,794	0	0	0	92,794
Accounts Receivable	6,683,603	73,161	118,020	5,147	6,879,931
Allowance for Uncollectibles	(3,491,485)	0	0	0	(3,491,485)
Due from Other Governments	1,238,251	33,044	191,993	614,657	2,077,945
Due from Other Funds	0	34,973	0	0	34,973
Due from Component Units	190,508	0	0	0	190,508
Property Taxes Receivable	44,861,926	27,225,040	2,290,782	4,115,804	78,493,552
Allowance for Uncollectible Property Taxes	(972,177)	(746,428)	(65,501)	(102,738)	(1,886,844)
Prepaid Items	20,326	0	0	0	20,326
Notes Receivable - Current	0	1,378,741	0	0	1,378,741
Advances to Other Funds	0	500,000	0	0	500,000
Total Assets	\$ 65,159,800	\$ 66,657,188	\$ 25,574,694	\$ 8,919,782	\$ 166,311,464
<u>LIABILITIES</u>					
Accounts Payable	\$ 928,437	\$ 2,500	\$ 1,216,537	\$ 48,977	\$ 2,196,451
Accrued Payroll	546,400	0	0	104,080	650,480
Payroll Deductions Payable	226,564	0	0	20,679	247,243
Due to Other Funds	36,073	0	0	0	36,073
Due to Litigants, Heirs, and Others	0	0	0	12,348	12,348
Other Current Liabilities	0	0	0	47,508	47,508
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	2,900	0	0	87,820	90,720

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>LIABILITIES (Cont.)</u>					
Advances from Other Funds	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 500,000
Total Liabilities	\$ 1,740,374	\$ 2,500	\$ 1,716,537	\$ 321,412	\$ 3,780,823
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 42,861,085	\$ 25,443,433	\$ 2,131,101	\$ 3,883,112	\$ 74,318,731
Deferred Delinquent Property Taxes	859,619	861,176	80,728	108,482	1,910,005
Other Deferred/Unavailable Revenue	2,503,296	13,458	46,096	286,219	2,849,069
Total Deferred Inflows of Resources	\$ 46,224,000	\$ 26,318,067	\$ 2,257,925	\$ 4,277,813	\$ 79,077,805
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 92,794	\$ 0	\$ 0	\$ 0	\$ 92,794
Prepaid Items	20,326	0	0	0	20,326
Restricted:					
Restricted for General Government	319,247	0	0	0	319,247
Restricted for Finance	1,399,356	0	0	0	1,399,356
Restricted for Administration of Justice	813,404	0	0	0	813,404
Restricted for Public Safety	151,097	0	0	65,095	216,192
Restricted for Public Health and Welfare	106,470	0	0	0	106,470
Restricted for Highways/Public Works	0	0	0	4,133,347	4,133,347
Restricted for Debt Service	0	40,336,621	0	0	40,336,621
Restricted for Capital Projects	0	0	21,600,232	0	21,600,232
Committed:					
Committed for General Government	169,641	0	0	0	169,641

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Committed (Cont.):					
Committed for Public Safety	\$ 80,064	\$ 0	\$ 0	\$ 0	\$ 80,064
Committed for Social, Cultural, and Recreational Services	9,117	0	0	0	9,117
Assigned:					
Assigned for General Government	76,375	0	0	0	76,375
Assigned for Finance	201,889	0	0	0	201,889
Assigned for Public Health and Welfare	21,622	0	0	0	21,622
Assigned for Highways/Public Works	0	0	0	122,115	122,115
Unassigned	13,734,024	0	0	0	13,734,024
Total Fund Balances	<u>\$ 17,195,426</u>	<u>\$ 40,336,621</u>	<u>\$ 21,600,232</u>	<u>\$ 4,320,557</u>	<u>\$ 83,452,836</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 65,159,800</u>	<u>\$ 66,657,188</u>	<u>\$ 25,574,694</u>	<u>\$ 8,919,782</u>	<u>\$ 166,311,464</u>

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, 2015

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)		\$	83,452,836
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	8,154,357	
Add: construction in progress		10,075,404	
Add: buildings and improvements net of accumulated depreciation		86,335,688	
Add: other capital assets net of accumulated depreciation		5,029,942	
Add: intangibles net of accumulated depreciation		1,839,465	
Add: infrastructure net of accumulated depreciation		33,435,835	
Less: capital assets of internal service funds, which are included below in item (2)		<u>(16,270)</u>	144,854,421
(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.			26,446,393
(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	\$	(309,100,000)	
Less: notes payable		(60,000)	
Less: other loans payable		(15,572,216)	
Add: due from component unit for debt retirement		275,000	
Add: deferred amount on refunding		11,018,753	
Less: other deferred revenue - premium on debt		(19,252,873)	
Less: accrued interest on bonds, notes, and other loans		(2,301,843)	
Less: other postemployment benefits liability		(2,936,828)	
Less: compensated absences payable		<u>(3,358,898)</u>	(341,288,905)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	4,893,920	
Less: deferred inflows of resources related to pensions		<u>(4,136,786)</u>	757,134
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			485,504
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>4,759,074</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(80,533,543)</u></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, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 37,726,587	\$ 38,770,998	\$ 2,857,799	\$ 4,377,621	\$ 83,733,005
Licenses and Permits	865,425	0	0	0	865,425
Fines, Forfeitures, and Penalties	1,010,721	0	0	29,609	1,040,330
Charges for Current Services	6,075,063	0	0	15,651	6,090,714
Other Local Revenues	1,803,161	444,179	43,458	144,853	2,435,651
Fees Received from County Officials	8,384,180	0	0	0	8,384,180
State of Tennessee	6,773,698	0	0	3,382,056	10,155,754
Federal Government	570,338	89,982	517,220	127,937	1,305,477
Other Governments and Citizens Groups	555,431	860,043	1,314,337	14,065	2,743,876
Total Revenues	\$ 63,764,604	\$ 40,165,202	\$ 4,732,814	\$ 8,091,792	\$ 116,754,412
<u>Expenditures</u>					
Current:					
General Government	\$ 7,055,554	\$ 0	\$ 0	\$ 0	\$ 7,055,554
Finance	6,339,758	0	0	0	6,339,758
Administration of Justice	6,641,531	0	0	15,651	6,657,182
Public Safety	27,779,568	0	0	8,870	27,788,438
Public Health and Welfare	11,578,537	0	0	0	11,578,537
Social, Cultural, and Recreational Services	2,675,205	0	0	0	2,675,205
Agriculture and Natural Resources	372,311	0	0	0	372,311
Other Operations	4,587,737	0	0	0	4,587,737
Highways	133,608	0	0	7,614,701	7,748,309
Debt Service:					
Principal on Debt	0	24,574,050	0	0	24,574,050
Interest on Debt	0	12,130,425	0	0	12,130,425
Other Debt Service	0	731,603	165,303	0	896,906

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 16,239,338	\$ 0	\$ 16,239,338
Total Expenditures	\$ 67,163,809	\$ 37,436,078	\$ 16,404,641	\$ 7,639,222	\$ 128,643,750
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,399,205)	\$ 2,729,124	\$ (11,671,827)	\$ 452,570	\$ (11,889,338)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 18,060,000	\$ 0	\$ 18,060,000
Notes Issued	0	0	80,000	0	80,000
Premiums on Debt Issued	0	0	1,132,244	0	1,132,244
Insurance Recovery	5,565	0	38,561	14,913	59,039
Transfers In	0	34,973	55,000	0	89,973
Transfers Out	(89,973)	0	0	0	(89,973)
Total Other Financing Sources (Uses)	\$ (84,408)	\$ 34,973	\$ 19,365,805	\$ 14,913	\$ 19,331,283
Net Change in Fund Balances	\$ (3,483,613)	\$ 2,764,097	\$ 7,693,978	\$ 467,483	\$ 7,441,945
Fund Balance, July 1, 2014	20,679,039	37,572,524	13,906,254	3,853,074	76,010,891
Fund Balance, June 30, 2015	\$ 17,195,426	\$ 40,336,621	\$ 21,600,232	\$ 4,320,557	\$ 83,452,836

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, 2015

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)		\$ 7,441,945
(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	\$ 9,291,499	
Less: current-year depreciation expense	(4,676,888)	
Add: current-year depreciation expense in internal service fund	<u>991</u>	4,615,602
(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	\$ 1,188,829	
Less: loss on disposal of capital assets	<u>(30,920)</u>	1,157,909
(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, 2014	\$ (5,129,026)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>4,759,074</u>	(369,952)
(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	\$ (18,060,000)	
Less: note proceeds	(80,000)	
Add: principal payments on notes	20,000	
Add: principal payments on bonds	22,870,000	
Add: principal payments on other loans	1,684,050	
Less: debt service contributions from component unit to the primary government	(140,000)	
Less: change in deferred amount on refunding debt	(2,007,757)	
Less: premiums on debt issued during the year	(1,132,244)	
Add: change in premium on debt issuances	<u>2,080,457</u>	5,234,506
(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	\$ 11,013	
Change in other postemployment benefits liability	(561,715)	
Change in compensated absences payable	(363,808)	
Change in net pension liability/asset	2,615,575	
Change in deferred outflows of resources related to pensions	4,893,920	
Change in deferred inflows of resources related to pensions	<u>(4,136,786)</u>	2,458,199
(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>735,379</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 21,273,588</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 37,726,587	\$ 0	\$ 0	\$ 37,726,587	\$ 37,052,720	\$ 37,052,720	\$ 673,867
Licenses and Permits	865,425	0	0	865,425	648,390	648,390	217,035
Fines, Forfeitures, and Penalties	1,010,721	0	0	1,010,721	906,105	906,105	104,616
Charges for Current Services	6,075,063	0	0	6,075,063	6,062,371	6,072,300	2,763
Other Local Revenues	1,803,161	0	0	1,803,161	2,093,474	2,093,774	(290,613)
Fees Received from County Officials	8,384,180	0	0	8,384,180	8,086,000	8,120,973	263,207
State of Tennessee	6,773,698	0	0	6,773,698	6,370,696	7,354,166	(580,468)
Federal Government	570,338	0	0	570,338	102,350	803,896	(233,558)
Other Governments and Citizens Groups	555,431	0	0	555,431	246,343	564,643	(9,212)
Total Revenues	\$ 63,764,604	\$ 0	\$ 0	\$ 63,764,604	\$ 61,568,449	\$ 63,616,967	\$ 147,637
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 266,072	\$ 0	\$ 0	\$ 266,072	\$ 268,064	\$ 268,064	\$ 1,992
Board of Equalization	1,566	0	0	1,566	4,841	4,841	3,275
Beer Board	1,210	0	0	1,210	4,845	4,845	3,635
Other Boards and Committees	3,310	0	0	3,310	4,038	4,038	728
County Mayor/Executive	502,226	0	0	502,226	496,110	507,369	5,143
Personnel Office	337,817	0	0	337,817	353,137	355,169	17,352
County Attorney	77,389	0	0	77,389	60,000	95,000	17,611
Election Commission	617,290	0	0	617,290	682,285	682,285	64,995
Register of Deeds	430,411	0	0	430,411	434,467	455,067	24,656
Planning	302,499	0	0	302,499	302,499	302,499	0
Building	178,891	0	0	178,891	185,154	186,354	7,463
Codes Compliance	650,768	0	0	650,768	660,887	674,737	23,969
Geographical Information Systems	152,381	0	0	152,381	164,005	164,005	11,624
County Buildings	1,766,441	(2,000)	7,939	1,772,380	1,906,251	1,908,251	135,871
Other Facilities	989,983	(3,723)	0	986,260	1,059,643	1,065,066	78,806
Other General Administration	579,730	0	0	579,730	606,170	606,212	26,482
Preservation of Records	197,570	0	0	197,570	199,099	205,599	8,029

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 598,182	\$ 0	\$ 542	\$ 598,724	\$ 669,111	\$ 656,111	\$ 57,387
Purchasing	282,597	0	0	282,597	293,297	293,297	10,700
Property Assessor's Office	917,044	0	0	917,044	1,002,235	1,002,235	85,191
County Trustee's Office	594,512	0	0	594,512	596,810	608,318	13,806
County Clerk's Office	2,065,371	(131)	1,473	2,066,713	2,109,578	2,146,209	79,496
Data Processing	1,826,003	(1,387)	0	1,824,616	1,916,636	1,928,768	104,152
Other Finance	56,049	0	0	56,049	50,550	56,550	501
<u>Administration of Justice</u>							
Circuit Court	2,275,742	(76,236)	10,332	2,209,838	2,322,916	2,428,446	218,608
General Sessions Court	666,361	0	0	666,361	668,304	668,304	1,943
Drug Court	70,055	0	0	70,055	70,000	75,000	4,945
Chancery Court	508,880	0	0	508,880	511,020	522,955	14,075
Juvenile Court	1,057,445	0	1,199	1,058,644	1,138,661	1,277,326	218,682
Juvenile Court Clerk	465,986	0	0	465,986	512,798	526,272	60,286
District Attorney General	30,202	0	0	30,202	60,300	60,300	30,098
Office of Public Defender	11,033	0	0	11,033	7,725	13,725	2,692
Judicial Commissioners	206,595	0	0	206,595	251,915	254,415	47,820
Other Administration of Justice	513,146	0	0	513,146	92,372	514,476	1,330
Probation Services	836,086	0	0	836,086	916,823	916,823	80,737
<u>Public Safety</u>							
Sheriff's Department	9,162,965	(16,190)	0	9,146,775	9,050,363	9,426,208	279,433
Special Patrols	1,935,506	0	0	1,935,506	1,971,394	1,971,394	35,888
Administration of the Sexual Offender Registry	10,571	0	0	10,571	12,800	12,800	2,229
Jail	13,376,869	0	2,969	13,379,838	11,955,563	13,544,509	164,671
Workhouse	1,666,200	0	0	1,666,200	1,733,594	1,755,896	89,696
Correctional Incentive Program Improvements	439,300	0	0	439,300	483,873	493,802	54,502
Juvenile Services	188,380	0	0	188,380	142,069	217,998	29,618
Fire Prevention and Control	169,357	0	1,093	170,450	252,713	252,713	82,263
Civil Defense	452,760	0	0	452,760	478,438	483,878	31,118
Other Emergency Management	165,265	0	7,138	172,403	0	280,376	107,973

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 212,395	\$ 0	\$ 0	\$ 212,395	\$ 215,500	\$ 215,500	\$ 3,105
<u>Public Health and Welfare</u>							
Local Health Center	215,099	0	0	215,099	227,888	366,106	151,007
Rabies and Animal Control	612,120	0	0	612,120	703,642	703,642	91,522
Ambulance/Emergency Medical Services	8,301,433	(2,800)	0	8,298,633	9,360,697	9,363,497	1,064,864
Other Local Health Services	2,143,710	0	0	2,143,710	2,263,600	2,698,601	554,891
Regional Mental Health Center	10,000	0	0	10,000	10,000	10,000	0
Appropriation to State	218,175	0	0	218,175	218,175	218,175	0
Other Local Welfare Services	46,000	0	0	46,000	49,175	49,175	3,175
Other Public Health and Welfare	32,000	0	0	32,000	32,500	32,500	500
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,896,812	0	0	1,896,812	1,893,271	1,896,812	0
Parks and Fair Boards	770,322	0	38,230	808,552	822,473	845,538	36,986
Other Social, Cultural, and Recreational	8,071	0	0	8,071	9,688	9,688	1,617
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	337,372	0	0	337,372	393,802	393,802	56,430
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	32,939	0	0	32,939	33,010	33,032	93
<u>Other Operations</u>							
Tourism	1,321,304	0	0	1,321,304	1,289,350	1,289,350	(31,954)
Industrial Development	600,403	0	0	600,403	600,404	600,404	1
Airport	218,460	0	0	218,460	218,460	218,460	0
Veterans' Services	431,254	0	0	431,254	462,718	462,718	31,464
Other Charges	1,342,898	0	0	1,342,898	1,321,178	1,337,854	(5,044)
Contributions to Other Agencies	266,112	0	0	266,112	257,557	270,557	4,445
Employee Benefits	394,002	0	0	394,002	457,900	457,900	63,898
Miscellaneous	13,304	0	0	13,304	18,400	18,400	5,096
<u>Highways</u>							
Litter and Trash Collection	133,608	0	0	133,608	116,304	133,904	296
Total Expenditures	\$ 67,163,809	\$ (102,467)	\$ 70,915	\$ 67,132,257	\$ 67,641,045	\$ 71,506,120	\$ 4,373,863

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,399,205)	\$ 102,467	\$ (70,915)	\$ (3,367,653)	\$ (6,072,596)	\$ (7,889,153)	\$ 4,521,500
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 5,565	\$ 0	\$ 0	\$ 5,565	\$ 8,500	\$ 8,500	\$ (2,935)
Transfers In	0	0	0	0	769,377	725,394	(725,394)
Transfers Out	(89,973)	0	0	(89,973)	0	(89,973)	0
Total Other Financing Sources	\$ (84,408)	\$ 0	\$ 0	\$ (84,408)	\$ 777,877	\$ 643,921	\$ (728,329)
Net Change in Fund Balance	\$ (3,483,613)	\$ 102,467	\$ (70,915)	\$ (3,452,061)	\$ (5,294,719)	\$ (7,245,232)	\$ 3,793,171
Fund Balance, July 1, 2014	20,679,039	(102,467)	0	20,576,572	17,146,452	20,679,039	(102,467)
Fund Balance, June 30, 2015	\$ 17,195,426	\$ 0	\$ (70,915)	\$ 17,124,511	\$ 11,851,733	\$ 13,433,807	\$ 3,690,704

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, 2015

Governmental
 Activities -
 Internal
 Service
 Funds

ASSETS

Current Assets:	
Equity in Pooled Cash and Investments	\$ 30,404,267
Cash with Paying Agents	50,000
Accounts Receivable	1,100
Due from Other Funds	1,100
Due from Component Units	3,163
Total Current Assets	<u>\$ 30,459,630</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(8,533)
Total Noncurrent Assets	<u>\$ 16,270</u>
Total Assets	<u>\$ 30,475,900</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 111,726
Accrued Payroll	1,190
Payroll Deductions Payable	1,578
Due to Component Units	255
Claims and Judgments Payable	1,957,380
Total Current Liabilities	<u>\$ 2,072,129</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 1,957,378
Total Noncurrent Liabilities	<u>\$ 1,957,378</u>
Total Liabilities	<u>\$ 4,029,507</u>

NET POSITION

Unrestricted	<u>\$ 26,446,393</u>
Total Net Position	<u>\$ 26,446,393</u>

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

Exhibit D-2

Montgomery County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for Current Services	\$ 49,412,906
Total Operating Revenues	<u>\$ 49,412,906</u>
<u>Operating Expenses</u>	
Other Facilities	\$ 550
Property Assessor's Office	2,542
Risk Management	385,923
County Trustee's Office	6,841
County Clerk's Office	204
Probation Services	13,200
Other Local Health Services	5,638
Waste Pickup	2,504
Veteran's Services	4,675
Highway and Bridge Maintenance	2,235
Other Charges	1,503,984
Depreciation	991
Employee Benefits	48,116,865
Other	48,135
Total Operating Expenses	<u>\$ 50,094,287</u>
Operating Income (Loss)	<u>\$ (681,381)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 74,030
Miscellaneous Refunds	1,342,730
Total Nonoperating Revenues (Expenses)	<u>\$ 1,416,760</u>
Changes in Net Position	\$ 735,379
Net Position, July 1, 2014	<u>25,711,014</u>
Net Position, June 30, 2015	<u><u>\$ 26,446,393</u></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, 2015

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 49,432,087
Other Self-Insured Claims	(49,646,814)
Other Receipts (Payments)	1,342,730
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,128,003</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 74,030
Net Cash Provided By (Used In) Investing Activities	<u>\$ 74,030</u>
Net Increase (Decrease) in Cash	\$ 1,202,033
Cash, July 1, 2014	<u>29,252,234</u>
Cash, June 30, 2015	<u>\$ 30,454,267</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (681,381)
Miscellaneous Refunds	1,342,730
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	2,643
(Increase) Decrease in Due from Other Funds	7,582
(Increase) Decrease in Due from Component Units	8,837
Increase (Decrease) in Accounts Payable	86,842
Increase (Decrease) in Accrued Payroll	218
Increase (Decrease) in Payroll Deductions Payable	(6,822)
Increase (Decrease) in Due to Component Units	(91)
Increase (Decrease) in Claims and Judgments Payable	366,454
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,128,003</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 5,949,949
Equity in Pooled Cash and Investments	230,900
Accounts Receivable	2,219
Due from Other Governments	<u>2,633,430</u>
Total Assets	<u><u>\$ 8,816,498</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 4,716
Accrued Payroll	287
Due to Other Taxing Units	2,627,507
Due to Litigants, Heirs, and Others	6,048,073
Due to Joint Ventures	77,309
Other Current Liabilities	<u>58,606</u>
Total Liabilities	<u><u>\$ 8,816,498</u></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, 2015

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 financial statements of the Emergency Communications District of Montgomery County were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Bi-County Solid Waste Management System provides landfill and collection services for Montgomery and Stewart counties, and Montgomery

County operates the transfer station. The joint participants appoint the board members of the system; however, Montgomery County appoints a voting majority of the board members and contributes the majority of funding for the system. This system is treated as a discrete component unit of Montgomery County since the county may unilaterally control the operations of the system.

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

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

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

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

Administrative Offices:

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

Montgomery County issues all debt for the discretely presented Clarksville-Montgomery County School System. Net debt issues totaling \$4,310,443 were contributed by the county to the School System during the year ended June 30, 2015.

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, delinquent property taxes for the City of Clarksville, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, restricted revenues held for the benefit of the Office of District Attorney General, and assets held in a custodial capacity for a regional port authority. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

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

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

operating revenues of the county's internal service funds are charges for services. Operating expenses for the internal service funds include administrative expenses and employee benefits.

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds. Advances receivable between funds, as reported in the General Debt Service Fund financial statements are included in restricted fund balance.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Montgomery County for rental deposits (\$2,900) and road construction (\$87,820). Claims and Judgments Payable totaling \$3,914,758 for the primary government and \$303,213 for the discretely presented Clarksville-Montgomery County School System are discussed in Note V.A. Risk Management.

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 has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for deferred charge on refunding, pension changes in experience, changes in proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. 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, pension changes in investment earnings, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

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

for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

As of June 30, 2015, Montgomery County had \$182,437,519 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

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Montgomery County’s and the Clarksville-Montgomery County School System’s beginning net position has been recognized on the Statement of Activities by \$2,130,071 and \$42,117,427, respectively.

E. Pension Plans

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension

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

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

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

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

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

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

Primary Government

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

Discretely Presented Clarksville-Montgomery County School System

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
Tourism	\$ 31,954
Other Charges	5,044

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The

county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2015, 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	3-139	\$ 46,457

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, 2015, Montgomery County’s investment in the State Treasurer’s Investment Pool was unrated.

B. Notes Receivable

Notes receivable in the General Debt Service Fund totaling \$1,378,741 resulted from issuing a bond anticipation note to the Bi-County Solid Waste Management System for unanticipated equipment purchases and is included in the restricted fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government (Includes Internal Service Fund)

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 8,011,240	\$ 143,117	\$ 0	\$ 8,154,357
Construction in Progress	11,350,314	8,063,820	(9,338,730)	10,075,404
Total Capital Assets Not Depreciated	<u>\$ 19,361,554</u>	<u>\$ 8,206,937</u>	<u>\$ (9,338,730)</u>	<u>\$ 18,229,761</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 109,525,069	\$ 9,396,030	\$ (146,640)	\$ 118,774,459
Infrastructure	50,484,113	1,142,064	0	51,626,177
Intangibles	9,599,049	133,838	0	9,732,887
Other Capital Assets	14,322,492	940,189	(162,558)	15,100,123
Total Capital Assets Depreciated	<u>\$ 183,930,723</u>	<u>\$ 11,612,121</u>	<u>\$ (309,198)</u>	<u>\$ 195,233,646</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,588,271	\$ 2,982,476	\$ (131,976)	\$ 32,438,771
Infrastructure	17,739,701	450,641	0	18,190,342
Intangibles	7,781,315	112,107	0	7,893,422
Other Capital Assets	9,084,819	1,131,664	(146,302)	10,070,181
Total Accumulated Depreciation	<u>\$ 64,194,106</u>	<u>\$ 4,676,888</u>	<u>\$ (278,278)</u>	<u>\$ 68,592,716</u>
Total Capital Assets Depreciated, Net	<u>\$ 119,736,617</u>	<u>\$ 6,935,233</u>	<u>\$ (30,920)</u>	<u>\$ 126,640,930</u>
Governmental Activities Capital Assets, Net	<u>\$ 139,098,171</u>	<u>\$ 15,142,170</u>	<u>\$ (9,369,650)</u>	<u>\$ 144,870,691</u>

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

Governmental Activities:

General Government	\$ 846,923
Finance	225,040
Administration of Justice	545,591
Public Safety	1,344,213
Public Health and Welfare	591,405
Social, Cultural, and Recreational Services	434,888
Agriculture and Natural Resources	34,982
Highway/Public Works	<u>653,846</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,676,888</u>

Discretely Presented Clarksville-Montgomery County School System

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 13,865,563	\$ 0	\$ 0	\$ 13,865,563
Construction in Progress	14,838,897	2,760,638	(1,115,516)	<u>16,484,019</u>
Total Capital Assets Not Depreciated	<u>\$ 28,704,460</u>	<u>\$ 2,760,638</u>	<u>\$ (1,115,516)</u>	<u>\$ 30,349,582</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 364,409,412	\$ 1,322,349	\$ 0	\$ 365,731,761
Other Capital Assets	32,614,105	2,091,949	(537,382)	<u>34,168,672</u>
Total Capital Assets Depreciated	<u>\$ 397,023,517</u>	<u>\$ 3,414,298</u>	<u>\$ (537,382)</u>	<u>\$ 399,900,433</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 99,568,042	\$ 7,865,980	\$ 0	\$ 107,434,022
Other Capital Assets	15,722,422	1,992,090	(479,843)	<u>17,234,669</u>
Total Accumulated Depreciation	<u>\$ 115,290,464</u>	<u>\$ 9,858,070</u>	<u>\$ (479,843)</u>	<u>\$ 124,668,691</u>
Total Capital Assets Depreciated, Net	<u>\$ 281,733,053</u>	<u>\$ (6,443,772)</u>	<u>\$ (57,539)</u>	<u>\$ 275,231,742</u>
Governmental Activities Capital Assets, Net	<u>\$ 310,437,513</u>	<u>\$ (3,683,134)</u>	<u>\$ (1,173,055)</u>	<u>\$ 305,581,324</u>

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

Governmental Activities:

Instruction	\$ 72,277
Support Services	9,505,861
Operation of Non-instructional Services	<u>279,932</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,858,070</u>

D. Construction Commitments

At June 30, 2015, the General Capital Projects Fund had uncompleted construction contracts of approximately \$3,481,025 for various construction projects. Funding for these future expenditures has been received.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General Debt Service	General	\$ 34,973
Unemployment Comp (Internal Service)	"	1,100
School System Component Unit:		
General Purpose School	Nonmajor governmental	692,336
"	Education Capital Projects	721
Nonmajor governmental	General Purpose School	19,429
"	Nonmajor governmental	5,752

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

Advances to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General Debt Service	Primary Government: General Capital Projects	\$ 500,000

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: Government-wide	Component Unit: Bi-County Solid Waste Management System	\$ 275,000
General	School System: General Purpose School	190,508
Internal Service - Self-Insurance	"	13
"	Nonmajor Governmental	3,150
Component Unit: School System: General Purpose School	Primary Government: Internal Service - Self-Insurance	255

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Debt Service Fund	General Capital Projects Fund
General	\$ 34,973	\$ 55,000

Discretely Presented Clarksville-Montgomery County School System

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 632,865	\$ 1,299,802

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

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

F. Long-term Obligations

Primary Government

General Obligation Bonds, 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 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 four 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 and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	2 to 5.625 %	4-1-35	\$ 176,070,000	\$ 123,895,000
General Obligation Bonds - Refunding	.2 to 5	4-1-29	272,255,000	185,205,000
Capital Outlay Notes	3	3-11-18	80,000	60,000
Other Loans	variable	7-1-26	26,234,718	15,572,216

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, capital outlay notes, and other loans outstanding as of June 30, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 22,965,000	\$ 11,988,165	\$ 34,953,165
2017	23,885,000	11,341,636	35,226,636
2018	25,095,000	10,505,246	35,600,246
2019	26,015,000	9,630,965	35,645,965
2020	27,435,000	8,708,390	36,143,390
2021-2025	124,885,000	26,623,761	151,508,761
2026-2030	51,735,000	5,809,730	57,544,730
2031-2035	7,085,000	753,627	7,838,627
Total	\$ 309,100,000	\$ 85,361,520	\$ 394,461,520

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 20,000	\$ 1,800	\$ 21,800
2017	20,000	1,200	21,200
2018	20,000	600	20,600
Total	\$ 60,000	\$ 3,600	\$ 63,600

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 1,684,047	\$ 303,000	\$ 22,093	\$ 2,009,140
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
2021-2025	6,499,445	1,515,000	101,246	8,115,691
2026-2027	1,358,448	328,250	25,000	1,711,698
Total	\$ 15,572,216	\$ 3,358,250	\$ 233,323	\$ 19,163,789

There is \$40,336,621 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled \$1,884, 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 government-wide financial statements of the Primary Government.

Description of Indebtedness	Outstanding 6-30-15
<u>Bonds Payable</u>	
<u>Payable by Bi-County Solid Waste Management System</u>	
<u>Contributions to the Primary Government</u>	
General Obligation Public Improvement	\$ 275,000

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:	Bonds	Notes	Other Loans
Balance, July 1, 2014	\$ 313,910,000	\$ 0	\$ 17,256,266
Additions	18,060,000	80,000	0
Reductions	(22,870,000)	(20,000)	(1,684,050)
Balance, June 30, 2015	<u>\$ 309,100,000</u>	<u>\$ 60,000</u>	<u>\$ 15,572,216</u>
Balance Due Within One Year	<u>\$ 22,965,000</u>	<u>\$ 20,000</u>	<u>\$ 1,684,047</u>

	Compensated Absences	Other Postemployment Benefits	Internal Service Claims and Judgments
Balance, July 1, 2014	\$ 2,995,090	\$ 2,375,113	\$ 3,548,304
Additions	3,643,060	696,273	42,105,782
Reductions	(3,279,252)	(134,558)	(41,739,328)
Balance, June 30, 2015	<u>\$ 3,358,898</u>	<u>\$ 2,936,828</u>	<u>\$ 3,914,758</u>
Balance Due Within One Year	<u>\$ 3,344,836</u>	<u>\$ 0</u>	<u>\$ 1,957,380</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 334,942,700
Less: Due Within One Year	(29,971,263)
Add: Unamortized Premium on Debt	<u>19,252,873</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 324,224,310</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.

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, 2015, the following outstanding bonds are considered defeased:

2005 General Obligation School and Public Improvement	\$ 27,850,000
2005 General Obligation	10,100,000
2006 General Obligation	41,125,000

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, 2015, was as follows:

	Other Postemployment Benefits	Compensated Absences	Claims and Judgments
Balance, July 1, 2014	\$ 3,807,632	\$ 1,426,961	\$ 540,741
Additions	2,004,764	1,539,553	102,292
Reductions	(853,928)	(1,386,604)	(339,820)
Balance, June 30, 2015	<u>\$ 4,958,468</u>	<u>\$ 1,579,910</u>	<u>\$ 303,213</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,532,513</u>	<u>\$ 157,351</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 6,841,591
Less: Due Within One Year	<u>(1,689,864)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,151,727</u>

Claims and judgments for the School System's workers' compensation program will be retired primarily 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 Transportation 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, 2015, were \$106,362.

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 and tax anticipation notes in advance of revenue and property tax collections and deposited the proceeds in the General and School Federal Projects Funds. 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, 2015, was as follows:

	Balance 7-1-14	Issued	Paid	Balance 6-30-15
Tax Anticipation Notes	\$ 0	\$ 750,000	\$ (750,000)	\$ 0
Revenue Anticipation Notes	0	2,000,000	(2,000,000)	0

V. OTHER INFORMATION

A. Risk Management

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

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

claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-14	\$ 2,940,175	\$ 38,232,893	\$ (37,790,795)	\$ 3,382,273
2014-15	3,382,273	41,838,428	(41,462,534)	3,758,167

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

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-14	\$ 21,993	\$ 27,820	\$ 0	\$ 49,813
2014-15	49,813	0	(9,440)	40,373

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
2013-14	\$ 95,670	\$ 48,368	\$ (27,820)	\$ 116,218
2014-15	116,218	267,470	(267,470)	116,218

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

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

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

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

All employees of the School System participate. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities

based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-14	\$ 570,292	\$ 0	\$ (48,888)	\$ 521,404
2014-15	521,404	0	(229,680)	291,724

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
2013-14	\$ 41,757	\$ 57,404	\$ (79,824)	\$ 19,337
2014-15	19,337	102,292	(110,140)	11,489

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for

pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Subsequent Events

On October 29, 2015, the county's General Debt Service Fund issued a \$3,900,000 tax anticipation note to the General Fund for temporary operating funds.

On November 5, 2015, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the School Federal Projects Fund for temporary operating funds.

On November 5, 2015, Montgomery County issued \$20,360,000 in general obligation refunding bonds.

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

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 \$218,460 for the operations of the airport during the year ended June 30, 2015.

The Joint Economic and Community Development Board is a joint venture between Montgomery County and the City of Clarksville. The board comprises the county mayor, city mayor, and several additional members. The purpose of the board is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and city will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county when financial activity begins. Montgomery County did not appropriate any funds to the Economic and Community Development Board during the 2014-15 year.

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

The Nineteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Nineteenth Judicial District and Montgomery County. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general and the Montgomery County Sheriff. Montgomery County did not appropriate any funds to the DTF during the 2014-15 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

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

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

H. Jointly Governed Organization

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Montgomery County and non-certified employees of the discretely presented Montgomery County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 32.55 percent, the employees of the discretely presented Bi-County Solid Waste Management System comprise 2.74 percent, and the non-certified employees of the discretely present School Department comprise 64.71 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent

COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	935
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,039
Active Employees	2,375
Total	<u><u>4,349</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Montgomery County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Montgomery County were \$9,427,835 based on a rate of 14.33 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Montgomery County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Montgomery County’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 189,784,932	\$ 173,379,826	\$ 16,405,106
Changes for the year:			
Service Cost	\$ 5,364,200	\$ 0	\$ 5,364,200
Interest	14,385,325	0	14,385,325
Differences Between Expected and Actual Experience	1,129,234	0	1,129,234
Contributions-Employer	0	9,861,110	(9,861,110)
Contributions-Employees	0	1,936	(1,936)
Net Investment Income	0	29,005,282	(29,005,282)
Benefit Payments, Including Refunds of Employee Contributions	(6,689,595)	(6,689,595)	0
Administrative Expense	0	(92,900)	92,900
Other Changes	0	0	0
Net Changes	\$ 14,189,164	\$ 32,085,833	\$ (17,896,669)
Balance, June 30, 2014	\$ 203,974,096	\$ 205,465,659	\$ (1,491,563)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	32.55%	\$ 66,393,568	\$ 66,879,072	\$ (485,504)
Bi-County Solid Waste Management System	2.74%	5,588,890	5,629,759	(40,869)
School Department	64.71%	131,991,638	132,956,828	(965,190)
Total		\$ 203,974,096	\$ 205,465,659	\$ (1,491,563)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Montgomery County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point

lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Montgomery County</u>	6.5%	7.5%	8.5%

Net Pension Liability \$ 26,757,917 \$ (1,491,563) \$ (24,954,356)

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

Pension Expense. For the year ended June 30, 2015, Montgomery County recognized pension expense of \$3,705,545.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Montgomery County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 967,915	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	12,709,019
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	9,427,835	N/A
Total	<u>\$ 10,395,750</u>	<u>\$ 12,709,019</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

		Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	32.55	\$ 4,893,920	\$ 4,136,786
Bi-County Solid Waste Management System	2.74	26,521	348,227
School Department	64.71	5,475,309	8,224,006
Total		\$ 10,395,750	\$ 12,709,019

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

Year Ending June 30	Amount
2016	\$ (3,015,936)
2017	(3,015,936)
2018	(3,015,936)
2019	(3,015,936)
2020	161,319
Thereafter	161,319

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

Discretely Presented Clarksville-Montgomery County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Montgomery County and non-certified employees of the discretely presented Clarksville-Montgomery County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government

employees comprise 32.55 percent, the employees of the discretely presented Bi-County Solid Waste Management System comprise 2.74 percent, and the non-certified employees of the discretely present School Department comprise 64.71 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Clarksville-Montgomery County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$318,055, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Clarksville-Montgomery County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Clarksville-Montgomery County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 318,055	N/A

The Clarksville-Montgomery County School Department’s employer contributions of \$318,055 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Clarksville-Montgomery County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$10,341,736, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Assets. At June 30, 2015, the Montgomery County School Department reported an asset of \$493,865 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Montgomery County School Department's proportion of the net pension asset was based on the Montgomery County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Montgomery County School Department's proportion was 3.039254 percent. The proportion measured as of June 30, 2013, was 2.945721 percent.

Pension Income. For the year ended June 30, 2015, the Clarksville-Montgomery County School Department recognized a pension income of \$203,666.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Clarksville-Montgomery County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,198,981	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	40,691,303
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	1,319,317	0
	<u>10,341,736</u>	<u>N/A</u>
Total	<u>\$ 12,860,034</u>	<u>\$ 40,691,303</u>

The Clarksville-Montgomery County School Department's employer contributions of \$10,341,736 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (9,753,110)
2017	(9,753,110)
2018	(9,753,110)
2019	(9,753,110)
2020	419,716
Thereafter	419,716

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

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 83,295,851 \$ (493,865) \$ (69,862,666)

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

2. Deferred Compensation – Primary Government

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

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

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

J. Other Postemployment Benefits (OPEB)

Self-Insurance Plan

Plan Description

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

Funding Policy

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

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

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

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

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School System	Total
ARC	\$ 699,891	2,005,111	\$ 2,705,002
Interest on the NOPEBO	87,811	171,343	259,154
Adjustment to the ARC	(91,429)	(171,690)	(263,119)
Annual OPEB cost	\$ 696,273	\$ 2,004,764	\$ 2,701,037
Amount of contribution	(134,558)	(853,928)	(988,486)
Increase/decrease in NOPEBO	\$ 561,715	\$ 1,150,836	\$ 1,712,551
Net OPEB obligation, 7-1-14	2,375,113	3,807,632	6,182,745
Net OPEB obligation, 6-30-15	\$ 2,936,828	\$ 4,958,468	\$ 7,895,296

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Primary Government	\$ 465,722	23 %	\$ 1,807,836
6-30-14	"	655,265	13	2,375,113
6-30-15	"	696,273	19	2,936,828
6-30-13	School System	1,123,615	69	3,354,934
6-30-14	"	1,176,905	62	3,807,632
6-30-15	"	2,004,764	43	4,958,468

Funded Status and Funding Progress

The funded status of the plans are as follows:

	Primary Government	School System
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 6,304,099	\$ 18,376,566
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,304,099	\$ 18,376,566
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 31,419,792	\$ 155,432,238
UAAL as a % of covered payroll	20%	12%

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

Actuarial Methods and Assumptions

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

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

In the July 1, 2015, 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 8.5 percent initially, reduced by decrements to an ultimate rate of five percent after seven years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with July 1, 2009.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Laws

Office of Central Purchasing

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

Office of Director of Schools

Purchasing procedures for the School System are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also provides for the School System, which has a

purchasing division, to use a comprehensive vendor list to solicit competitive bids on all purchases exceeding \$10,000 provided the vendors on such list are given notice to bid. This statute also requires the purchasing division to periodically advertise in a county newspaper of general circulation for vendors and to update the list of vendors following such advertisement.

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

A. Significant Accounting Policies

1. Reporting Entity

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

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

2. Use of Estimates

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

3. Concentration of Credit Risk

Financial instruments that potentially subject the library to significant concentrations of credit risk consist principally of cash and receivables. Custodial credit risk for the library's deposits is the risk

that in the event of a bank failure, the library's deposits may not be returned to it. As required by state statutes, the library's policy is to require financial institutions holding its deposits to be members of the State of Tennessee Bank Collateral Pool or pledge collateral of 105 percent for deposits in excess of federal depository insurance. The collateral is required to be held by the library or its agent in the library's name. With respect to receivables, credit risk is dispersed across a large number of customers who are geographically concentrated in the service area of the library. The library does not obtain collateral for receivables.

4. Government-wide and Fund Financial Statements

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

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

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

5. Measurement Focus and Basis of Accounting

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

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

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

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

6. **Cash and Cash Equivalents**

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

7. **Customer Receivables**

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

8. **Allowance for Uncollectible Customer Receivables**

Bad debts are provided for using the allowance method. Management annually estimates an adequate allowance for uncollectible customer receivables based on historic collection rates. The allowance for uncollectible customer receivables was \$598,245 as of June 30, 2015.

9. **Capital Assets**

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

10. **Accrued Compensated Absences**

Vacation benefits are accrued as earned and charged to salaries.

11. Pensions

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

12. Fund Equity

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

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

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

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

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

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

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

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

13. Program Revenues and Expenses

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

14. Funding

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

B. Cash and Cash Equivalents

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

At June 30, 2015, cash and other deposits included bank balances totaling \$521,960, all of which were insured by the Federal Deposit Insurance Corporation (FDIC). Restricted cash of \$189,568 included funds received from donors with restricted purposes.

Both cash and cash equivalents are carried at cost, which approximated fair value at June 30, 2015.

C. Customer Receivables

Customer receivables, net are summarized as follows:

Customer Receivables Outstanding	\$	627,091
Allowance for Uncollectible Accounts		<u>(598,245)</u>
Customer Receivables, Net	\$	<u><u>28,846</u></u>

D. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2015, is as follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Leasehold Improvements	\$ 181,777	\$ 0	\$ 0	\$ 181,777
Furniture and Fixtures	781,785	0	(9,019)	772,766
Machinery and Equipment	1,068,142	12,212	(100,871)	979,483
Software	129,168	5,999	0	135,167
Library Resources	3,897,848	302,427	(849,203)	3,351,072
Total Capital Assets	<u>\$ 6,058,720</u>	<u>\$ 320,638</u>	<u>\$ (959,093)</u>	<u>\$ 5,420,265</u>

The library has no capital assets that are idle or impaired.

A summary of changes in accumulated depreciation for the year ended June 30, 2015, is as follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Leasehold Improvements	\$ 132,501	\$ 10,465	\$ -	\$ 142,966
Furniture and Fixtures	736,974	20,660	(9,019)	748,615
Machinery and Equipment	968,700	49,971	(100,871)	917,800
Software	125,169	1,457	-	126,626
Library Resources	3,045,373	293,678	(849,203)	2,489,848
Total Accumulated Depreciation	<u>\$ 5,008,717</u>	<u>\$ 376,231</u>	<u>\$ (959,093)</u>	<u>\$ 4,425,855</u>

E. Gracey Trust

The library was named as a beneficiary of a portion of the Estate of Finley Gracey. The principal of the bequest is held in trust for a period of 30 years from the settlement of the estate, and 28.5 percent of the income from this trust is to be paid to the library on at least a quarterly basis. Upon expiration of 30 years, 28.5 percent of the trust corpus will be delivered to the library. The estate was settled in 1992. During the current year, investment income of \$142,389 was received by the library. The bequest is to be used for general library purposes as directed by its board of trustees.

F. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

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

Cost of Capital Assets	\$ 5,420,265
Less: Accumulated Depreciation	<u>(4,425,855)</u>
Total	<u><u>\$ 994,410</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.

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

Cost of Capital Assets	\$ (320,638)
Depreciation Expense	<u>376,231</u>
Total	<u><u>\$ 55,593</u></u>

G. Deferred Compensation Plan

The library offers its employees a supplemental deferred compensation plan created in accordance with Internal Revenue Code, Section 457 (the 457 Plan). The 457 Plan, available to all library employees, permits them to defer a portion of their salary until retirement. Employees can make voluntary pre-tax contributions; however, the library does not make any matching employer contributions. Employees are always 100 percent vested in their voluntary contributions. Employee contributions were \$9,524 for the year ended June 30, 2015.

H. Defined Contribution 401(k) Plan

The library employees are eligible to participate in a Montgomery County 401(k) plan. All employees are immediately eligible to participate upon hire. The plan includes no employer matching contributions. Employee contributions were \$3,382 for the year ended June 30, 2015.

I. Postemployment Benefit

The library provides support for medical and dental insurance coverage and premiums, excluding life, for qualifying retired employees. Qualifying retired employees must have a minimum of 30 years of creditable service in the Tennessee Consolidated Retirement System (TCRS), with or without military service or accumulated sick leave, at any age, or must have a minimum of 20 years of service with the library, and be at least age 55. Coverage will continue until the retired employee is eligible for Medicare. The retired employee must make premium payments to the library in a timely manner,

must be a current participant, and must have participated for at least two years in the group medical insurance program. The employee must be eligible for, and begin receiving retirement benefits from TCRS at the time of retirement from the library and must elect to receive this benefit at the time of retirement. The co-payment schedule is as follows:

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

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

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

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

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

Normal Cost	\$	9,346
30 Year Amortization of Accrued Liability		5,213
Interest on Net OPEB Obligation		288
Annual Required Contribution	\$	14,847
Interest on Net OPEB Obligation		1,768
Adjustment on Annual Required Contribution		(1,816)
Annual OPEB Expense	\$	14,799
Contributions Made		(540)
Increase in Net OPEB Obligation	\$	14,259
Net OPEB Obligation - Beginning		44,196
Net OPEB Obligation - Ending	\$	58,455

The library's annual OPEB expense, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 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>
6-30-15	\$ 14,847	4%	\$ 58,455
6-30-14	13,729	4	44,196
6-30-13	8,774	3	30,988

As of July 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits for the fiscal year ended June 30, 2015, was \$124,115, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$124,115. The covered payroll (annual payroll of active employees covered by the plan) was \$1,162,975, and the ratio of the UAAL to the covered payroll was 10.67 percent. The ARC was 1.28 percent of covered payroll, and the funding was determined on a pay-as-you-go basis.

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each

valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumption included an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, is 23 years.

The library funds and expenses the costs of the benefits as incurred. At June 30, 2015, the library had no eligible retirees receiving benefits.

J. Fund Balance

Restricted fund balance consisted of the following at June 30, 2015:

Library Foundation Donations	\$	185,464
Memorial Donations		2,655
Friends of the Library Donations		849
Other Restricted Donations		<u>600</u>
Total Restricted Fund Balance	\$	<u><u>189,568</u></u>

K. Funding Sources

The library's operating expenses are primarily funded by transfers of funds from Montgomery County. Other funding sources include memorials, donations, endowments, and fines and fees. The library received approximately 77 percent of its funding from Montgomery County. A substantial reduction in funding by Montgomery County could have an adverse effect on the future operations of the library's programs and activities.

L. Related-party Transactions

The building, which houses the library, is owned by Montgomery County. The library uses the building free of charge. The fair rental value of the building was \$629,000 for the year ended June 30, 2015. The fair rental value of the building was determined by considering the age and condition of the buildings and the cost of similar rental space in the same vicinity. No recognition was made in these financial statements for in-kind rent.

M. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of the library are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Inactive Employees Entitled to But Not Yet Receiving Benefits	9
Active Employees	20
Total	<u><u>37</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The library makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the library were \$113,194 based on a rate of 14.27 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept the library's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The library's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the

period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Montgomery County will be made at the

actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 2,234,128	\$ 1,957,321	\$ 276,807
Changes for the year:			
Service Cost	\$ 44,838	\$ 0	\$ 44,838
Interest	168,207	0	168,207
Differences Between Expected and Actual Experience	82,394	0	82,394
Contributions-Employer	0	118,444	(118,444)
Net Investment Income	0	327,911	(327,911)
Benefit Payments, Including Refunds of Employee Contributions	(72,415)	(72,415)	0
Administrative Expense	0	(872)	872
Net Changes	\$ 223,024	\$ 373,068	\$ (150,044)
Balance, June 30, 2014	\$ 2,457,152	\$ 2,330,389	\$ 126,763

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

	Current Discount Rate		
	1% Decrease 6.5%	7.5%	1% Increase 8.5%
Library			
Net Pension Liability	\$ 472,066	\$ 126,763	\$ (161,310)

Pension Expense (Income) and Deferred Outflows of Resources and

Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2015, the library recognized pension expense of \$46,020.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 65,915	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	143,535
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>113,194</u>	<u>N/A</u>
Total	<u>\$ 179,109</u>	<u>\$ 143,535</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2016	\$ (19,405)
2017	(19,405)
2018	(19,405)
2019	(19,405)
2020	0
Thereafter	0

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

N. Component Unit

The Clarksville-Montgomery County Public Library Foundation is a legally separate, tax-exempt component unit of the library. The foundation's primary purpose is to provide assistance to the library through fundraising activities and through the management, investment, and administration of the funds under the foundation's control. The funds raised by the foundation are not to be used for the funding of day-to-day operations of the library but for special programs, activities, and capital projects. The four-member board is self-perpetuating and consists of residents of Montgomery County with diverse business, personal, and professional experience. Although the library does not control the timing or amount of receipts from the foundation, all of the resources that the foundation holds are restricted to library purposes. Because these resources can only be used by or for the benefit of the library, the foundation is considered a component unit of the library. The foundation is required to disburse not less than five percent of the total assets held by the foundation on December 31 of the previous year. At June 30, 2015, the foundation had not made the disbursement and the library recorded a receivable for \$195,603. The foundation's by-laws, adopted April 1, 2005, require the foundation's accounts 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.

O. Risk Management

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

The library, along with other Montgomery County component units, has chosen to establish a combined Self-Insurance Fund for risks associated with the employees' health insurance plan, workers compensation claims (including on-the-job injury), and unemployment compensation claims. The library is party to a lawsuit for which the ultimate outcome is not determinable. The library's management believes that the outcome of those proceedings will not have a materially adverse effect on the accompanying financial statements.

P. Budget

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

Q. Prior-period Adjustments

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the library's participation in the Public Employee Retirement Plan of the TCRS, and additions to/deductions from the library's fiduciary net position have been determined on the same basis as they are ported by the TCRS for the Public Employee Retirement Plan. The library's initial net pension liability of \$158,363 was measured as of June 30, 2014, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

Following is a schedule of adjustments to the June 30, 2014, governmental fund balance sheet/statement of net position:

	<u>Fund Balance</u>	<u>Net Position</u>
Increase in net pension liability	\$ (158,363)	\$ (158,363)
Fund Balance/Net Position - 6-30-14, as Previously Reported	<u>318,027</u>	<u>1,368,030</u>
Fund Balance/Net Position- 6-30-14, as Restated	<u>\$ 159,664</u>	<u>\$ 1,209,667</u>

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

Bi-County Solid Waste Management System was established by an inter-local agreement on July 22, 1974, by Montgomery County, Stewart County, and the City of Clarksville for the joint and cooperative operation and maintenance of a solid waste collection and disposal system. The system operates a landfill (permit number

SNL 63-102-0108 MOD), a transfer station, and numerous convenience centers. The system office is located at the landfill site, which is on Highway 79, east of Oakwood, and approximately ten miles west of Clarksville, Tennessee.

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

2. Use of Estimates

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

3. Concentration of Credit Risk

Financial instruments that potentially subject the library to significant concentrations of credit risk consist principally of cash and receivables. Custodial credit risk for the system's deposits is the risk that the system's deposits may not be returned in the event of a bank failure. As required by state statutes, the system's policy is to require financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral 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. With respect to receivables, credit risk is dispersed across a large number of customers who are geographically concentrated in the system's service area. The system does not obtain collateral for receivables.

4. Basis of Accounting

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

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

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

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The net investment in capital assets at June 30, 2015, was:

Capital Assets	\$ 24,194,841
Accumulated Depreciation	(11,779,630)
Debt Related to Capital Assets	<u>(2,430,355)</u>
Total	<u>\$ 9,984,856</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, 2015.

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 \$5,858,709, as of June 30, 2015.

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.

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 \$107,717 during the year ended June 30, 2015, for these services.

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

At June 30, 2015, cash and other deposits included bank balances totaling \$5,678,942, 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, 2015, follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Land-Held for Expansion	\$ 776,201	\$ 0	\$ 0	\$ 776,201
Land	462,707	0	0	462,707
Buildings and Improvements	4,240,641	0	0	4,240,641
Property and Equipment	14,637,716	2,081,111	(278,311)	16,440,516
Other Property	2,041,492	175,887	0	2,217,379
Other Property	0	233,284	(175,887)	57,397
Total Capital Assets	\$ 22,158,757	\$ 2,490,282	\$ (454,198)	\$ 24,194,841

A summary of changes in accumulated depreciation for the year ended June 30, 2015, follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Buildings and Improvements	\$ 1,231,245	\$ 109,373	\$ 0	\$ 1,340,618
Property and Equipment	8,291,409	988,948	(116,890)	9,163,467
Other Property	1,006,247	269,298	0	1,275,545
Total Accumulated Depreciation	\$ 10,528,901	\$ 1,367,619	\$ (116,890)	\$ 11,779,630

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

D. Long-term Debt

Long-term debt consisted as follows:

	<u>2015</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	\$ 275,000
3% obligation under a capital lease, secured by equipment with a carrying value of \$463,610 at June 30, 2015, payable in monthly installments of \$14,118 of principal and interest through January 2018	420,612

	<u>2015</u>
3% obligation under a capital lease, secured by equipment with a carrying value of \$506,377 at June 30, 2015, payable in monthly installments of \$10,632 of principal and interest through January 2018	326,578
Plus: Unamortized net bond premium	<u>29,424</u>
Total long-term debt	\$ 1,051,614
Less: Current Portion	<u>428,501</u>
Total long-term debt excluding current portion	<u><u>\$ 623,113</u></u>

Future payments on long-term debt are as follows:

Year Ending June 30	Principal	Interest
2016	\$ 428,501	\$ 32,060
2017	422,161	16,583
2018	<u>171,528</u>	<u>1,720</u>
Total future payments	<u><u>\$ 1,022,190</u></u>	<u><u>\$ 50,363</u></u>

Interest incurred of \$13,955 was expensed during the year ended June 30, 2015.

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

	<u>2015</u>
Payable at July 1	\$ 415,000
Proceeds	851,051
Repayments	<u>(243,861)</u>
Payable at June 30	<u><u>\$ 1,022,190</u></u>

E. Note Payable

During the years ended June 30, 2015, and 2014, the Montgomery County Commission advanced \$304,921 and \$1,073,820, respectively, for equipment purchases to be ultimately funded by bonds issued by Montgomery County in the fiscal year ending June 30, 2016. The system received an interest-free temporary loan from Montgomery County for the principal amount of the bonds in the fiscal year ended June 30, 2015. The system will make ten annual bond payments of principal and interest to Montgomery County upon issuance of the bonds.

F. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the system to place a final cover on its landfill sections when the section stops accepting waste and to perform certain maintenance and monitoring functions at the section for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the system reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill section capacity used as of each balance sheet date. Closure/postclosure costs are calculated based on an engineering evaluation. The \$11,709,499 reported as landfill closure and postclosure care liability at June 30, 2015, represents the cumulative amount reported to date based on the use of 65 percent of the estimated capacity of the currently open sections of the landfill. The landfill will recognize an additional estimated cost of closure and postclosure care of \$6,184,190 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 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Also, expansion of the landfill property could change these estimates. The system currently has 250 acres of unused land that it anticipates using for waste and estimates ample capacity to accept waste until 2107.

Montgomery and Stewart counties have executed a Contract in-Lieu-of Performance Bond of \$20,604,212 to provide financial assurance to the State of Tennessee for estimated operation, closure, and postclosure costs.

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

Accrued Liability at July 1, 2014	\$ 11,409,458
Current Year Accrual	742,050
Current Year Closure Costs	<u>(442,009)</u>
Accrued Liability at June 30, 2015	<u>\$ 11,709,499</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.

G. Accrued Compensated Absences

Changes in accrued compensated absences for the year ended June 30, 2015, were as follows:

	Balance 7-1-14	Additions	Deletions	Balance 6-30-15
Accrued Compensated Absences	\$ 279,868	\$ 14,782	\$ 0	\$ 294,650

H. Other Postemployment Benefits (OPEB)

The system provides support for medical and dental insurance coverage and premiums for qualifying retired employees. Qualifying retired employees must have a minimum of 30 years of creditable service in the Tennessee Consolidated Retirement System (TCRS), with or without military service or accumulated sick leave, at any age, or must have a minimum of 20 years of service with the system, and be at least age 55. Coverage will continue until the retired employee is eligible for Medicare. The retired employee must make premium payments to the director of accounts and budgets for Montgomery County in a timely manner, be a current participant, and 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) Codification Po50 were retroactively implemented in the year ended June 30, 2010, to be effective as of June 30, 2009. For 2010 and forward, the plan continued to be funded on a pay-as-you-go basis with expense calculated under the provisions of GASB Codification Po50 as described below. The plan does not issue stand-alone financial reports.

The GASB issued GASB Codification Po50 *Postemployment Benefits Plans Other Than Pension Plans-Defined Benefit*, which requires employers who participate in single-employer or agent multiple-employer defined other

postemployment benefit (OPEB) plans to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

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

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

	<u>Year Ended</u> <u>6-30-15</u>
Normal Cost	\$ 55,089
30 Year Amortization of Accrued Liability	38,948
Interest on Net OPEB Obligation	<u>1,862</u>
Annual Required Contribution	\$ 95,899
Interest on Net OPEB Obligation	9,911
Adjustment on Annual Required Contribution	<u>(10,414)</u>
Annual OPEB Expense	\$ 95,396
Contributions Made	<u>(32,352)</u>
Increase in Net OPEB Obligation	\$ 63,044
Net OPEB Obligation - 7-1-14	<u>247,774</u>
 Net OPEB Obligation - 6-30-15	 <u><u>\$ 310,818</u></u>

The system's annual OPEB expense, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6-30-15	\$ 95,396	34%	\$ 310,818
6-30-14	89,469	33	247,774
6-30-13	60,947	49	188,261

As of July 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$917,805, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$917,805. The covered payroll (annual payroll of active employees covered by the plan) was \$2,856,924, and the ratio of the UAAL to the covered payroll was 30.1 percent. The ARC was 3.36 percent of covered payroll, and the funding was determined on a pay-as-you-go basis.

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

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

In the July 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumption included an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent after six years. UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, is 24 years.

The system pays and expenses the costs of the benefits as they are incurred. At June 30, 2015, the system had two eligible retirees receiving benefits.

I. Retirement Commitments

1. Plan Description

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

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

2. Funding Policy

The system has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. Montgomery County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2015, was 13.82 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 are not separately stated from that of Montgomery County. The system is involved with legal discussions with TCRS as of the date of the audit. Accordingly, the required information and schedules required by Statement of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, were not included for the system's financial statements for the year ended June 30, 2015.

J. Concentrations

The system receives a substantial amount of its Charges for Services (tipping fees) from three entities: City of Franklin, Waste Industries, and Queen City Disposal. These three haulers comprised 59.05 percent of tipping fee revenues earned during the year ended June 30, 2015, as well as \$524,174 (41.46 percent) of accounts receivable balances at June 30, 2015. The system also collects a user fee from each household in Montgomery and Stewart counties. A major reduction in revenue from any of the above sources may have a significant effect on the future operations of the system.

K. Operating Leases

The system has convenience centers in 17 locations in Montgomery and Stewart counties. Twelve of these convenience centers are located on leased property. The system also had two short-term leases for dump trucks during the fiscal year ended June 30, 2015. The lease payments for the year ended June 30, 2015, were \$146,435 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
2016	\$ 19,138
2017	12,580
2018	<u>2,400</u>
Total	<u>\$ 34,118</u>

L. Capital Leases

The system is the lessee of equipment under two capital leases expiring in January 2018. The assets and liabilities under these capital leases are recorded at book value, which is not materially different than the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over the lower of their related lease terms or their estimated productive life.

Property held under capital leases, which is included in property and equipment, is as follows:

Property and equipment	\$ 1,056,021
Less: accumulated depreciation	<u>(86,034)</u>
Total	<u>\$ 969,987</u>

The remaining minimum future lease payments under capital leases, which are included in notes payable, are:

Year Ending June 30	Lease Payments
2016	\$ 288,501
2017	287,161
2018	<u>171,528</u>
	747,190
Less: amount representing interest	<u>(29,863)</u>
Present value of net minimum lease payments	<u><u>\$ 717,327</u></u>

Amortization of leased equipment under capital assets is included with depreciation expense.

M. 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.

N. Commitments and Contingencies

In the normal course of conducting 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.

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

A. Summary of Significant Accounting Policies

1. Financial Reporting Entity

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

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

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

2. Use of Estimates

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

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

3. Concentrations of Credit Risk

Financial instruments that potentially subject the board to significant concentrations of credit risk consist principally of cash and receivables. Custodial credit risk for the board's deposits is the risk that the board's deposits may not be returned in the event of a bank failure. As required by state statutes, the board's policy is to require financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral 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. 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. Restricted cash consists of funds set aside to pay retainage liabilities.

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 their estimated fair value at the date of the donation. The cost of normal maintenance and repairs is not capitalized.

9. Property Held for Sale or Lease

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

by the primary government, the value of the property sold is charged to contributed capital.

10. Accrued Compensated Absences

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

11. Fund Balance

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

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

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

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

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

12. Funding

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

B. Cash and Cash Equivalents

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

At June 30, 2015, cash and other deposits included bank balances totaling \$2,377,406, 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, 2015. Following is a summary of the board's certificates of deposit at June 30, 2015, 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 Deposits	\$ 612,025	\$ 612,025

D. 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	417.530	\$ 6,117,032
Goodpasture Property	20.190	125,032
Bell Property	50.080	184,309
Clarksville Business North Park	833.770	15,962,319
Dunlop Property	18.300	3,734,085
Hamill Property	1.640	7,815
Hampton Station Property	3.360	111,724
Homemax Property	1.998	13,965
Pad-Ready Site	0.000	<u>1,090,721</u>
Total		<u>\$ 27,347,002</u>

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

E. Capital Assets

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

<u>Capital Assets</u>	<u>Balance</u> 7-1-14	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> 6-30-15
Equipment	\$ 75,416	\$ 1,983	\$ 4,000	\$ 73,399
Vehicles	36,790	15,155	25,620	26,325
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	<u>\$ 2,083,578</u>	<u>\$ 17,138</u>	<u>\$ 29,620</u>	<u>\$ 2,071,096</u>

Accumulated Depreciation

Equipment	\$ 72,353	\$ 1,015	\$ 4,000	\$ 69,368
Vehicles	36,232	1,516	25,620	12,128
Leasehold Improvements	24,126	3,254	0	27,380
Buildings	243,293	47,089	0	290,382
Software	1,385	0	0	1,385
Total	<u>\$ 377,389</u>	<u>\$ 52,874</u>	<u>\$ 29,620</u>	<u>\$ 400,643</u>

Land is not depreciated or amortized. Capital assets with net book values totaling \$1,644,452 were pledged as collateral for debt at June 30, 2015.

F. Construction in Progress

A summary of changes in construction in progress follows:

	Balance 7-1-14	Deductions	Balance 6-30-15
Rail to Park Expansion	\$ 362,952	\$ 0	\$ 362,952
Total	<u>\$ 362,952</u>	<u>\$ 0</u>	<u>\$ 362,952</u>

Construction in progress is not depreciated and will be transferred to property held for sale or lease once completed.

G. Notes Payable

Notes payable consisted of the following:

prime rate (4.5% as of June 30, 2014) secured by land and a building; principal and interest are payable in monthly installments, maturing May 2021. \$ 1,110,417

Note payable bearing interest at 2.75% secured by vehicle; principal and interest are payable in monthly installments, maturing September 2017 11,484

Note payable bearing interest at 3.25% secured by building in inventory; interest is payable in annual installments with a balloon payment due March 2019. The interest payments will be assumed by the county in fiscal year ending June 30, 2017, with the county funding the balloon payment if the building has not sold. 3,710,000

Total Notes Payable \$ 4,831,901

Less: Current Portion (194,473)

Total Notes Payable Excluding Current Portion \$ 4,637,428

Changes in notes payable (including current portions) for the year ended June 30, 2015, were as follows:

	(Restated) Balance 7-1-14	Increases	Decreases	Balance 6-30-15	Estimated Amount Due in Year Ending 6-30-16
Notes Payable \$	5,001,392	\$ 15,155	\$ 184,646	\$ 4,831,901	\$ 194,473

Future payments on notes payable are as follows:

Year Ending June 30	Total Principal	Total Interest
2016	\$ 194,473	\$ 167,450
2017	203,316	158,607
2018	208,566	149,407
2019	3,926,782	139,869
2020	226,741	9,335
2021	72,023	842
Total	<u>\$ 4,831,901</u>	<u>\$ 625,510</u>

H. Retainage Payable

At June 30, 2015, the board owed \$1,394,039 to various construction companies for retainage. The retainage is associated with site development of property held for sale or lease and is not associated with the capital assets of the board.

I. 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	\$ 2,071,096
Less: Accumulated Depreciation	<u>(400,643)</u>
Net Capital Assets	<u>\$ 1,670,453</u>

Debt Related to Capital Assets:	
Current Portion of Note Payable	\$ 167,485
Long-term Portion of Note Payable	<u>948,779</u>
Total Debt Related to Capital Assets	<u>\$ 1,116,264</u>
Other Debt:	
Current Portion of Note Payable	\$ 26,988
Long-term Portion of Note Payable	<u>3,688,649</u>
Total Other Debt	<u>\$ 3,715,637</u>
Total Debt	<u>\$ 4,831,901</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	\$ (52,874)
Debt Service Principal	184,646
Capital outlays	<u>1,983</u>
Total	<u>\$ 133,755</u>

J. Operating Leases

The board leases office space in the Capital Bank building from the EDC under a five-year agreement. Rental expense under the operating lease was \$26,664 for the year ended June 30, 2015. The lease expires in November 2016.

Future payments on lease obligations are as follows:

2016	\$ 26,667
2017	<u>8,889</u>
Total	<u>\$ 35,556</u>

K. Lease Contracts

On June 27, 2008, the board entered into a lease contract with the State of Tennessee for rental of a medical office building. The lease contract ends December 31, 2020. Under the terms of the lease, the state makes monthly lease payments of \$21,542 to the board. The state has one option to renew the lease for an additional ten years with monthly rent of \$15,866. The leased building and land had a cost basis of \$1,921,194, accumulated depreciation of \$290,381, and carrying cost of \$1,630,813 at June 30, 2015.

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

Year Ending June 30	Lease Payments
2016	\$ 258,513
2017	258,513
2018	258,513
2019	258,513
2020	<u>129,257</u>
Total	<u>\$ 1,163,309</u>

L. 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 year ended June 30, 2015, contributions totaling \$21,938 were paid and expensed by the board. Employee contributions to the plan were \$24,869 for the year ended June 30, 2015.

M. Related-party Transactions

The board paid EDC \$256,485 for its share of EDC expenses during the year ended June 30, 2015. The board had related-party payables at June 30, 2015, totaling \$32,889, and related-party receivables of \$17,000. Included in related party receivables at June 30, 2015, 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.

N. Fund Balance

The board has unassigned fund balance of \$1,423,292 and nonspendable fund balance of \$27,726,954 at June 30, 2015. Nonspendable fund balance consisted of the following:

Property Held for Sale or Lease	\$ 27,347,002
Construction in Progress	362,952
Long-term Portion of Due from Related Parties	<u>17,000</u>
Total Nonspendable Fund Balance	<u>\$ 27,726,954</u>

O. 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, 2015, totaled \$3,115,190,835.

P. 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.

Q. 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, 2015, there was an accrued liability of zero to the city and zero to the county.

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

R. Subsequent Event

In August 2015, the board approved the purchase of a 300 acre site for \$2,394,208, in exchange for an unsecured, interest-free note, payable in four annual installments of \$598,552 through November 2019.

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

A. Summary of Significant Accounting Policies

Reporting Entity

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

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

The commission is jointly-governed by the governments of Montgomery County and the City of Clarksville and is exempt from federal and state income tax. The commission's operations alone constitute the reporting

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

Use of Estimates

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

Concentrations of Credit Risk

Financial instruments that potentially subject the commission to significant concentrations of credit risk consist principally of cash and receivables. Custodial credit risk for the commission's deposits is the risk that the board's deposits may not be returned in the event of a bank failure. As required by state statutes, the commission's policy is to require financial institutions holding its deposits to be members of the Tennessee Collateral Pool or pledge collateral 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. With respect to receivables, credit risk is dispersed across a large number of businesses and certain governmental and not-for-profit entities, which are geographically concentrated in Montgomery County. The commission does not obtain collateral for receivables.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

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

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

Cash and Cash Equivalents

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

Uncollectible Accounts

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

Inventories

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

Capital Assets

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

Accrued Compensated Absences

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

Fund Equity

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

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

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

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

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

Advertising Costs

Advertising costs are expensed as incurred.

B. Cash and Other Deposits

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

At June 30, 2015, cash and other deposits included bank balances totaling \$852,705, 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, 2015.

C. Capital Assets

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

	Balance			Balance
	7-1-14	Additions	Deletions	6-30-15
Land	\$ 21,000	\$ 0	\$ 0	\$ 21,000
Building	128,769	0	0	128,769
Furniture, Fixtures and Equipment	42,407	4,110	0	46,517
Leasehold Improvements	252,147	0	0	252,147
Vehicle	34,657	31,652	(34,657)	31,652
Total Capital Assets Depreciated	\$ 478,980	\$ 35,762	\$ (34,657)	\$ 480,085
Less: Accumulated Depreciation For:				
Building	\$ 56,130	\$ 3,302	0	\$ 59,432
Furniture, Fixtures and Equipment	36,716	2,502	0	39,218
Leasehold Improvements	51,590	16,943	0	68,533
Vehicle	25,415	6,631	(28,881)	3,165
Total Accumulated Depreciation	\$ 169,851	\$ 29,378	\$ (28,881)	\$ 170,348

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	\$ 480,085
Less: Accumulated Depreciation	<u>(170,348)</u>
Total	<u><u>\$ 309,737</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. 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	\$ 29,986
Depreciation Expense	<u>(29,378)</u>
Total	<u><u>\$ 608</u></u>

E. Gifts in Kind

The commission received contributed services from volunteers during the fiscal year ended June 30, 2015. 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 \$256,282 for its share of EDC expenses during the year ended June 30, 2015. The commission had related-party payables at June 30, 2015, totaling \$25,086, and related-party receivables of \$35,000 that was advanced to the EDC in a previous year to facilitate payment of routine commission expenses and is not expected to be collected within one year.

G. Fund Balance

The commission had unassigned fund balance of \$879,867, committed fund balance of \$25,711, and nonspendable fund balance of \$37,624 at June 30, 2015. Committed fund balance consisted of amounts set aside by the board of commissioners through a majority vote in an official meeting for the Civil War Sesquicentennial marketing campaign. Nonspendable fund balance consisted of the following:

Inventories	\$ 2,047
Prepaid Expenses	577
Long-term Portion of Due from Related Party	<u>35,000</u>
Total Nonspendable Fund Balance	<u><u>\$ 37,624</u></u>

H. Leases

Beginning December 2006, the commission began leasing office space in the Capital Bank building from EDC under a five-year agreement. This lease expired in November 2011 and was renewed for an additional five years ending November 2016. The commission entered into a lease for parking space during the fiscal year ended June 30, 2012. Rental expense under the operating leases was \$41,051 for the year ended June 30, 2015.

Future payments on lease obligations are as follows:

2016	\$ 38,667
2017	21,089
2018	12,600
2019	12,600
2020	12,600
2021-2028	<u>100,380</u>
Total Nonspendable Fund Balance	<u>\$ 197,936</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.

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, 2015, contributions totaling \$29,371 were paid and expensed by the commission. Employee contributions to the plan were \$26,811 for the year ended June 30, 2015.

J. Concentrations

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

K. Contingencies

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

L. Budget

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 5,364,200
Interest	14,385,325
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	1,129,234
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(6,689,595)</u>
Net Change in Total Pension Liability (Asset)	\$ 14,189,164
Total Pension Liability (Asset), Beginning	<u>189,784,932</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 203,974,096</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 9,861,110
Contributions - Employee	1,936
Net Investment Income	29,005,282
Benefit Payments, Including Refunds of Employee Contributions	(6,689,595)
Administrative Expense	<u>(92,900)</u>
Net Change in Plan Fiduciary Net Position	\$ 32,085,833
Plan Fiduciary Net Position, Beginning	<u>173,379,826</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 205,465,659</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (1,491,563)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.73%
Covered Employee Payroll	\$ 68,814,466
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	2.17%

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

Note: data presented includes primary government, discretely presented non-certified employees of the School Department, and discretely presented Bi-County Solid Waste Management System.

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 9,861,110	\$ 9,427,835
Less Contributions in Relation to the Actuarially Determined Contribution	(9,861,110)	(9,427,835)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 68,814,466	\$ 75,248,450
Contributions as a Percentage of Covered Employee Payroll	14.33%	12.53%

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 198,784
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(318,055)</u>
Contribution Deficiency (Excess)	<u>\$ (119,271)</u>
Covered Employee Payroll	\$ 7,951,405
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 10,592,992	\$ 10,341,736
Less Contributions in Relation to the Actuarially Determined Contribution	(10,592,992)	(10,341,736)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 119,290,487	\$ 114,403,787
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

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

Exhibit F-5

Montgomery County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Clarksville-Montgomery County School Department
For the Fiscal Year Ended June 30 *

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	3.039254%
School Department's Proportionate Share of the Net Pension Asset	\$ 493,864
Covered Employee Payroll	\$ 119,290,487
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit F-6

Montgomery County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Clarksville-Montgomery County School System
June 30, 2015

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial 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	7-1-12	\$ 0	\$ 4,469	\$ 4,469	0 %	\$ 29,182	15 %
"	7-1-14	0	5,937	5,937	0	31,420	19
"	7-1-15	0	6,304	6,304	0	31,420	20
School System	7-1-10	0	13,236	13,236	0	137,205	10
"	7-1-12	0	11,912	11,912	0	137,701	9
"	7-1-15	0	18,377	18,377	0	155,432	12

MONTGOMERY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Exhibit G-1

Montgomery County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>			
	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 10,360	\$ 50	\$ 10,410
Equity in Pooled Cash and Investments	112,903	0	4,163,599	4,276,502
Accounts Receivable	96	1,988	3,063	5,147
Due from Other Governments	0	0	614,657	614,657
Property Taxes Receivable	0	0	4,115,804	4,115,804
Allowance for Uncollectible Property Taxes	0	0	(102,738)	(102,738)
Total Assets	<u>\$ 112,999</u>	<u>\$ 12,348</u>	<u>\$ 8,794,435</u>	<u>\$ 8,919,782</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 396	\$ 0	\$ 48,581	\$ 48,977
Accrued Payroll	0	0	104,080	104,080
Payroll Deductions Payable	0	0	20,679	20,679
Due to Litigants, Heirs, and Others	0	12,348	0	12,348
Other Current Liabilities	47,508	0	0	47,508
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	87,820	87,820
Total Liabilities	<u>\$ 47,904</u>	<u>\$ 12,348</u>	<u>\$ 261,160</u>	<u>\$ 321,412</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 3,883,112	\$ 3,883,112
Deferred Delinquent Property Taxes	0	0	108,482	108,482

(Continued)

Exhibit G-1

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 286,219	\$ 286,219
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 4,277,813	\$ 4,277,813
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 65,095	\$ 0	\$ 0	\$ 65,095
Restricted for Highways/Public Works	0	0	4,133,347	4,133,347
Assigned:				
Assigned for Highways/Public Works	0	0	122,115	122,115
Total Fund Balances	\$ 65,095	\$ 0	\$ 4,255,462	\$ 4,320,557
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 112,999	\$ 12,348	\$ 8,794,435	\$ 8,919,782

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, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 4,377,621	\$ 4,377,621
Fines, Forfeitures, and Penalties	29,609	0	0	29,609
Charges for Current Services	0	15,651	0	15,651
Other Local Revenues	5,533	0	139,320	144,853
State of Tennessee	0	0	3,382,056	3,382,056
Federal Government	0	0	127,937	127,937
Other Governments and Citizens Groups	0	0	14,065	14,065
Total Revenues	\$ 35,142	\$ 15,651	\$ 8,040,999	\$ 8,091,792
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 15,651	\$ 0	\$ 15,651
Public Safety	8,870	0	0	8,870
Highways	0	0	7,614,701	7,614,701
Total Expenditures	\$ 8,870	\$ 15,651	\$ 7,614,701	\$ 7,639,222
Excess (Deficiency) of Revenues Over Expenditures	\$ 26,272	\$ 0	\$ 426,298	\$ 452,570
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 14,913	\$ 14,913
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 14,913	\$ 14,913
Net Change in Fund Balances	\$ 26,272	\$ 0	\$ 441,211	\$ 467,483
Fund Balance, July 1, 2014	38,823	0	3,814,251	3,853,074
Fund Balance, June 30, 2015	\$ 65,095	\$ 0	\$ 4,255,462	\$ 4,320,557

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 29,609	\$ 12,500	\$ 17,900	\$ 11,709
Other Local Revenues	5,533	0	0	5,533
Total Revenues	<u>\$ 35,142</u>	<u>\$ 12,500</u>	<u>\$ 17,900</u>	<u>\$ 17,242</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 8,870	\$ 8,220	\$ 13,620	\$ 4,750
Total Expenditures	<u>\$ 8,870</u>	<u>\$ 8,220</u>	<u>\$ 13,620</u>	<u>\$ 4,750</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 26,272</u>	<u>\$ 4,280</u>	<u>\$ 4,280</u>	<u>\$ 21,992</u>
Net Change in Fund Balance	\$ 26,272	\$ 4,280	\$ 4,280	\$ 21,992
Fund Balance, July 1, 2014	<u>38,823</u>	<u>21,245</u>	<u>38,823</u>	<u>0</u>
Fund Balance, June 30, 2015	<u><u>\$ 65,095</u></u>	<u><u>\$ 25,525</u></u>	<u><u>\$ 43,103</u></u>	<u><u>\$ 21,992</u></u>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,377,621	\$ 0	\$ 0	\$ 4,377,621	\$ 4,361,640	\$ 4,361,640	\$ 15,981
Other Local Revenues	139,320	0	0	139,320	80,660	80,660	58,660
State of Tennessee	3,382,056	0	0	3,382,056	3,309,401	3,309,401	72,655
Federal Government	127,937	0	0	127,937	0	0	127,937
Other Governments and Citizens Groups	14,065	0	0	14,065	25,000	25,000	(10,935)
Total Revenues	\$ 8,040,999	\$ 0	\$ 0	\$ 8,040,999	\$ 7,776,701	\$ 7,776,701	\$ 264,298
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 421,452	\$ 0	\$ 0	\$ 421,452	\$ 429,911	\$ 429,911	\$ 8,459
Highway and Bridge Maintenance	4,416,075	(19,823)	0	4,396,252	4,527,060	4,540,983	144,731
Operation and Maintenance of Equipment	1,173,669	0	0	1,173,669	1,272,929	1,272,929	99,260
Traffic Control	437,827	0	0	437,827	505,061	505,061	67,234
Other Charges	420,076	0	5,135	425,211	418,591	446,641	21,430
Employee Benefits	33,183	0	0	33,183	60,000	60,000	26,817
Capital Outlay	712,419	(23,967)	116,980	805,432	1,507,447	1,531,414	725,982
<u>Interest on Debt</u>							
Highways and Streets	0	0	0	0	7,000	7,000	7,000
Total Expenditures	\$ 7,614,701	\$ (43,790)	\$ 122,115	\$ 7,693,026	\$ 8,727,999	\$ 8,793,939	\$ 1,100,913
Excess (Deficiency) of Revenues Over Expenditures	\$ 426,298	\$ 43,790	\$ (122,115)	\$ 347,973	\$ (951,298)	\$ (1,017,238)	\$ 1,365,211
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 14,913	\$ 0	\$ 0	\$ 14,913	\$ 0	\$ 0	\$ 14,913
Total Other Financing Sources	\$ 14,913	\$ 0	\$ 0	\$ 14,913	\$ 0	\$ 0	\$ 14,913
Net Change in Fund Balance	\$ 441,211	\$ 43,790	\$ (122,115)	\$ 362,886	\$ (951,298)	\$ (1,017,238)	\$ 1,380,124
Fund Balance, July 1, 2014	3,814,251	(43,790)	0	3,770,461	3,058,998	3,814,251	(43,790)
Fund Balance, June 30, 2015	\$ 4,255,462	\$ 0	\$ (122,115)	\$ 4,133,347	\$ 2,107,700	\$ 2,797,013	\$ 1,336,334

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 38,770,998	\$ 36,764,940	\$ 37,550,654	\$ 1,220,344
Other Local Revenues	444,179	300,000	300,000	144,179
Federal Government	89,982	97,016	97,016	(7,034)
Other Governments and Citizens Groups	860,043	1,481,594	860,043	0
Total Revenues	<u>\$ 40,165,202</u>	<u>\$ 38,643,550</u>	<u>\$ 38,807,713</u>	<u>\$ 1,357,489</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 7,821,691	\$ 7,864,871	\$ 7,864,871	\$ 43,180
Education	16,752,359	16,752,360	16,752,361	2
<u>Interest on Debt</u>				
General Government	3,262,249	3,222,636	3,264,777	2,528
Education	8,868,176	8,868,177	8,868,176	0
<u>Other Debt Service</u>				
General Government	212,743	252,500	262,992	50,249
Education	518,860	615,094	639,575	120,715
Total Expenditures	<u>\$ 37,436,078</u>	<u>\$ 37,575,638</u>	<u>\$ 37,652,752</u>	<u>\$ 216,674</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,729,124</u>	<u>\$ 1,067,912</u>	<u>\$ 1,154,961</u>	<u>\$ 1,574,163</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 34,973	\$ 160,750	\$ 31,560	\$ 3,413
Total Other Financing Sources	<u>\$ 34,973</u>	<u>\$ 160,750</u>	<u>\$ 31,560</u>	<u>\$ 3,413</u>
Net Change in Fund Balance	\$ 2,764,097	\$ 1,228,662	\$ 1,186,521	\$ 1,577,576
Fund Balance, July 1, 2014	<u>37,572,524</u>	<u>37,679,030</u>	<u>37,572,524</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 40,336,621</u>	<u>\$ 38,907,692</u>	<u>\$ 38,759,045</u>	<u>\$ 1,577,576</u>

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, 2015

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>ASSETS</u>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 29,986,755	\$ 379,413	\$ 38,099	\$ 30,404,267
Cash with Paying Agents	0	50,000	0	50,000
Accounts Receivable	1,100	0	0	1,100
Due from Other Funds	0	0	1,100	1,100
Due from Component Units	3,163	0	0	3,163
Total Current Assets	\$ 29,991,018	\$ 429,413	\$ 39,199	\$ 30,459,630
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	\$ 24,803	\$ 0	\$ 0	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(8,533)	0	0	(8,533)
Total Noncurrent Assets	\$ 16,270	\$ 0	\$ 0	\$ 16,270
Total Assets	\$ 30,007,288	\$ 429,413	\$ 39,199	\$ 30,475,900
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 67,236	\$ 39,800	\$ 4,690	\$ 111,726
Accrued Payroll	0	1,190	0	1,190
Payroll Deductions Payable	0	1,578	0	1,578
Due to Component Units	255	0	0	255
Claims and Judgments Payable	1,879,084	78,296	0	1,957,380
Total Current Liabilities	\$ 1,946,575	\$ 120,864	\$ 4,690	\$ 2,072,129
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 1,879,083	\$ 78,295	\$ 0	\$ 1,957,378
Total Noncurrent Liabilities	\$ 1,879,083	\$ 78,295	\$ 0	\$ 1,957,378
Total Liabilities	\$ 3,825,658	\$ 199,159	\$ 4,690	\$ 4,029,507
<u>NET POSITION</u>				
Unrestricted	\$ 26,181,630	\$ 230,254	\$ 34,509	\$ 26,446,393
Total Net Position	\$ 26,181,630	\$ 230,254	\$ 34,509	\$ 26,446,393

Exhibit I-2

Montgomery County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Operating Revenues</u>				
Charges for Current Services	\$ 49,329,873	\$ 0	\$ 83,033	\$ 49,412,906
Total Operating Revenues	\$ 49,329,873	\$ 0	\$ 83,033	\$ 49,412,906
<u>Operating Expenses</u>				
Other Facilities	\$ 0	\$ 0	\$ 550	\$ 550
Property Assessor's Office	0	0	2,542	2,542
Risk Management	0	385,923	0	385,923
County Trustee's Office	0	0	6,841	6,841
County Clerk's Office	0	0	204	204
Probation Services	0	0	13,200	13,200
Other Local Health Services	0	0	5,638	5,638
Waste Pickup	0	0	2,504	2,504
Veteran's Services	0	0	4,675	4,675
Highway and Bridge Maintenance	0	0	2,235	2,235
Depreciation	991	0	0	991
Other Charges	1,503,984	0	0	1,503,984
Employee Benefits	48,116,865	0	0	48,116,865
Other	0	0	48,135	48,135
Total Operating Expenses	\$ 49,621,840	\$ 385,923	\$ 86,524	\$ 50,094,287
Operating Income (Loss)	\$ (291,967)	\$ (385,923)	\$ (3,491)	\$ (681,381)
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 74,030	\$ 0	\$ 0	\$ 74,030
Miscellaneous Refunds	1,342,730	0	0	1,342,730
Total Nonoperating Revenues (Expenses)	\$ 1,416,760	\$ 0	\$ 0	\$ 1,416,760
Changes in Net Position	\$ 1,124,793	\$ (385,923)	\$ (3,491)	\$ 735,379
Net Position, July 1, 2014	25,056,837	616,177	38,000	25,711,014
Net Position, June 30, 2015	\$ 26,181,630	\$ 230,254	\$ 34,509	\$ 26,446,393

Exhibit I-3

Montgomery County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts from Interfund Services Provided	\$ 49,349,054	\$ 0	\$ 83,033	\$ 49,432,087
Other Self-Insured Claims	(49,204,157)	(359,723)	(82,934)	(49,646,814)
Other Receipts (Payments)	1,342,730	0	0	1,342,730
Net Cash Provided By (Used In) Operating Activities	\$ 1,487,627	\$ (359,723)	\$ 99	\$ 1,128,003
<u>Cash Flows from Investing Activities</u>				
Investment Income	\$ 74,030	\$ 0	\$ 0	\$ 74,030
Net Cash Provided By (Used In) Investing Activities	\$ 74,030	\$ 0	\$ 0	\$ 74,030
Net Increase (Decrease) in Cash	\$ 1,561,657	\$ (359,723)	\$ 99	\$ 1,202,033
Cash, July 1, 2014	28,425,098	789,136	38,000	29,252,234
Cash, June 30, 2015	\$ 29,986,755	\$ 429,413	\$ 38,099	\$ 30,454,267

(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	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (291,967)	\$ (385,923)	\$ (3,491)	\$ (681,381)
Miscellaneous Refunds	1,342,730	0	0	1,342,730
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	2,643	0	0	2,643
(Increase) Decrease in Due from Other Funds	7,701	0	(119)	7,582
(Increase) Decrease in Due from Component Units	8,837	0	0	8,837
Increase (Decrease) in Accounts Payable	47,949	35,184	3,709	86,842
Increase (Decrease) in Accrued Payroll	0	218	0	218
Increase (Decrease) in Payroll Deductions Payable	(7,060)	238	0	(6,822)
Increase (Decrease) in Due to Component Units	(91)	0	0	(91)
Increase (Decrease) in Claims and Judgments Payable	375,894	(9,440)	0	366,454
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,487,627</u>	<u>\$ (359,723)</u>	<u>\$ 99</u>	<u>\$ 1,128,003</u>

Fiduciary Funds

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

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

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for the collection of delinquent property taxes of the City of Clarksville. These collections are remitted to the city monthly.

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

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

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

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

Exhibit J-1

Montgomery County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	Agency Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General Fund	Port Authority Fund	
<u>ASSETS</u>						
Cash	\$ 0	\$ 5,940,491	\$ 9,458	\$ 0	\$ 0	\$ 5,949,949
Equity in Pooled Cash and Investments	0	0	126,152	54,748	50,000	230,900
Accounts Receivable	0	845	95	1,279	0	2,219
Due from Other Governments	2,627,507	0	4,869	1,054	0	2,633,430
Total Assets	<u>\$ 2,627,507</u>	<u>\$ 5,941,336</u>	<u>\$ 140,574</u>	<u>\$ 57,081</u>	<u>\$ 50,000</u>	<u>\$ 8,816,498</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 4,659	\$ 57	\$ 0	\$ 4,716
Accrued Payroll	0	0	0	287	0	287
Due to Other Taxing Units	2,627,507	0	0	0	0	2,627,507
Due to Litigants, Heirs, and Others	0	5,941,336	0	56,737	50,000	6,048,073
Due to Joint Ventures	0	0	77,309	0	0	77,309
Other Current Liabilities	0	0	58,606	0	0	58,606
Total Liabilities	<u>\$ 2,627,507</u>	<u>\$ 5,941,336</u>	<u>\$ 140,574</u>	<u>\$ 57,081</u>	<u>\$ 50,000</u>	<u>\$ 8,816,498</u>

Exhibit J-2

Montgomery County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 14,731,311	\$ 14,731,311	\$ 0
Due from Other Governments	2,380,911	2,627,507	2,380,911	2,627,507
Total Assets	\$ 2,380,911	\$ 17,358,818	\$ 17,112,222	\$ 2,627,507
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,380,911	\$ 17,358,818	\$ 17,112,222	\$ 2,627,507
Total Liabilities	\$ 2,380,911	\$ 17,358,818	\$ 17,112,222	\$ 2,627,507
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 670,142	\$ 670,142	\$ 0
Total Assets	\$ 0	\$ 670,142	\$ 670,142	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 670,142	\$ 670,142	\$ 0
Total Liabilities	\$ 0	\$ 670,142	\$ 670,142	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,145,333	\$ 37,014,967	\$ 38,219,809	\$ 5,940,491
Accounts Receivable	2,905	845	2,905	845
Total Assets	\$ 7,148,238	\$ 37,015,812	\$ 38,222,714	\$ 5,941,336
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,148,238	\$ 37,015,812	\$ 38,222,714	\$ 5,941,336
Total Liabilities	\$ 7,148,238	\$ 37,015,812	\$ 38,222,714	\$ 5,941,336

(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>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 11,113	\$ 9,258	\$ 10,913	\$ 9,458
Equity in Pooled Cash and Investments	81,297	234,122	189,267	126,152
Accounts Receivable	290	95	290	95
Due from Other Governments	7,197	4,869	7,197	4,869
Total Assets	<u>\$ 99,897</u>	<u>\$ 248,344</u>	<u>\$ 207,667</u>	<u>\$ 140,574</u>
<u>Liabilities</u>				
Accounts Payable	\$ 4,613	\$ 4,659	\$ 4,613	\$ 4,659
Accrued Payroll	1,004	0	1,004	0
Due to Joint Ventures	94,280	90,951	107,922	77,309
Other Current Liabilities	0	152,734	94,128	58,606
Total Liabilities	<u>\$ 99,897</u>	<u>\$ 248,344</u>	<u>\$ 207,667</u>	<u>\$ 140,574</u>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 55,222	\$ 51,557	\$ 52,031	\$ 54,748
Accounts Receivable	1,133	1,279	1,133	1,279
Due from Other Governments	1,030	1,054	1,030	1,054
Total Assets	<u>\$ 57,385</u>	<u>\$ 53,890</u>	<u>\$ 54,194</u>	<u>\$ 57,081</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 57	\$ 0	\$ 57
Accrued Payroll	287	287	287	287
Due to Litigants, Heirs, and Others	57,098	53,546	53,907	56,737
Total Liabilities	<u>\$ 57,385</u>	<u>\$ 53,890</u>	<u>\$ 54,194</u>	<u>\$ 57,081</u>
<u>Port Authority Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Total Assets	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Total Liabilities	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>

(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>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,156,446	\$ 37,024,225	\$ 38,230,722	\$ 5,949,949
Equity in Pooled Cash and Investments	186,519	15,687,132	15,642,751	230,900
Accounts Receivable	4,328	2,219	4,328	2,219
Due from Other Governments	2,389,138	2,633,430	2,389,138	2,633,430
Total Assets	<u>\$ 9,736,431</u>	<u>\$ 55,347,006</u>	<u>\$ 56,266,939</u>	<u>\$ 8,816,498</u>
<u>Liabilities</u>				
Accounts Payable	\$ 4,613	\$ 4,716	\$ 4,613	\$ 4,716
Accrued Payroll	1,291	287	1,291	287
Due to Other Taxing Units	2,380,911	18,028,960	17,782,364	2,627,507
Due to Litigants, Heirs, and Others	7,255,336	37,069,358	38,276,621	6,048,073
Due to Joint Ventures	94,280	90,951	107,922	77,309
Other Current Liabilities	0	152,734	94,128	58,606
Total Liabilities	<u>\$ 9,736,431</u>	<u>\$ 55,347,006</u>	<u>\$ 56,266,939</u>	<u>\$ 8,816,498</u>

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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 139,682,215	\$ 139,515	\$ 9,060,836	\$ 0	\$ (130,481,864)
Support Services	99,000,969	383,177	5,169,584	60,303	(93,387,905)
Operation of Non-instructional Services	17,380,892	4,647,009	12,243,183	0	(490,700)
Interest on Long-term Debt	15,760	0	0	0	(15,760)
Total Governmental Activities	\$ 256,079,836	\$ 5,169,701	\$ 26,473,603	\$ 60,303	\$ (224,376,229)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 33,732,769
Local Option Sales Tax					42,012,795
Wheel Tax					4,154,355
Business Tax					698,839
Mixed Drink Tax					360,374
Interstate Telecommunications Tax					17,082
Grants and Contributions Not Restricted to Specific Programs					148,620,251
Unrestricted Investment Earnings					9,272
Pension Income					203,666
Miscellaneous					274,712
Total General Revenues					\$ 230,084,115
Change in Net Position					\$ 5,707,886
Net Position, July 1, 2014					349,674,086
Restatement - Pension Liability (See Note I.D.9)					(42,117,427)
Net Position, June 30, 2015					\$ 313,264,545

Exhibit K-2

Montgomery County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2015

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 58,573	\$ 0	\$ 1,086,649	\$ 1,145,222
Equity in Pooled Cash and Investments	37,742,008	3,553,222	7,445,888	48,741,118
Inventories	343,147	0	192,793	535,940
Accounts Receivable	76,686	337,060	135,140	548,886
Due from Other Governments	12,103,991	0	2,699,345	14,803,336
Due from Other Funds	693,057	0	25,181	718,238
Due from Primary Government	255	0	0	255
Property Taxes Receivable	32,566,106	0	1,943,373	34,509,479
Allowance for Uncollectible Property Taxes	(820,461)	0	(49,474)	(869,935)
Total Assets	\$ 82,763,362	\$ 3,890,282	\$ 13,478,895	\$ 100,132,539
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,361,908	\$ 218,630	\$ 395,836	\$ 1,976,374
Accrued Payroll	12,708,787	0	675,110	13,383,897
Payroll Deductions Payable	7,417,693	0	428,250	7,845,943
Due to Other Funds	19,429	721	698,088	718,238
Due to Primary Government	190,521	0	3,150	193,671
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	159,188	159,188
Total Liabilities	\$ 21,698,338	\$ 219,351	\$ 2,359,622	\$ 24,277,311
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 30,697,551	\$ 0	\$ 1,830,008	\$ 32,527,559

(Continued)

Exhibit K-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Deferred Delinquent Property Taxes	\$ 896,693	\$ 0	\$ 54,662	\$ 951,355
Other Deferred/Unavailable Revenue	4,048,274	0	0	4,048,274
Total Deferred Inflows of Resources	<u>\$ 35,642,518</u>	<u>\$ 0</u>	<u>\$ 1,884,670</u>	<u>\$ 37,527,188</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 343,147	\$ 0	\$ 192,793	\$ 535,940
Restricted:				
Restricted for Education	126,274	0	7,869,401	7,995,675
Restricted for Capital Projects	0	3,670,931	0	3,670,931
Committed:				
Committed for Education	1,783,218	0	1,172,409	2,955,627
Assigned:				
Assigned for Education	6,063,199	0	0	6,063,199
Unassigned	17,106,668	0	0	17,106,668
Total Fund Balances	<u>\$ 25,422,506</u>	<u>\$ 3,670,931</u>	<u>\$ 9,234,603</u>	<u>\$ 38,328,040</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 82,763,362</u>	<u>\$ 3,890,282</u>	<u>\$ 13,478,895</u>	<u>\$ 100,132,539</u>

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, 2015

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)		\$	38,328,040
(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		16,484,019	
Add: buildings and improvements net of accumulated depreciation		258,297,739	
Add: other capital assets net of accumulated depreciation		<u>16,934,003</u>	305,581,324
(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	\$	(303,213)	
Less: other postemployment benefits liability		(4,958,468)	
Less: compensated absences payable		<u>(1,579,910)</u>	(6,841,591)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	18,653,398	
Less: deferred inflows of resources related to pensions		<u>(48,915,309)</u>	(30,261,911)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			1,459,054
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>4,999,629</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>313,264,545</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, 2015

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 79,646,200	\$ 0	\$ 1,999,633	\$ 81,645,833
Charges for Current Services	134,602	0	4,691,930	4,826,532
Other Local Revenues	544,843	651,071	187,359	1,383,273
State of Tennessee	127,937,955	0	8,545,701	136,483,656
Federal Government	3,999,089	0	28,659,661	32,658,750
Other Governments and Citizens Groups	37,047	4,310,443	0	4,347,490
Total Revenues	<u>\$ 212,299,736</u>	<u>\$ 4,961,514</u>	<u>\$ 44,084,284</u>	<u>\$ 261,345,534</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 136,678,918	\$ 0	\$ 9,707,087	\$ 146,386,005
Support Services	76,475,797	553,655	17,617,306	94,646,758
Operation of Non-instructional Services	2,125,281	0	16,384,463	18,509,744
Debt Service:				
Interest on Debt	15,760	0	0	15,760
Capital Projects	0	4,267,883	0	4,267,883
Total Expenditures	<u>\$ 215,295,756</u>	<u>\$ 4,821,538</u>	<u>\$ 43,708,856</u>	<u>\$ 263,826,150</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (2,996,020)	\$ 139,976	\$ 375,428	\$ (2,480,616)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 148,226	\$ 409,846	\$ 0	\$ 558,072
Transfers In	632,865	0	1,299,802	1,932,667
Transfers Out	0	0	(1,932,667)	(1,932,667)
Total Other Financing Sources (Uses)	<u>\$ 781,091</u>	<u>\$ 409,846</u>	<u>\$ (632,865)</u>	<u>\$ 558,072</u>
Net Change in Fund Balances	\$ (2,214,929)	\$ 549,822	\$ (257,437)	\$ (1,922,544)
Fund Balance, July 1, 2014	<u>27,637,435</u>	<u>3,121,109</u>	<u>9,492,040</u>	<u>40,250,584</u>
Fund Balance, June 30, 2015	<u>\$ 25,422,506</u>	<u>\$ 3,670,931</u>	<u>\$ 9,234,603</u>	<u>\$ 38,328,040</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, 2015

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)		\$ (1,922,544)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,059,420	
Less: current-year depreciation expense	<u>(9,858,070)</u>	(4,798,650)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: revenue from the sale of capital assets	\$ (4,309)	
Less: loss on disposal of capital assets	<u>(53,230)</u>	(57,539)
(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, 2014	\$ (4,761,323)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>4,999,629</u>	238,306
(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 net pension liability/asset	\$ 43,576,481	
Change in deferred outflows of resources related to pensions	18,653,398	
Change in deferred inflows of resources related to pensions	(48,915,309)	
Change in claims and judgments payable	237,528	
Change in other postemployment benefits liability	(1,150,836)	
Change in compensated absences payable	<u>(152,949)</u>	12,248,313
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,707,886</u>

Exhibit K-6

Montgomery County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Clarksville-Montgomery County School System
June 30, 2015

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,086,649	\$ 0	\$ 0	\$ 1,086,649
Equity in Pooled Cash and Investments	1,128,439	4,139,247	2,005,893	172,309	7,445,888
Inventories	0	192,793	0	0	192,793
Accounts Receivable	3,501	74,216	57,323	100	135,140
Due from Other Governments	2,699,345	0	0	0	2,699,345
Due from Other Funds	9	21,188	3,984	0	25,181
Property Taxes Receivable	0	0	1,943,373	0	1,943,373
Allowance for Uncollectible Property Taxes	0	0	(49,474)	0	(49,474)
Total Assets	<u>\$ 3,831,294</u>	<u>\$ 5,514,093</u>	<u>\$ 3,961,099</u>	<u>\$ 172,409</u>	<u>\$ 13,478,895</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 312,138	\$ 30,130	\$ 53,568	\$ 0	\$ 395,836
Accrued Payroll	675,110	0	0	0	675,110
Payroll Deductions Payable	428,250	0	0	0	428,250
Due to Other Funds	634,000	57,859	6,229	0	698,088
Due to Primary Government	0	0	3,150	0	3,150
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	159,188	0	0	159,188
Total Liabilities	<u>\$ 2,049,498</u>	<u>\$ 247,177</u>	<u>\$ 62,947</u>	<u>\$ 0</u>	<u>\$ 2,359,622</u>

(Continued)

Exhibit K-6

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

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,830,008	\$ 0	\$ 1,830,008
Deferred Delinquent Property Taxes	0	0	54,662	0	54,662
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,884,670</u>	<u>\$ 0</u>	<u>\$ 1,884,670</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 192,793	\$ 0	\$ 0	\$ 192,793
Restricted:					
Restricted for Education	781,796	5,074,123	2,013,482	0	7,869,401
Committed:					
Committed for Education	1,000,000	0	0	172,409	1,172,409
Total Fund Balances	<u>\$ 1,781,796</u>	<u>\$ 5,266,916</u>	<u>\$ 2,013,482</u>	<u>\$ 172,409</u>	<u>\$ 9,234,603</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,831,294</u>	<u>\$ 5,514,093</u>	<u>\$ 3,961,099</u>	<u>\$ 172,409</u>	<u>\$ 13,478,895</u>

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, 2015

	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	\$ 1,999,633	\$ 0	\$ 1,999,633
Charges for Current Services	0	4,585,245	0	106,685	4,691,930
Other Local Revenues	0	134,209	53,150	0	187,359
State of Tennessee	682,654	146,047	7,717,000	0	8,545,701
Federal Government	18,396,042	10,263,619	0	0	28,659,661
Total Revenues	<u>\$ 19,078,696</u>	<u>\$ 15,129,120</u>	<u>\$ 9,769,783</u>	<u>\$ 106,685</u>	<u>\$ 44,084,284</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 9,655,702	\$ 0	\$ 0	\$ 51,385	\$ 9,707,087
Support Services	5,738,408	0	11,863,832	15,066	17,617,306
Operation of Non-instructional Services	1,353,041	15,031,422	0	0	16,384,463
Total Expenditures	<u>\$ 16,747,151</u>	<u>\$ 15,031,422</u>	<u>\$ 11,863,832</u>	<u>\$ 66,451</u>	<u>\$ 43,708,856</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,331,545</u>	<u>\$ 97,698</u>	<u>\$ (2,094,049)</u>	<u>\$ 40,234</u>	<u>\$ 375,428</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 1,299,802	\$ 0	\$ 1,299,802
Transfers Out	(1,932,667)	0	0	0	(1,932,667)
Total Other Financing Sources (Uses)	<u>\$ (1,932,667)</u>	<u>\$ 0</u>	<u>\$ 1,299,802</u>	<u>\$ 0</u>	<u>\$ (632,865)</u>
Net Change in Fund Balances	\$ 398,878	\$ 97,698	\$ (794,247)	\$ 40,234	\$ (257,437)
Fund Balance, July 1, 2014	1,382,918	5,169,218	2,807,729	132,175	9,492,040
Fund Balance, June 30, 2015	<u>\$ 1,781,796</u>	<u>\$ 5,266,916</u>	<u>\$ 2,013,482</u>	<u>\$ 172,409</u>	<u>\$ 9,234,603</u>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 79,646,200	\$ 0	\$ 0	\$ 79,646,200	\$ 79,948,901	\$ 78,969,202	\$ 676,998
Charges for Current Services	134,602	0	0	134,602	79,000	112,700	21,902
Other Local Revenues	544,843	0	0	544,843	689,700	535,600	9,243
State of Tennessee	127,937,955	0	0	127,937,955	124,652,377	126,256,573	1,681,382
Federal Government	3,999,089	0	0	3,999,089	3,390,000	3,988,329	10,760
Other Governments and Citizens Groups	37,047	0	0	37,047	27,000	29,500	7,547
Total Revenues	\$ 212,299,736	\$ 0	\$ 0	\$ 212,299,736	\$ 208,786,978	\$ 209,891,904	\$ 2,407,832
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 106,505,493	\$ (853,682)	\$ 2,160	\$ 105,653,971	\$ 112,157,361	\$ 112,097,942	\$ 6,443,971
Alternative Instruction Program	971,895	0	121	972,016	1,044,373	1,065,251	93,235
Special Education Program	23,865,181	(1,481)	40,869	23,904,569	24,797,821	25,097,365	1,192,796
Vocational Education Program	5,336,349	(443)	3,659	5,339,565	5,263,364	5,447,009	107,444
<u>Support Services</u>							
Attendance	770,056	(437)	0	769,619	814,529	821,119	51,500
Health Services	1,420,633	(483)	229	1,420,379	1,527,630	1,551,444	131,065
Other Student Support	7,775,848	(8,295)	0	7,767,553	7,790,223	8,124,898	357,345
Regular Instruction Program	11,209,153	0	5,450	11,214,603	11,728,136	11,755,834	541,231
Alternative Instruction Program	31,792	0	0	31,792	39,839	39,884	8,092
Special Education Program	2,287,295	(54)	11,893	2,299,134	2,319,143	2,412,001	112,867
Vocational Education Program	109,997	0	469	110,466	120,707	121,893	11,427
Adult Programs	142,325	0	0	142,325	153,127	157,622	15,297
Other Programs	106,362	0	0	106,362	0	106,362	0
Board of Education	3,475,262	0	1,716	3,476,978	3,828,520	3,947,954	470,976
Director of Schools	1,063,208	(17,143)	7,550	1,053,615	1,124,870	1,120,583	66,968
Office of the Principal	15,993,252	(99,082)	43,230	15,937,400	16,249,238	16,447,656	510,256
Fiscal Services	2,298,996	(916)	0	2,298,080	2,448,687	2,477,876	179,796
Human Services/Personnel	1,995,259	0	45,020	2,040,279	2,199,087	2,277,580	237,301
Operation of Plant	15,725,615	(207,938)	59,938	15,577,615	16,407,465	16,675,409	1,097,794

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 6,312,460	\$ (178,396)	\$ 170,501	\$ 6,304,565	\$ 6,587,614	\$ 6,662,643	\$ 358,078
Central and Other	5,758,284	(228,005)	287,843	5,818,122	5,730,433	5,993,425	175,303
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	2,125,281	0	0	2,125,281	2,181,291	2,211,684	86,403
<u>Interest on Debt</u>							
Education	15,760	0	0	15,760	21,000	21,000	5,240
Total Expenditures	<u>\$ 215,295,756</u>	<u>\$ (1,596,355)</u>	<u>\$ 680,648</u>	<u>\$ 214,380,049</u>	<u>\$ 224,534,458</u>	<u>\$ 226,634,434</u>	<u>\$ 12,254,385</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,996,020)	\$ 1,596,355	\$ (680,648)	\$ (2,080,313)	\$ (15,747,480)	\$ (16,742,530)	\$ 14,662,217
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 148,226	\$ 0	\$ 0	\$ 148,226	\$ 25,000	\$ 94,594	\$ 53,632
Transfers In	632,865	0	0	632,865	430,000	430,000	202,865
Transfers Out	0	0	0	0	(300,000)	0	0
Total Other Financing Sources	<u>\$ 781,091</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 781,091</u>	<u>\$ 155,000</u>	<u>\$ 524,594</u>	<u>\$ 256,497</u>
Net Change in Fund Balance	\$ (2,214,929)	\$ 1,596,355	\$ (680,648)	\$ (1,299,222)	\$ (15,592,480)	\$ (16,217,936)	\$ 14,918,714
Fund Balance, July 1, 2014	<u>27,637,435</u>	<u>(1,596,355)</u>	<u>0</u>	<u>26,041,080</u>	<u>24,455,238</u>	<u>24,455,238</u>	<u>1,585,842</u>
Fund Balance, June 30, 2015	<u>\$ 25,422,506</u>	<u>\$ 0</u>	<u>\$ (680,648)</u>	<u>\$ 24,741,858</u>	<u>\$ 8,862,758</u>	<u>\$ 8,237,302</u>	<u>\$ 16,504,556</u>

Exhibit K-9

Montgomery County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Discretely Presented Clarksville-Montgomery County School System
 School Federal Projects Fund
 For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 682,654	\$ 732,642	\$ 777,488	\$ (94,834)
Federal Government	18,396,042	23,003,596	24,186,958	(5,790,916)
Total Revenues	<u>\$ 19,078,696</u>	<u>\$ 23,736,238</u>	<u>\$ 24,964,446</u>	<u>\$ (5,885,750)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 6,122,783	\$ 6,906,486	\$ 10,068,837	\$ 3,946,054
Special Education Program	3,061,636	3,132,971	3,468,513	406,877
Vocational Education Program	365,127	207,092	365,127	0
Adult Education Program	106,156	94,836	107,079	923
<u>Support Services</u>				
Health Services	154,531	0	155,000	469
Other Student Support	557,086	367,112	709,257	152,171
Regular Instruction Program	3,627,542	10,281,992	5,189,340	1,561,798
Special Education Program	1,103,958	988,890	1,269,095	165,137
Vocational Education Program	2,007	4,000	2,007	0
Adult Programs	143,424	143,322	149,228	5,804
Operation of Plant	51,515	149,600	58,280	6,765
Transportation	98,345	1,320,546	226,292	127,947
<u>Operation of Non-Instructional Services</u>				
Community Services	1,353,041	0	1,482,972	129,931
Total Expenditures	<u>\$ 16,747,151</u>	<u>\$ 23,596,847</u>	<u>\$ 23,251,027</u>	<u>\$ 6,503,876</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,331,545</u>	<u>\$ 139,391</u>	<u>\$ 1,713,419</u>	<u>\$ 618,126</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 750,000	\$ 1,500,000	\$ (1,500,000)
Transfers Out	(1,932,667)	(867,243)	(2,026,341)	93,674
Total Other Financing Sources	<u>\$ (1,932,667)</u>	<u>\$ (117,243)</u>	<u>\$ (526,341)</u>	<u>\$ (1,406,326)</u>
Net Change in Fund Balance	\$ 398,878	\$ 22,148	\$ 1,187,078	\$ (788,200)
Fund Balance, July 1, 2014	<u>1,382,918</u>	<u>1,000,000</u>	<u>1,382,922</u>	<u>(4)</u>
Fund Balance, June 30, 2015	<u>\$ 1,781,796</u>	<u>\$ 1,022,148</u>	<u>\$ 2,570,000</u>	<u>\$ (788,204)</u>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 4,585,245	\$ 0	\$ 4,585,245	\$ 4,812,316	\$ 4,812,316	\$ (227,071)
Other Local Revenues	134,209	0	134,209	104,032	127,003	7,206
State of Tennessee	146,047	0	146,047	125,378	146,047	0
Federal Government	10,263,619	0	10,263,619	9,941,719	10,066,689	196,930
Total Revenues	<u>\$ 15,129,120</u>	<u>\$ 0</u>	<u>\$ 15,129,120</u>	<u>\$ 14,983,445</u>	<u>\$ 15,152,055</u>	<u>\$ (22,935)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 15,031,422	\$ (162,287)	\$ 14,869,135	\$ 15,252,333	\$ 15,995,360	\$ 1,126,225
Total Expenditures	<u>\$ 15,031,422</u>	<u>\$ (162,287)</u>	<u>\$ 14,869,135</u>	<u>\$ 15,252,333</u>	<u>\$ 15,995,360</u>	<u>\$ 1,126,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 97,698</u>	<u>\$ 162,287</u>	<u>\$ 259,985</u>	<u>\$ (268,888)</u>	<u>\$ (843,305)</u>	<u>\$ 1,103,290</u>
Net Change in Fund Balance	\$ 97,698	\$ 162,287	\$ 259,985	\$ (268,888)	\$ (843,305)	\$ 1,103,290
Fund Balance, July 1, 2014	<u>5,169,218</u>	<u>(162,287)</u>	<u>5,006,931</u>	<u>4,060,285</u>	<u>5,006,931</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 5,266,916</u>	<u>\$ 0</u>	<u>\$ 5,266,916</u>	<u>\$ 3,791,397</u>	<u>\$ 4,163,626</u>	<u>\$ 1,103,290</u>

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,999,633	\$ 0	\$ 0	\$ 1,999,633	\$ 2,084,500	\$ 1,954,980	\$ 44,653
Other Local Revenues	53,150	0	0	53,150	53,700	75,500	(22,350)
State of Tennessee	7,717,000	0	0	7,717,000	7,717,000	7,717,000	0
Federal Government	0	0	0	0	1,282,915	0	0
Total Revenues	\$ 9,769,783	\$ 0	\$ 0	\$ 9,769,783	\$ 11,138,115	\$ 9,747,480	\$ 22,303
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 40,040	\$ 0	\$ 0	\$ 40,040	\$ 50,000	\$ 50,000	\$ 9,960
Transportation	11,823,792	(3,953)	26,089	11,845,928	13,184,738	13,554,409	1,708,481
Total Expenditures	\$ 11,863,832	\$ (3,953)	\$ 26,089	\$ 11,885,968	\$ 13,234,738	\$ 13,604,409	\$ 1,718,441
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,094,049)	\$ 3,953	\$ (26,089)	\$ (2,116,185)	\$ (2,096,623)	\$ (3,856,929)	\$ 1,740,744
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,299,802	\$ 0	\$ 0	\$ 1,299,802	\$ 0	\$ 1,299,802	\$ 0
Total Other Financing Sources	\$ 1,299,802	\$ 0	\$ 0	\$ 1,299,802	\$ 0	\$ 1,299,802	\$ 0
Net Change in Fund Balance	\$ (794,247)	\$ 3,953	\$ (26,089)	\$ (816,383)	\$ (2,096,623)	\$ (2,557,127)	\$ 1,740,744
Fund Balance, July 1, 2014	2,807,729	(3,953)	0	2,803,776	2,527,337	2,807,729	(3,953)
Fund Balance, June 30, 2015	\$ 2,013,482	\$ 0	\$ (26,089)	\$ 1,987,393	\$ 430,714	\$ 250,602	\$ 1,736,791

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 106,685	\$ 180,000	\$ 180,000	\$ (73,315)
Total Revenues	\$ 106,685	\$ 180,000	\$ 180,000	\$ (73,315)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 51,385	\$ 109,110	\$ 109,110	\$ 57,725
<u>Support Services</u>				
Board of Education	395	1,800	1,800	1,405
Office of the Principal	10,006	32,674	32,674	22,668
Operation of Plant	4,665	9,759	9,759	5,094
Total Expenditures	\$ 66,451	\$ 153,343	\$ 153,343	\$ 86,892
Excess (Deficiency) of Revenues Over Expenditures	\$ 40,234	\$ 26,657	\$ 26,657	\$ 13,577
Net Change in Fund Balance	\$ 40,234	\$ 26,657	\$ 26,657	\$ 13,577
Fund Balance, July 1, 2014	132,175	107,687	132,175	0
Fund Balance, June 30, 2015	\$ 172,409	\$ 134,344	\$ 158,832	\$ 13,577

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, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Promissory Note - Land for EMS Building	\$ 80,000	3 %	7-1-14	3-11-18	\$ 0	\$ 80,000	\$ 20,000	\$ 60,000
Total Notes Payable					\$ 0	\$ 80,000	\$ 20,000	\$ 60,000
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	\$ 352,959	\$ 0	\$ 176,481	\$ 176,478
Qualified Zone Academy Bonds	3,763,987	0	5-22-06	12-1-20	1,687,187	0	259,600	1,427,587
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	15,216,120	0	1,247,969	13,968,151
Total Other Loans Payable					\$ 17,256,266	\$ 0	\$ 1,684,050	\$ 15,572,216
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation Public Improvement	22,000,000	2.1 to 5	11-1-04	4-1-15	100,000	0	100,000	0
General Obligation Public Improvement	40,000,000	4 to 5	12-1-05	4-1-16	650,000	0	250,000	400,000
General Obligation Refunding	63,945,000	4 to 5	8-11-06	6-30-26	10,330,000	0	2,330,000	8,000,000
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-28	14,025,000	0	750,000	13,275,000
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-24	15,600,000	0	650,000	14,950,000
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	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	65,490,000	0	8,905,000	56,585,000
General Obligation School and Public Improvement	62,335,000	2 to 5	7-28-11	4-1-29	60,335,000	0	1,000,000	59,335,000
General Obligation Refunding	19,465,000	2 to 5	4-25-12	4-1-25	17,735,000	0	1,370,000	16,365,000
General Obligation Public Improvement and Refunding	27,415,000	2 to 5	10-11-12	4-1-29	24,695,000	0	1,350,000	23,345,000
General Obligation Refunding	37,120,000	.20 to 1.65	5-17-13	5-1-20	36,280,000	0	5,525,000	30,755,000
General Obligation Public Improvement	13,200,000	3 to 5	8-29-13	4-1-28	12,700,000	0	500,000	12,200,000
General Obligation Refunding	50,155,000	2.5 to 5	5-15-14	4-1-26	50,155,000	0	0	50,155,000
General Obligation Schools	18,060,000	2 to 5	5-15-15	4-1-35	0	18,060,000	0	18,060,000
Total Payable through General Debt Service Fund					\$ 313,495,000	\$ 18,060,000	\$ 22,730,000	\$ 308,825,000
<u>Payable by Bi-County Solid Waste Management System</u>								
<u>Contributions to General Debt Service Fund</u>								
General Obligation Public Improvement	625,000	5	10-11-12	4-1-17	\$ 415,000	\$ 0	\$ 140,000	\$ 275,000
Total Bonds Payable					\$ 313,910,000	\$ 18,060,000	\$ 22,870,000	\$ 309,100,000

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 20,000	\$ 1,800	\$ 21,800
2017	20,000	1,200	21,200
2018	20,000	600	20,600
Total	\$ 60,000	\$ 3,600	\$ 63,600

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 1,684,047	\$ 303,000	\$ 22,093	\$ 2,009,140
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	1,507,569	303,000	21,246	1,831,815
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	1,240,801	303,000	20,000	1,563,801
2027	117,647	25,250	5,000	147,897
Total	\$ 15,572,216	\$ 3,358,250	\$ 233,323	\$ 19,163,789

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 22,965,000	\$ 11,988,165	\$ 34,953,165
2017	23,885,000	11,341,636	35,226,636
2018	25,095,000	10,505,246	35,600,246
2019	26,015,000	9,630,965	35,645,965
2020	27,435,000	8,708,390	36,143,390
2021	28,570,000	7,668,725	36,238,725
2022	25,120,000	6,321,819	31,441,819

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2023	24,805,000	5,280,081	30,085,081
2024	24,785,000	4,176,468	28,961,468
2025	21,605,000	3,176,668	24,781,668
2026	19,785,000	2,292,531	22,077,531
2027	12,355,000	1,597,831	13,952,831
2028	11,800,000	1,059,931	12,859,931
2029	5,795,000	534,456	6,329,456
2030	2,000,000	324,981	2,324,981
2031	1,325,000	242,944	1,567,944
2032	1,375,000	199,881	1,574,881
2033	1,400,000	153,475	1,553,475
2034	1,475,000	104,475	1,579,475
2035	1,510,000	52,852	1,562,852
Total	\$ 309,100,000	\$ 85,361,520	\$ 394,461,520

Exhibit L-3

Montgomery County, Tennessee
Schedule of Notes Receivable
June 30, 2015

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
<u>General Debt Service Fund</u>						
Equipment Purchases	Bi-County Solid Waste Management System	\$ 1,378,741	various	various	0 %	<u>\$ 1,378,741</u>
Total Notes Receivable						<u>\$ 1,378,741</u>

Exhibit L-4

Montgomery County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Commission on sales tax	\$ 34,973
"	General Capital Projects	County Clerk equipment	<u>55,000</u>
Total Transfers Primary Government			<u>\$ 89,973</u>
<u>DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY SCHOOL SYSTEM</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 632,865
"	School Transportation	Salaries	<u>1,299,802</u>
Total Transfers Discretely Presented Clarksville-Montgomery County School System			<u>\$ 1,932,667</u>

Exhibit L-5

Montgomery County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Carolyn Bowers (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	\$ 24,737	\$ 50,000	RLI Insurance Company
Jim Durrett (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	123,687	100,000	"
Highway Supervisor	Section 8-24-102, <i>TCA</i>	102,811	100,000	Western Surety Company
Director of Schools	State Board of Education and Local Board of Education	177,020 (1)		(4)
Trustee	Section 8-24-102, <i>TCA</i>	93,465	9,637,421	Hartford Fire Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	93,465	50,000	Western Surety Company
Director of Accounts and Budgets	County Commission	92,072	100,000	RLI Insurance Company
Purchasing Agent	County Commission	70,539	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	93,465	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	93,465	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Judge	93,465 (2)	50,000	Auto-Owners Mutual Insurance Company
Register of Deeds:				
Connie Bell (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	15,578	50,000	RLI Insurance Company
Connie Gunnett (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	77,887	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	111,522 (3)	100,000	"
County Employees:				
Public Employees Blanket Bond			150,000	Local Government Insurance Pool
School Employees:				
Public School System			500,000	Travelers Insurance

- (1) Includes a \$4,800 transportation supplement, a \$6,102 payment for unused vacation days, and a \$1,000 CEO supplement.
(2) Does not include special commissioner fees totaling \$15,651.
(3) Includes \$7,500 as a workhouse superintendent and \$600 for a law enforcement training supplement.
(4) Director of schools is covered by the public school system employee blanket bond.

Exhibit L-6

Montgomery County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2015

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 30,450,660	\$ 0	\$ 0	\$ 3,847,422	\$ 30,656,318
Trustee's Collections - Prior Year	1,264,026	0	0	161,835	1,383,915
Trustee's Collections - Bankruptcy	36,714	0	0	4,725	40,054
Interest and Penalty	326,280	0	0	41,902	355,965
Payments in-Lieu-of Taxes - T.V.A.	763	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	1,172,448	0	0	0	0
Payments in-Lieu-of Taxes - Other	599,588	0	0	0	785,714
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	3,525,013
Hotel/Motel Tax	1,668,313	0	0	0	0
Litigation Tax - General	400,169	0	0	0	346,594
Litigation Tax - Special Purpose	73,713	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	382,817
Business Tax	1,232,813	0	0	106,277	106,277
Mineral Severance Tax	0	0	0	201,870	0
Adequate Facilities/Development Tax	0	0	0	0	1,080,080
<u>Statutory Local Taxes</u>					
Bank Excise Tax	107,569	0	0	13,590	108,251
Wholesale Beer Tax	389,625	0	0	0	0
Interstate Telecommunications Tax	3,906	0	0	0	0
Total Local Taxes	\$ 37,726,587	\$ 0	\$ 0	\$ 4,377,621	\$ 38,770,998
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 36,649	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service Fund
<u>Licenses and Permits (Cont.)</u>					
<u>Licenses (Cont.)</u>					
Animal Vaccination	\$ 4,048	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	261,656	0	0	0	0
<u>Permits</u>					
Building Permits	440,761	0	0	0	0
Plumbing Permits	16,900	0	0	0	0
Other Permits	105,411	0	0	0	0
Total Licenses and Permits	\$ 865,425	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 3,558	\$ 0	\$ 0	\$ 0	0
Officers Costs	20,788	0	0	0	0
Drug Court Fees	1,683	0	0	0	0
Jail Fees	20,834	0	0	0	0
Data Entry Fee - Circuit Court	8,900	0	0	0	0
Courtroom Security Fee	7,034	0	0	0	0
Victims Assistance Assessments	3,105	0	0	0	0
<u>General Sessions Court</u>					
Fines	129,222	0	0	0	0
Fines for Littering	475	0	0	0	0
Officers Costs	224,996	0	0	0	0
Game and Fish Fines	265	0	0	0	0
Drug Court Fees	21,346	0	0	0	0
Jail Fees	295,107	0	0	0	0
DUI Treatment Fines	26,599	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 52,316	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	73,383	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,175	0	0	0	0
Officers Costs	3,961	0	0	0	0
Jail Fees	34,276	0	0	0	0
Data Entry Fee - Juvenile Court	5,885	0	0	0	0
Courtroom Security Fee	2	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	40,039	0	0	0	0
Data Entry Fee - Chancery Court	5,830	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	875	0	0	0	0
Drug Control Fines	0	29,609	0	0	0
Drug Court Fees	25,348	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	3,719	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 1,010,721	\$ 29,609	\$ 0	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 5,225,847	\$ 0	\$ 0	\$ 0	0
Zoning Studies	5,000	0	0	0	0
Other General Service Charges	56,520	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Recreation Fees	\$ 14,015	\$ 0	\$ 0	\$ 0	\$ 0
Copy Fees	6,508	0	0	0	0
Archives and Records Management Fee - County Clerk	414,033	0	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0
Telephone Commissions	132,176	0	0	0	0
Vending Machine Collections	72,955	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	15,651	0	0
Data Processing Fee - Register	71,328	0	0	0	0
Probation Fees	16,406	0	0	0	0
Data Processing Fee - Sheriff	18,555	0	0	0	0
Sexual Offender Registration Fee - Sheriff	13,400	0	0	0	0
Data Processing Fee - County Clerk	20,742	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	7,228	0	0	0	0
Total Charges for Current Services	\$ 6,075,063	\$ 0	\$ 15,651	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 241,590	\$ 0	\$ 0	\$ 0	\$ 444,179
Lease/Rentals	592,583	0	0	0	0
Sale of Gasoline	0	0	0	30,076	0
Sale of Maps	1,322	0	0	0	0
Sale of Recycled Materials	475	0	0	0	0
Miscellaneous Refunds	226,359	0	0	109,244	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 19,234	\$ 1,633	\$ 0	\$ 0	\$ 0
Contributions and Gifts	4,000	0	0	0	0
Performance Bond Forfeitures	0	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	717,598	3,900	0	0	0
Total Other Local Revenues	\$ 1,803,161	\$ 5,533	\$ 0	\$ 139,320	\$ 444,179
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 1,647,840	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	610,763	0	0	0	0
General Sessions Court Clerk	1,327,206	0	0	0	0
Clerk and Master	427,793	0	0	0	0
Juvenile Court Clerk	247,632	0	0	0	0
Register	1,030,725	0	0	0	0
Sheriff	38,478	0	0	0	0
Trustee	3,053,743	0	0	0	0
Total Fees Received from County Officials	\$ 8,384,180	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 558,274	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	56,400	0	0	0	0

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
State Aid Program	\$ 0	\$ 0	\$ 0	333,710	\$ 0
Litter Program	70,600	0	0	0	0
<u>Other State Revenues</u>					
Flood Control	565	0	0	0	0
Beer Tax	18,055	0	0	0	0
Vehicle Certificate of Title Fees	32,189	0	0	0	0
Alcoholic Beverage Tax	226,046	0	0	0	0
State Revenue Sharing - T.V.A.	1,676,246	0	0	0	0
Prisoner Transportation	10,665	0	0	0	0
Contracted Prisoner Boarding	1,500,086	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,883,081	0
Petroleum Special Tax	0	0	0	124,345	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	2,457,688	0	0	24,984	0
Other State Revenues	151,720	0	0	15,936	0
Total State of Tennessee	\$ 6,773,698	\$ 0	\$ 0	3,382,056	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Disaster Relief	\$ 0	\$ 0	\$ 0	127,937	\$ 0
Homeland Security Grants	241,264	0	0	0	0
Other Federal through State	280,525	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	89,982
Other Direct Federal Revenue	48,549	0	0	0	0
Total Federal Government	\$ 570,338	\$ 0	\$ 0	127,937	\$ 89,982

(Continued)

Exhibit L-6

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

	Special Revenue Funds				Debt Service
	General	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 14,065	\$ 0
Contributions	496,450	0	0	0	164,163
<u>Citizens Groups</u>					
Donations	58,981	0	0	0	0
<u>Other</u>					
Other	0	0	0	0	695,880
Total Other Governments and Citizens Groups	\$ 555,431	\$ 0	\$ 0	\$ 14,065	\$ 860,043
Total	\$ 63,764,604	\$ 35,142	\$ 15,651	\$ 8,040,999	\$ 40,165,202

(Continued)

Exhibit L-6

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

	<u>Capital</u> <u>Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 2,781,950	\$ 67,736,350
Trustee's Collections - Prior Year	49,743	2,859,519
Trustee's Collections - Bankruptcy	1,701	83,194
Interest and Penalty	14,556	738,703
Payments in-Lieu-of Taxes - T.V.A.	0	763
Payments in-Lieu-of Taxes - Local Utilities	0	1,172,448
Payments in-Lieu-of Taxes - Other	0	1,385,302
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	3,525,013
Hotel/Motel Tax	0	1,668,313
Litigation Tax - General	0	746,763
Litigation Tax - Special Purpose	0	73,713
Litigation Tax - Jail, Workhouse, or Courthouse	0	382,817
Business Tax	0	1,445,367
Mineral Severance Tax	0	201,870
Adequate Facilities/Development Tax	0	1,080,080
<u>Statutory Local Taxes</u>		
Bank Excise Tax	9,849	239,259
Wholesale Beer Tax	0	389,625
Interstate Telecommunications Tax	0	3,906
Total Local Taxes	<u>\$ 2,857,799</u>	<u>\$ 83,733,005</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Registration	\$ 0	\$ 36,649

(Continued)

Exhibit L-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	General		
	Capital	Projects	Total
<u>Licenses and Permits (Cont.)</u>			
<u>Licenses (Cont.)</u>			
Animal Vaccination	\$ 0	\$ 0	4,048
Cable TV Franchise	0	0	261,656
<u>Permits</u>			
Building Permits	0	0	440,761
Plumbing Permits	0	0	16,900
Other Permits	0	0	105,411
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>865,425</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	3,558
Officers Costs	0	0	20,788
Drug Court Fees	0	0	1,683
Jail Fees	0	0	20,834
Data Entry Fee - Circuit Court	0	0	8,900
Courtroom Security Fee	0	0	7,034
Victims Assistance Assessments	0	0	3,105
<u>General Sessions Court</u>			
Fines	0	0	129,222
Fines for Littering	0	0	475
Officers Costs	0	0	224,996
Game and Fish Fines	0	0	265
Drug Court Fees	0	0	21,346
Jail Fees	0	0	295,107
DUI Treatment Fines	0	0	26,599

(Continued)

Exhibit L-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>General Sessions Court (Cont.)</u>		
Data Entry Fee - General Sessions Court	\$ 0	\$ 52,316
Victims Assistance Assessments	0	73,383
<u>Juvenile Court</u>		
Fines	0	1,175
Officers Costs	0	3,961
Jail Fees	0	34,276
Data Entry Fee - Juvenile Court	0	5,885
Courtroom Security Fee	0	2
<u>Chancery Court</u>		
Officers Costs	0	40,039
Data Entry Fee - Chancery Court	0	5,830
<u>Other Courts - In-county</u>		
Fines	0	875
Drug Control Fines	0	29,609
Drug Court Fees	0	25,348
<u>Other Fines, Forfeitures, and Penalties</u>		
Other Fines, Forfeitures, and Penalties	0	3,719
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 1,040,330</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Patient Charges	\$ 0	\$ 5,225,847
Zoning Studies	0	5,000
Other General Service Charges	0	56,520

(Continued)

Exhibit L-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	General	Capital	Total
	Projects	Projects	
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees</u>			
Recreation Fees	\$ 0	\$ 0	14,015
Copy Fees	0	0	6,508
Archives and Records Management Fee - County Clerk	0	0	414,033
Greenbelt Late Application Fee	0	0	350
Telephone Commissions	0	0	132,176
Vending Machine Collections	0	0	72,955
Special Commissioner Fees/Special Master Fees	0	0	15,651
Data Processing Fee - Register	0	0	71,328
Probation Fees	0	0	16,406
Data Processing Fee - Sheriff	0	0	18,555
Sexual Offender Registration Fee - Sheriff	0	0	13,400
Data Processing Fee - County Clerk	0	0	20,742
<u>Other Charges for Services</u>			
Other Charges for Services	0	0	7,228
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>6,090,714</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 7,604	\$ 0	693,373
Lease/Rentals	0	0	592,583
Sale of Gasoline	0	0	30,076
Sale of Maps	0	0	1,322
Sale of Recycled Materials	0	0	475
Miscellaneous Refunds	17,679	0	353,282

(Continued)

Exhibit L-6

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

	<u>Capital</u> <u>Projects Fund</u>		
	General	Capital	
	Projects	Projects	Total
<hr/>			
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Sale of Equipment	\$ 8,710		\$ 29,577
Contributions and Gifts	0		4,000
Performance Bond Forfeitures	9,465		9,465
<u>Other Local Revenues</u>			
Other Local Revenues	0		721,498
Total Other Local Revenues	<u>\$ 43,458</u>	<u>\$</u>	<u>2,435,651</u>
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	\$ 0	\$	1,647,840
Circuit Court Clerk	0		610,763
General Sessions Court Clerk	0		1,327,206
Clerk and Master	0		427,793
Juvenile Court Clerk	0		247,632
Register	0		1,030,725
Sheriff	0		38,478
Trustee	0		3,053,743
Total Fees Received from County Officials	<u>\$ 0</u>	<u>\$</u>	<u>8,384,180</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$	558,274
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0		56,400

(Continued)

Exhibit L-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>Public Works Grants</u>		
State Aid Program	\$ 0	\$ 333,710
Litter Program	0	70,600
<u>Other State Revenues</u>		
Flood Control	0	565
Beer Tax	0	18,055
Vehicle Certificate of Title Fees	0	32,189
Alcoholic Beverage Tax	0	226,046
State Revenue Sharing - T.V.A.	0	1,676,246
Prisoner Transportation	0	10,665
Contracted Prisoner Boarding	0	1,500,086
Gasoline and Motor Fuel Tax	0	2,883,081
Petroleum Special Tax	0	124,345
Registrar's Salary Supplement	0	15,164
Other State Grants	0	2,482,672
Other State Revenues	0	167,656
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 10,155,754</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Disaster Relief	\$ 0	\$ 127,937
Homeland Security Grants	0	241,264
Other Federal through State	517,220	797,745
<u>Direct Federal Revenue</u>		
Tax Credit Bond Rebate	0	89,982
Other Direct Federal Revenue	0	48,549
Total Federal Government	<u>\$ 517,220</u>	<u>\$ 1,305,477</u>

(Continued)

Exhibit L-6

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<hr/>		
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Paving and Maintenance	\$ 0	\$ 14,065
Contributions	1,303,287	1,963,900
<u>Citizens Groups</u>		
Donations	11,050	70,031
<u>Other</u>		
Other	0	695,880
Total Other Governments and Citizens Groups	<u>\$ 1,314,337</u>	<u>\$ 2,743,876</u>
Total	<u>\$ 4,732,814</u>	<u>\$ 116,754,412</u>

Exhibit L-7

Montgomery County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2015

	General Purpose School	Special Revenue Funds			Extended School Program
		School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 30,299,456	\$ 0	\$ 0	\$ 1,847,047	\$ 0
Trustee's Collections - Prior Year	1,131,944	0	0	68,993	0
Trustee's Collections - Bankruptcy	42,134	0	0	2,568	0
Circuit/Clerk and Master Collections - Prior Years	136,795	0	0	8,338	0
Interest and Penalty	338,003	0	0	20,602	0
Payments in-Lieu-of Taxes - Local Utilities	744,822	0	0	45,404	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	41,612,795	0	0	0	0
Wheel Tax	4,154,355	0	0	0	0
Business Tax	698,839	0	0	0	0
Mixed Drink Tax	360,374	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	109,601	0	0	6,681	0
Interstate Telecommunications Tax	17,082	0	0	0	0
Total Local Taxes	\$ 79,646,200	\$ 0	\$ 0	\$ 1,999,633	\$ 0
<u>Charges for Current Services</u>					
<u>Fees</u>					
Archives and Records Management Fee - County Clerk	\$ 7,257	\$ 0	\$ 0	\$ 0	\$ 0
<u>Education Charges</u>					
Tuition - Regular Day Students	32,126	0	0	0	0
Tuition - Summer School	0	0	0	0	106,685
Tuition - Out-of-State Systems	704	0	0	0	0
Lunch Payments - Children	0	0	2,904,277	0	0

(Continued)

Exhibit L-7

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

	General Purpose School	Special Revenue Funds			Extended School Program
		School Federal Projects	Central Cafeteria	School Transportation	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 167,647	\$ 0	0
Income from Breakfast	0	0	126,659	0	0
A la carte Sales	0	0	1,296,446	0	0
School Based Health Services - FFS	41,929	0	0	0	0
TBI Criminal Background Fee	42,630	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	9,956	0	90,216	0	0
Total Charges for Current Services	\$ 134,602	\$ 0	\$ 4,585,245	\$ 0	\$ 106,685
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 6	\$ 0	\$ 9,266	\$ 0	0
Lease/Rentals	172,607	0	0	0	0
Sale of Materials and Supplies	0	0	47,027	4,781	0
Sale of Recycled Materials	5,188	0	0	3,422	0
E-Rate Funding	85,354	0	0	0	0
Miscellaneous Refunds	31,255	0	64,792	44,073	0
<u>Nonrecurring Items</u>					
Sale of Equipment	101,351	0	13,124	0	0
Sale of Property	4,000	0	0	0	0
Damages Recovered from Individuals	7,770	0	0	874	0
Contributions and Gifts	137,312	0	0	0	0
Total Other Local Revenues	\$ 544,843	\$ 0	\$ 134,209	\$ 53,150	\$ 0

(Continued)

Exhibit L-7

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 Federal Projects	Central Cafeteria	School Transportation	Extended School Program
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 106,362	\$ 0	\$ 0	\$ 0	\$ 0
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	139,904	0	0	0	0
<u>State Education Funds</u>					
Basic Education Program	124,878,746	0	0	7,717,000	0
Early Childhood Education	1,833,517	0	0	0	0
School Food Service	0	0	146,047	0	0
Energy Efficient School Initiative	60,303	0	0	0	0
Other State Education Funds	134,174	682,654	0	0	0
Career Ladder Program	538,226	0	0	0	0
Career Ladder - Extended Contract	112,195	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	134,528	0	0	0	0
Total State of Tennessee	\$ 127,937,955	\$ 682,654	\$ 146,047	\$ 7,717,000	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 6,671,891	\$ 0	\$ 0
USDA - Commodities	0	0	771,122	0	0
Breakfast	0	0	2,803,790	0	0
USDA - Other	0	0	16,816	0	0
Adult Education State Grant Program	0	187,185	0	0	0
Vocational Education - Basic Grants to States	0	567,620	0	0	0
Title I Grants to Local Education Agencies	0	6,523,500	0	0	0

(Continued)

Exhibit L-7

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

	General Purpose School	Special Revenue Funds			
		School Federal Projects	Central Cafeteria	School Transportation	Extended School Program
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Special Education - Grants to States	\$ 148,330	\$ 5,474,069	\$ 0	\$ 0	\$ 0
Special Education Preschool Grants	0	92,636	0	0	0
English Language Acquisition Grants	0	156,037	0	0	0
Safe and Drug-free Schools - State Grants	0	1,092,069	0	0	0
Education for Homeless Children and Youth	0	21,595	0	0	0
Eisenhower Professional Development State Grants	0	778,392	0	0	0
Race to the Top - ARRA	0	23,146	0	0	0
Other Federal through State	0	66,928	0	0	0
<u>Direct Federal Revenue</u>					
Public Law 874 - Maintenance and Operation	3,248,364	0	0	0	0
ROTC Reimbursement	602,395	0	0	0	0
Other Direct Federal Revenue	0	3,412,865	0	0	0
Total Federal Government	\$ 3,999,089	\$ 18,396,042	\$ 10,263,619	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	32,047	0	0	0	0
Total Other Governments and Citizens Groups	\$ 37,047	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 212,299,736	\$ 19,078,696	\$ 15,129,120	\$ 9,769,783	\$ 106,685

(Continued)

Exhibit L-7

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

	<u>Capital</u> <u>Projects Fund</u>		
	Education	Capital	
	Projects	Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$	0	\$ 32,146,503
Trustee's Collections - Prior Year		0	1,200,937
Trustee's Collections - Bankruptcy		0	44,702
Circuit/Clerk and Master Collections - Prior Years		0	145,133
Interest and Penalty		0	358,605
Payments in-Lieu-of Taxes - Local Utilities		0	790,226
<u>County Local Option Taxes</u>			
Local Option Sales Tax		0	41,612,795
Wheel Tax		0	4,154,355
Business Tax		0	698,839
Mixed Drink Tax		0	360,374
<u>Statutory Local Taxes</u>			
Bank Excise Tax		0	116,282
Interstate Telecommunications Tax		0	17,082
Total Local Taxes	\$	0	\$ 81,645,833
<u>Charges for Current Services</u>			
<u>Fees</u>			
Archives and Records Management Fee - County Clerk	\$	0	\$ 7,257
<u>Education Charges</u>			
Tuition - Regular Day Students		0	32,126
Tuition - Summer School		0	106,685
Tuition - Out-of-State Systems		0	704
Lunch Payments - Children		0	2,904,277

(Continued)

Exhibit L-7

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

	<u>Capital</u> <u>Projects Fund</u>		
	Education		
	Capital	Projects	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Education Charges (Cont.)</u>			
Lunch Payments - Adults	\$	0	\$ 167,647
Income from Breakfast		0	126,659
A la carte Sales		0	1,296,446
School Based Health Services - FFS		0	41,929
TBI Criminal Background Fee		0	42,630
<u>Other Charges for Services</u>			
Other Charges for Services		0	100,172
Total Charges for Current Services	\$	0	\$ 4,826,532
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 9,272
Lease/Rentals		0	172,607
Sale of Materials and Supplies		0	51,808
Sale of Recycled Materials		0	8,610
E-Rate Funding		0	85,354
Miscellaneous Refunds		0	140,120
<u>Nonrecurring Items</u>			
Sale of Equipment		0	114,475
Sale of Property		0	4,000
Damages Recovered from Individuals		0	8,644
Contributions and Gifts		651,071	788,383
Total Other Local Revenues	\$	651,071	\$ 1,383,273

(Continued)

Exhibit L-7

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

	<u>Capital</u> <u>Projects Fund</u>		
	<u>Education</u>		
	<u>Capital</u>		<u>Total</u>
	<u>Projects</u>		
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
On-behalf Contributions for OPEB	\$	0	\$ 106,362
<u>Health and Welfare Grants</u>			
Other Health and Welfare Grants		0	139,904
<u>State Education Funds</u>			
Basic Education Program		0	132,595,746
Early Childhood Education		0	1,833,517
School Food Service		0	146,047
Energy Efficient School Initiative		0	60,303
Other State Education Funds		0	816,828
Career Ladder Program		0	538,226
Career Ladder - Extended Contract		0	112,195
<u>Other State Revenues</u>			
Income Tax		0	134,528
Total State of Tennessee	\$	0	\$ 136,483,656
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA School Lunch Program	\$	0	\$ 6,671,891
USDA - Commodities		0	771,122
Breakfast		0	2,803,790
USDA - Other		0	16,816
Adult Education State Grant Program		0	187,185
Vocational Education - Basic Grants to States		0	567,620
Title I Grants to Local Education Agencies		0	6,523,500

(Continued)

Exhibit L-7

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

	<u>Capital</u> <u>Projects Fund</u>		
	Education		
	Capital		
	Projects		Total
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
Special Education - Grants to States	\$	0	\$ 5,622,399
Special Education Preschool Grants		0	92,636
English Language Acquisition Grants		0	156,037
Safe and Drug-free Schools - State Grants		0	1,092,069
Education for Homeless Children and Youth		0	21,595
Eisenhower Professional Development State Grants		0	778,392
Race to the Top - ARRA		0	23,146
Other Federal through State		0	66,928
<u>Direct Federal Revenue</u>			
Public Law 874 - Maintenance and Operation		0	3,248,364
ROTC Reimbursement		0	602,395
Other Direct Federal Revenue		0	3,412,865
Total Federal Government	\$	0	\$ 32,658,750
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$	4,310,443	\$ 4,315,443
Contracted Services		0	32,047
Total Other Governments and Citizens Groups	\$	4,310,443	\$ 4,347,490
Total	\$	4,961,514	\$ 261,345,534

Exhibit L-8

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Secretary(ies)	\$	40,303	
Board and Committee Members Fees		115,025	
Social Security		9,420	
Pensions		5,570	
Life Insurance		51	
Medical Insurance		13,899	
Employer Medicare		2,203	
Advertising		225	
Audit Services		51,700	
Legal Notices, Recording, and Court Costs		4,435	
Printing, Stationery, and Forms		1,486	
Travel		9,694	
Tuition		3,320	
Other Contracted Services		7,603	
Food Supplies		5	
Office Supplies		724	
Other Supplies and Materials		409	
Total County Commission			\$ 266,072

Board of Equalization

Board and Committee Members Fees	\$	1,455	
Social Security		90	
Employer Medicare		21	
Total Board of Equalization			1,566

Beer Board

Board and Committee Members Fees	\$	1,125	
Social Security		69	
Employer Medicare		16	
Total Beer Board			1,210

Other Boards and Committees

Board and Committee Members Fees	\$	3,075	
Social Security		190	
Employer Medicare		45	
Total Other Boards and Committees			3,310

County Mayor/Executive

County Official/Administrative Officer	\$	148,424	
Supervisor/Director		97,616	
Secretary(ies)		51,661	
Clerical Personnel		30,429	
Social Security		19,660	
Pensions		45,387	
Life Insurance		205	
Medical Insurance		39,874	
Employer Medicare		4,598	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Advertising	\$	148	
Communication		3,615	
Dues and Memberships		1,005	
Licenses		36	
Maintenance and Repair Services - Vehicles		327	
Postal Charges		855	
Printing, Stationery, and Forms		1,674	
Rentals		2,500	
Travel		8,686	
Tuition		3,570	
Other Contracted Services		6,777	
Custodial Supplies		73	
Food Supplies		570	
Gasoline		2,346	
Library Books/Media		338	
Office Supplies		2,192	
Periodicals		296	
Other Supplies and Materials		2,513	
Premiums on Corporate Surety Bonds		947	
Communication Equipment		904	
Motor Vehicles		25,000	
Total County Mayor/Executive			\$ 502,226

Personnel Office

Supervisor/Director	\$	86,207	
Accountants/Bookkeepers		49,113	
Clerical Personnel		67,739	
Overtime Pay		118	
Social Security		11,883	
Pensions		26,000	
Life Insurance		199	
Medical Insurance		45,034	
Employer Medicare		2,779	
Communication		1,757	
Dues and Memberships		718	
Evaluation and Testing		12,920	
Legal Services		3,235	
Postal Charges		785	
Printing, Stationery, and Forms		184	
Rentals		2,692	
Travel		781	
Tuition		1,706	
Other Contracted Services		19,994	
Data Processing Supplies		756	
Duplicating Supplies		360	
Office Supplies		825	
Indirect Cost		2,032	
Total Personnel Office			337,817

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Legal Services	\$ 77,389	
Total County Attorney		\$ 77,389

Election Commission

Supervisor/Director	\$ 85,988	
Clerical Personnel	139,503	
Temporary Personnel	30,225	
Overtime Pay	14,569	
Election Commission	10,520	
Election Workers	131,262	
Social Security	16,803	
Pensions	32,761	
Life Insurance	256	
Medical Insurance	38,592	
Employer Medicare	3,930	
Communication	1,439	
Legal Notices, Recording, and Court Costs	27,160	
Maintenance and Repair Services - Office Equipment	16,400	
Postal Charges	14,000	
Printing, Stationery, and Forms	8,609	
Rentals	5,419	
Travel	3,671	
Tuition	2,735	
Other Contracted Services	21,000	
Equipment and Machinery Parts	990	
Office Supplies	2,747	
Other Supplies and Materials	5,775	
Data Processing Equipment	2,936	
Total Election Commission		617,290

Register of Deeds

County Official/Administrative Officer	\$ 93,465	
Deputy(ies)	175,329	
Social Security	15,981	
Pensions	35,566	
Life Insurance	275	
Medical Insurance	52,234	
Employer Medicare	3,738	
Communication	776	
Data Processing Services	44,063	
Postal Charges	427	
Rentals	3,019	
Other Contracted Services	1,587	
Data Processing Supplies	779	
Duplicating Supplies	1,298	
Other Supplies and Materials	1,677	
Premiums on Corporate Surety Bonds	197	
Total Register of Deeds		430,411

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning

Contributions	\$ 302,499	
Total Planning		\$ 302,499

Building

Assistant(s)	\$ 35,352	
Supervisor/Director	83,309	
Social Security	6,801	
Pensions	16,399	
Life Insurance	102	
Medical Insurance	26,653	
Employer Medicare	1,591	
Communication	703	
Dues and Memberships	485	
Licenses	550	
Maintenance and Repair Services - Vehicles	210	
Postal Charges	14	
Rentals	1,974	
Travel	834	
Tuition	734	
Gasoline	1,339	
Office Supplies	457	
Data Processing Equipment	289	
Other Capital Outlay	1,095	
Total Building		178,891

Codes Compliance

Assistant(s)	\$ 256,312	
Supervisor/Director	70,539	
Clerical Personnel	87,809	
Social Security	24,099	
Pensions	57,389	
Life Insurance	508	
Medical Insurance	92,713	
Employer Medicare	5,636	
Communication	7,733	
Contracts with Private Agencies	2,665	
Dues and Memberships	1,584	
Legal Notices, Recording, and Court Costs	856	
Maintenance and Repair Services - Office Equipment	1,244	
Maintenance and Repair Services - Vehicles	10,289	
Postal Charges	814	
Rentals	6,672	
Travel	391	
Tuition	1,936	
Permits	3,460	
Other Contracted Services	620	
Data Processing Supplies	490	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Gasoline	\$	13,499	
Library Books/Media		137	
Office Supplies		1,061	
Uniforms		843	
Other Supplies and Materials		1,469	
Total Codes Compliance			\$ 650,768

Geographical Information Systems

Contracts with Government Agencies	\$	152,381	
Total Geographical Information Systems			152,381

County Buildings

Assistant(s)	\$	30,116	
Supervisor/Director		147,885	
Secretary(ies)		40,303	
Custodial Personnel		155,832	
Maintenance Personnel		363,659	
Temporary Personnel		13,018	
Overtime Pay		4,557	
Social Security		43,842	
Pensions		100,837	
Life Insurance		1,116	
Medical Insurance		191,193	
Employer Medicare		10,253	
Communication		11,684	
Evaluation and Testing		61	
Licenses		1,147	
Maintenance Agreements		57,304	
Maintenance and Repair Services - Buildings		21,888	
Maintenance and Repair Services - Equipment		28,514	
Maintenance and Repair Services - Vehicles		19,776	
Pest Control		3,788	
Rentals		3,840	
Disposal Fees		5,520	
Other Contracted Services		24,476	
Custodial Supplies		33,737	
Drugs and Medical Supplies		382	
Electricity		276,275	
Equipment Parts - Light		554	
Gasoline		14,396	
Natural Gas		40,059	
Office Supplies		981	
Periodicals		223	
Propane Gas		4,918	
Salt		2,458	
Small Tools		3,307	
Tires and Tubes		845	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Uniforms	\$	3,708	
Water and Sewer		24,964	
Other Supplies and Materials		46,007	
Boiler Insurance		999	
Indirect Cost		1,000	
Building Improvements		6,054	
Communication Equipment		1,129	
Furniture and Fixtures		3,249	
Maintenance Equipment		13,850	
Other Capital Outlay		6,737	
Total County Buildings			\$ 1,766,441

Other Facilities

Secretary(ies)	\$	40,303	
Custodial Personnel		139,576	
Maintenance Personnel		106,466	
Overtime Pay		1,501	
Social Security		16,539	
Pensions		39,781	
Life Insurance		483	
Medical Insurance		72,879	
Unemployment Compensation		550	
Employer Medicare		3,868	
Communication		4,778	
Licenses		250	
Maintenance and Repair Services - Buildings		1,250	
Maintenance and Repair Services - Equipment		66,538	
Pest Control		1,400	
Rentals		2,359	
Disposal Fees		1,710	
Other Contracted Services		5,253	
Custodial Supplies		16,567	
Electricity		292,468	
Food Supplies		504	
Gasoline		421	
Natural Gas		71,914	
Uniforms		1,258	
Water and Sewer		37,011	
Other Supplies and Materials		20,830	
Building and Contents Insurance		3,160	
Building Improvements		7,039	
Data Processing Equipment		3,723	
Other Capital Outlay		29,604	
Total Other Facilities			989,983

Other General Administration

Supervisor/Director	\$	54,362	
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(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Social Security	\$	3,216	
Pensions		7,596	
Life Insurance		51	
Medical Insurance		13,899	
Employer Medicare		752	
Communication		654	
Contracts with Other Public Agencies		477,471	
Legal Services		6,488	
Travel		1,986	
Tuition		1,675	
Other Contracted Services		10,818	
Other Supplies and Materials		762	
Total Other General Administration			\$ 579,730

Preservation of Records

Supervisor/Director	\$	44,858	
Clerical Personnel		26,965	
Part-time Personnel		11,464	
Board and Committee Members Fees		600	
Social Security		5,095	
Pensions		9,926	
Life Insurance		127	
Employer Medicare		1,192	
Communication		775	
Data Processing Services		9,000	
Dues and Memberships		240	
Maintenance and Repair Services - Office Equipment		1,900	
Rentals		3,482	
Travel		2,980	
Other Contracted Services		313	
Duplicating Supplies		104	
Library Books/Media		8,475	
Office Supplies		2,452	
Other Supplies and Materials		204	
Furniture and Fixtures		67,418	
Total Preservation of Records			197,570

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	92,072	
Accountants/Bookkeepers		269,681	
Clerical Personnel		34,486	
Part-time Personnel		6,867	
Social Security		24,589	
Pensions		56,585	
Life Insurance		415	
Medical Insurance		65,147	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Employer Medicare	\$	5,752	
Communication		3,994	
Data Processing Services		7,755	
Dues and Memberships		964	
Postal Charges		5,459	
Printing, Stationery, and Forms		2,087	
Rentals		480	
Travel		1,788	
Tuition		2,150	
Other Contracted Services		8,045	
Data Processing Supplies		3,098	
Duplicating Supplies		469	
Food Supplies		32	
Office Supplies		2,246	
Periodicals		227	
Other Supplies and Materials		399	
Premiums on Corporate Surety Bonds		425	
Data Processing Equipment		2,970	
Total Accounting and Budgeting			\$ 598,182

Purchasing

County Official/Administrative Officer	\$	70,539	
Purchasing Personnel		45,427	
Clerical Personnel		35,173	
Other Salaries and Wages		27,789	
Social Security		10,376	
Pensions		24,811	
Life Insurance		203	
Medical Insurance		40,745	
Employer Medicare		2,426	
Communication		1,602	
Dues and Memberships		455	
Maintenance and Repair Services - Equipment		8,122	
Maintenance and Repair Services - Vehicles		1,532	
Postal Charges		339	
Rentals		7,060	
Travel		618	
Other Contracted Services		507	
Custodial Supplies		152	
Data Processing Supplies		80	
Duplicating Supplies		506	
Food Supplies		244	
Gasoline		1,525	
Office Supplies		895	
Periodicals		208	
Vehicle Parts		172	
Other Supplies and Materials		844	
Premiums on Corporate Surety Bonds		247	
Total Purchasing			282,597

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	93,465	
Deputy(ies)		419,764	
Temporary Personnel		748	
Part-time Personnel		18,734	
Educational Incentive - Official/Admin Officer		1,000	
Overtime Pay		4,006	
Social Security		31,528	
Pensions		70,977	
Life Insurance		631	
Medical Insurance		112,427	
Unemployment Compensation		2,542	
Employer Medicare		7,374	
Audit Services		40,235	
Communication		4,739	
Data Processing Services		50,519	
Dues and Memberships		4,240	
Operating Lease Payments		7,072	
Legal Notices, Recording, and Court Costs		284	
Maintenance and Repair Services - Vehicles		2,936	
Postal Charges		7,196	
Printing, Stationery, and Forms		4,554	
Rentals		480	
Travel		12,347	
Tuition		6,523	
Other Contracted Services		1,842	
Data Processing Supplies		549	
Duplicating Supplies		2,184	
Food Supplies		903	
Gasoline		2,550	
Library Books/Media		155	
Office Supplies		2,422	
Other Supplies and Materials		1,063	
Premiums on Corporate Surety Bonds		189	
Communication Equipment		500	
Data Processing Equipment		366	
Total Property Assessor's Office			\$ 917,044

County Trustee's Office

County Official/Administrative Officer	\$	93,465
Supervisor/Director		54,362
Deputy(ies)		148,471
Accountants/Bookkeepers		49,116
Part-time Personnel		15,701
Overtime Pay		815
Board and Committee Members Fees		450
Social Security		21,119
Pensions		46,940

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Life Insurance	\$	453	
Medical Insurance		66,232	
Unemployment Compensation		6,841	
Employer Medicare		4,939	
Bank Charges		3,253	
Communication		3,061	
Data Processing Services		22,486	
Dues and Memberships		944	
Legal Notices, Recording, and Court Costs		3,191	
Postal Charges		28,102	
Printing, Stationery, and Forms		5,864	
Rentals		3,188	
Travel		2,539	
Tuition		50	
Other Contracted Services		201	
Food Supplies		226	
Office Supplies		4,459	
Periodicals		1,269	
Premiums on Corporate Surety Bonds		6,775	
Total County Trustee's Office			\$ 594,512

County Clerk's Office

County Official/Administrative Officer	\$	93,465
Supervisor/Director		54,362
Deputy(ies)		1,041,397
Part-time Personnel		34,510
Overtime Pay		3,899
Social Security		69,973
Pensions		161,608
Life Insurance		1,798
Medical Insurance		324,759
Unemployment Compensation		204
Employer Medicare		16,364
Communication		2,499
Maintenance and Repair Services - Equipment		19,389
Postal Charges		52,983
Printing, Stationery, and Forms		1,809
Rentals		11,056
Travel		1,336
Other Contracted Services		2,423
Data Processing Supplies		14,970
Duplicating Supplies		2,037
Food Supplies		708
Office Supplies		8,549
Other Supplies and Materials		2,154
Premiums on Corporate Surety Bonds		297
Data Processing Equipment		41,227

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Furniture and Fixtures	\$ 54,856	
Other Capital Outlay	46,739	
Total County Clerk's Office		\$ 2,065,371

Data Processing

Supervisor/Director	\$ 91,759	
Computer Programmer(s)	348,126	
Data Processing Personnel	216,555	
Secretary(ies)	39,781	
Part-time Personnel	10,842	
Social Security	42,201	
Pensions	89,893	
Life Insurance	600	
Medical Insurance	99,710	
Employer Medicare	9,869	
Communication	49,353	
Data Processing Services	548,143	
Dues and Memberships	195	
Freight Expenses	11	
Licenses	26,957	
Maintenance and Repair Services - Vehicles	442	
Postal Charges	22	
Rentals	440	
Travel	3,181	
Tuition	6,050	
Custodial Supplies	136	
Data Processing Supplies	6,984	
Food Supplies	152	
Gasoline	1,243	
Office Supplies	359	
Other Supplies and Materials	112	
Data Processing Equipment	232,887	
Total Data Processing		1,826,003

Other Finance

Legal Notices, Recording, and Court Costs	\$ 35,704	
Postal Charges	20,063	
Data Processing Supplies	282	
Total Other Finance		56,049

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 93,465	
Assistant(s)	108,719	
Supervisor/Director	146,800	
Deputy(ies)	902,944	
Accountants/Bookkeepers	86,601	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Overtime Pay	\$	40,097	
Jury and Witness Expense		46,650	
Social Security		78,955	
Pensions		183,362	
Life Insurance		2,060	
Medical Insurance		365,732	
Employer Medicare		18,465	
Communication		7,004	
Data Processing Services		23,669	
Dues and Memberships		814	
Legal Notices, Recording, and Court Costs		1,657	
Maintenance and Repair Services - Office Equipment		750	
Postal Charges		11,950	
Printing, Stationery, and Forms		2,446	
Rentals		9,043	
Travel		1,945	
Other Contracted Services		18,288	
Custodial Supplies		87	
Data Processing Supplies		2,310	
Drugs and Medical Supplies		89	
Duplicating Supplies		6,311	
Food Supplies		1,039	
Library Books/Media		1,573	
Office Supplies		6,108	
Other Supplies and Materials		89	
Premiums on Corporate Surety Bonds		623	
Data Processing Equipment		104,328	
Furniture and Fixtures		1,769	
Total Circuit Court			\$ 2,275,742

General Sessions Court

Judge(s)	\$	475,942	
Secretary(ies)		35,173	
Social Security		23,912	
Pensions		70,636	
Life Insurance		203	
Medical Insurance		53,306	
Employer Medicare		7,189	
Total General Sessions Court			666,361

Drug Court

Probation Officer(s)	\$	39,462	
Social Security		2,334	
Pensions		5,454	
Life Insurance		51	
Employer Medicare		546	
Communication		595	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Dues and Memberships	\$	210	
Travel		3,128	
Other Contracted Services		9,866	
Office Supplies		982	
Other Supplies and Materials		7,427	
Total Drug Court			\$ 70,055

Chancery Court

County Official/Administrative Officer	\$	93,465	
Deputy(ies)		261,400	
Social Security		20,482	
Pensions		45,089	
Life Insurance		432	
Medical Insurance		63,251	
Employer Medicare		4,790	
Communication		1,021	
Dues and Memberships		774	
Legal Notices, Recording, and Court Costs		2,357	
Maintenance and Repair Services - Office Equipment		345	
Postal Charges		4,073	
Rentals		5,536	
Travel		973	
Data Processing Supplies		2,195	
Duplicating Supplies		8	
Library Books/Media		41	
Office Supplies		2,027	
Data Processing Equipment		621	
Total Chancery Court			508,880

Juvenile Court

Judge(s)	\$	155,612	
Supervisor/Director		74,061	
Probation Officer(s)		91,924	
Youth Service Officer(s)		219,755	
Clerical Personnel		11,623	
Social Security		32,017	
Pensions		73,251	
Life Insurance		495	
Medical Insurance		99,622	
Employer Medicare		7,618	
Communication		4,135	
Contributions		12,332	
Dues and Memberships		4,017	
Operating Lease Payments		4,596	
Postal Charges		619	
Printing, Stationery, and Forms		87	
Travel		16,427	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Tuition	\$	1,974	
Other Contracted Services		218,959	
Drugs and Medical Supplies		2,314	
Library Books/Media		2,915	
Office Supplies		11,151	
Other Supplies and Materials		2,410	
Furniture and Fixtures		6,352	
Other Capital Outlay		3,179	
Total Juvenile Court			\$ 1,057,445

Juvenile Court Clerk

Supervisor/Director	\$	40,303	
Deputy(ies)		271,073	
Overtime Pay		301	
Social Security		18,360	
Pensions		39,265	
Life Insurance		534	
Medical Insurance		73,860	
Employer Medicare		4,294	
Operating Lease Payments		520	
Postal Charges		1,166	
Printing, Stationery, and Forms		1,302	
Data Processing Supplies		111	
Drugs and Medical Supplies		47	
Duplicating Supplies		184	
Food Supplies		292	
Library Books/Media		56	
Office Supplies		1,665	
Communication Equipment		400	
Data Processing Equipment		6,428	
Furniture and Fixtures		5,825	
Total Juvenile Court Clerk			465,986

District Attorney General

Communication	\$	322	
Dues and Memberships		352	
Legal Notices, Recording, and Court Costs		14	
Travel		20,938	
Other Contracted Services		531	
Custodial Supplies		1,647	
Duplicating Supplies		506	
Food Supplies		1,266	
Library Books/Media		1,902	
Office Supplies		2,282	
Other Supplies and Materials		442	
Total District Attorney General			30,202

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Office of Public Defender

Travel	\$	1,679	
Other Contracted Services		6,529	
Data Processing Equipment		1,130	
Other Capital Outlay		1,695	
Total Office of Public Defender			\$ 11,033

Judicial Commissioners

Part-time Personnel	\$	51,896	
Overtime Pay		850	
Other Salaries and Wages		103,677	
Social Security		9,159	
Pensions		14,467	
Life Insurance		237	
Medical Insurance		17,538	
Employer Medicare		2,142	
Communication		1,341	
Rentals		2,580	
Other Contracted Services		376	
Office Supplies		287	
Furniture and Fixtures		2,045	
Total Judicial Commissioners			206,595

Other Administration of Justice

Supervisor/Director	\$	63,486	
Social Security		3,846	
Pensions		8,774	
Life Insurance		51	
Medical Insurance		5,920	
Employer Medicare		899	
Communication		749	
Contracts with Private Agencies		422,082	
Dues and Memberships		560	
Postal Charges		405	
Printing, Stationery, and Forms		1,408	
Duplicating Supplies		8	
Instructional Supplies and Materials		4,880	
Office Supplies		50	
Other Supplies and Materials		28	
Total Other Administration of Justice			513,146

Probation Services

Assistant(s)	\$	23,317	
Supervisor/Director		70,539	
Probation Officer(s)		224,950	
Clerical Personnel		23,014	
Overtime Pay		68	
Other Salaries and Wages		171,531	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Social Security	\$	30,069	
Pensions		60,203	
Life Insurance		703	
Medical Insurance		105,006	
Unemployment Compensation		13,200	
Employer Medicare		7,032	
Communication		1,616	
Dues and Memberships		400	
Evaluation and Testing		45,614	
Legal Services		1,204	
Licenses		810	
Postal Charges		655	
Printing, Stationery, and Forms		1,557	
Rentals		1,752	
Travel		3,997	
Tuition		1,460	
Other Contracted Services		22,546	
Duplicating Supplies		860	
Instructional Supplies and Materials		9,642	
Office Supplies		6,694	
Other Supplies and Materials		2,806	
Indirect Cost		4,841	
Total Probation Services			\$ 836,086

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	103,422
Assistant(s)		114,432
Deputy(ies)		2,943,165
Investigator(s)		645,302
Captain(s)		134,130
Lieutenant(s)		384,850
Sergeant(s)		614,257
Secretary(ies)		38,002
Clerical Personnel		400,536
Part-time Personnel		36,476
Overtime Pay		356,378
In-service Training		56,400
Social Security		342,886
Pensions		788,460
Life Insurance		6,375
Medical Insurance		1,235,062
Employer Medicare		80,197
Communication		80,466
Dues and Memberships		6,101
Evaluation and Testing		6,518
Freight Expenses		103

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Legal Services	\$	17,152	
Licenses		726	
Maintenance and Repair Services - Equipment		12,959	
Maintenance and Repair Services - Vehicles		83,768	
Pest Control		240	
Postal Charges		4,977	
Printing, Stationery, and Forms		5,195	
Rentals		13,261	
Transportation - Other than Students		18,106	
Travel		26,560	
Tuition		20,574	
Veterinary Services		1,691	
Other Contracted Services		69,835	
Animal Food and Supplies		723	
Custodial Supplies		1,087	
Data Processing Supplies		1,698	
Diesel Fuel		216	
Drugs and Medical Supplies		1,032	
Duplicating Supplies		2,308	
Electricity		5,525	
Food Supplies		1,471	
Gasoline		244,741	
Law Enforcement Supplies		60,647	
Natural Gas		1,460	
Office Supplies		4,621	
Periodicals		748	
Tires and Tubes		40,129	
Uniforms		28,609	
Vehicle Parts		2,033	
Water and Sewer		603	
Other Supplies and Materials		3,827	
Premiums on Corporate Surety Bonds		281	
Workers' Compensation Insurance		9,818	
Communication Equipment		275	
Data Processing Equipment		24,132	
Furniture and Fixtures		1,945	
Law Enforcement Equipment		29,597	
Other Capital Outlay		46,877	
Total Sheriff's Department			\$ 9,162,965

Special Patrols

Supervisor/Director	\$	13,729
Deputy(ies)		1,230,348
Sergeant(s)		105,184
Overtime Pay		123
Social Security		80,350
Pensions		184,480

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Life Insurance	\$	1,498	
Medical Insurance		192,619	
Employer Medicare		18,791	
Communication		1,349	
Evaluation and Testing		250	
Maintenance and Repair Services - Equipment		248	
Maintenance and Repair Services - Vehicles		18,529	
Travel		13,245	
Tuition		10,720	
Other Contracted Services		216	
Gasoline		32,365	
Law Enforcement Supplies		629	
Tires and Tubes		5,544	
Uniforms		9,034	
Vehicle Parts		38	
Law Enforcement Equipment		16,217	
Total Special Patrols			\$ 1,935,506

Administration of the Sexual Offender Registry

Overtime Pay	\$	7,735	
Communication		1,314	
Travel		1,122	
Tuition		280	
Data Processing Supplies		120	
Total Administration of the Sexual Offender Registry			10,571

Jail

Assistant(s)	\$	77,380	
Supervisor/Director		54,164	
Deputy(ies)		4,033,417	
Lieutenant(s)		157,757	
Sergeant(s)		543,087	
Clerical Personnel		622,321	
Maintenance Personnel		166,263	
Temporary Personnel		14,493	
Overtime Pay		295,773	
Board and Committee Members Fees		1,125	
Social Security		349,804	
Pensions		763,610	
Life Insurance		7,797	
Medical Insurance		1,166,371	
Employer Medicare		81,809	
Communication		7,924	
Evaluation and Testing		8,290	
Laundry Service		4,199	
Operating Lease Payments		600	
Licenses		2,010	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance Agreements	\$	83,738	
Maintenance and Repair Services - Buildings		4,334	
Maintenance and Repair Services - Equipment		25,857	
Maintenance and Repair Services - Vehicles		2,344	
Medical and Dental Services		3,101,803	
Pest Control		3,240	
Printing, Stationery, and Forms		2,640	
Rentals		8,500	
Travel		5,745	
Tuition		4,459	
Disposal Fees		9,438	
Other Contracted Services		614,712	
Custodial Supplies		35,691	
Data Processing Supplies		5,001	
Duplicating Supplies		2,786	
Electricity		360,476	
Equipment and Machinery Parts		3,525	
Food Preparation Supplies		274	
Gasoline		14,008	
Law Enforcement Supplies		8,616	
Library Books/Media		352	
Natural Gas		67,785	
Office Supplies		1,135	
Prisoners Clothing		10,111	
Tires and Tubes		405	
Uniforms		26,936	
Water and Sewer		160,315	
Other Supplies and Materials		78,602	
Boiler Insurance		666	
Building and Contents Insurance		175,786	
Indirect Cost		13,974	
Liability Insurance		169,253	
Building Improvements		3,655	
Law Enforcement Equipment		10,225	
Maintenance Equipment		1,200	
Other Equipment		1,088	
Total Jail			\$ 13,376,869

Workhouse

County Official/Administrative Officer	\$	7,500
Deputy(ies)		655,901
Lieutenant(s)		33,971
Sergeant(s)		51,807
Overtime Pay		32,636
Social Security		45,079
Pensions		106,408
Life Insurance		933

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Medical Insurance	\$	140,610	
Employer Medicare		10,543	
Communication		2,664	
Laundry Service		1,909	
Maintenance Agreements		3,279	
Maintenance and Repair Services - Buildings		250	
Maintenance and Repair Services - Equipment		720	
Maintenance and Repair Services - Vehicles		498	
Medical and Dental Services		393,344	
Pest Control		360	
Rentals		1,919	
Other Contracted Services		68,439	
Custodial Supplies		8,406	
Diesel Fuel		4,620	
Electricity		25,403	
Equipment and Machinery Parts		189	
Gasoline		2,409	
Law Enforcement Supplies		2,350	
Natural Gas		7,102	
Prisoners Clothing		2,512	
Tires and Tubes		34	
Uniforms		2,251	
Water and Sewer		17,628	
Other Supplies and Materials		4,384	
Building and Contents Insurance		16,904	
Liability Insurance		12,822	
Other Equipment		416	
Total Workhouse			\$ 1,666,200

Correctional Incentive Program Improvements

Supervisor/Director	\$	50,491
Probation Officer(s)		200,207
Secretary(ies)		22,418
Social Security		16,292
Pensions		33,288
Life Insurance		433
Medical Insurance		28,402
Employer Medicare		3,810
Accounting Services		12,000
Communication		4,614
Maintenance and Repair Services - Buildings		75
Maintenance and Repair Services - Office Equipment		45
Maintenance and Repair Services - Vehicles		1,854
Postal Charges		180
Printing, Stationery, and Forms		210
Rentals		35,596
Travel		2,164

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Tuition	\$	525	
Other Contracted Services		13,541	
Custodial Supplies		642	
Duplicating Supplies		468	
Electricity		1,360	
Food Supplies		483	
Gasoline		1,850	
Office Supplies		2,177	
Periodicals		220	
Other Supplies and Materials		2,092	
Liability Insurance		1,517	
Vehicle and Equipment Insurance		1,896	
Furniture and Fixtures		450	
Total Correctional Incentive Program Improvements			\$ 439,300

Juvenile Services

Supervisor/Director	\$	49,116	
Probation Officer(s)		29,351	
Medical Personnel		39,032	
Clerical Personnel		7,092	
Social Security		6,421	
Pensions		13,716	
Life Insurance		141	
Medical Insurance		25,507	
Employer Medicare		1,502	
Communication		812	
Dues and Memberships		650	
Travel		3,108	
Tuition		1,752	
Other Contracted Services		4,017	
Food Supplies		26	
Office Supplies		131	
Other Supplies and Materials		4,656	
Furniture and Fixtures		1,350	
Total Juvenile Services			188,380

Fire Prevention and Control

Board and Committee Members Fees	\$	3,000	
Social Security		186	
Employer Medicare		44	
Communication		20,642	
Contributions		1,000	
Licenses		433	
Maintenance and Repair Services - Buildings		1,403	
Maintenance and Repair Services - Equipment		2,420	
Maintenance and Repair Services - Vehicles		17,801	
Postal Charges		74	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Travel	\$	747	
Other Contracted Services		7,195	
Diesel Fuel		15,113	
Equipment and Machinery Parts		1,771	
Food Preparation Supplies		68	
Food Supplies		212	
Gasoline		6,784	
Uniforms		8,390	
Utilities		27,191	
Chemicals		2,168	
Other Supplies and Materials		16,194	
Liability Insurance		6,998	
Communication Equipment		2,826	
Other Equipment		26,697	
Total Fire Prevention and Control			\$ 169,357

Civil Defense

Assistant(s)	\$	54,362	
Supervisor/Director		76,177	
Secretary(ies)		44,858	
Other Salaries and Wages		58,574	
Social Security		13,961	
Pensions		32,284	
Life Insurance		209	
Medical Insurance		25,844	
Employer Medicare		3,265	
Communication		4,631	
Contracts with Private Agencies		1,176	
Maintenance and Repair Services - Vehicles		656	
Rentals		80,329	
Travel		733	
Other Contracted Services		3,182	
Gasoline		2,325	
Utilities		44,531	
Other Supplies and Materials		2,137	
Furniture and Fixtures		3,526	
Total Civil Defense			452,760

Other Emergency Management

Other Contracted Services	\$	19,139	
Other Supplies and Materials		1,117	
Communication Equipment		53,496	
Other Equipment		91,513	
Total Other Emergency Management			165,265

County Coroner/Medical Examiner

Medical and Dental Services	\$	198,680	
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(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Other Contracted Services	\$ 11,675	
Premiums on Corporate Surety Bonds	2,040	
Total County Coroner/Medical Examiner		\$ 212,395

Public Health and Welfare

Local Health Center

Medical Personnel	\$ 46,917	
Temporary Personnel	345	
Social Security	2,703	
Pensions	6,484	
Life Insurance	51	
Medical Insurance	13,899	
Employer Medicare	632	
Advertising	20,409	
Communication	16,589	
Laundry Service	345	
Licenses	275	
Maintenance Agreements	2,206	
Maintenance and Repair Services - Buildings	1,122	
Maintenance and Repair Services - Equipment	3,344	
Travel	612	
Other Contracted Services	3,225	
Custodial Supplies	3,328	
Electricity	63,379	
Instructional Supplies and Materials	56	
Natural Gas	12,965	
Office Supplies	235	
Water and Sewer	3,672	
Other Supplies and Materials	1,392	
Boiler Insurance	333	
Premiums on Corporate Surety Bonds	91	
Furniture and Fixtures	8,794	
Other Capital Outlay	1,696	
Total Local Health Center		215,099

Rabies and Animal Control

Supervisor/Director	\$ 53,771
Clerical Personnel	41,529
Custodial Personnel	17,572
Part-time Personnel	13,900
Overtime Pay	22,405
Other Salaries and Wages	209,465
Board and Committee Members Fees	1,725
Social Security	21,303
Pensions	38,785
Life Insurance	485
Medical Insurance	65,291

(Continued)

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.)

Employer Medicare	\$	4,982	
Communication		7,064	
Maintenance and Repair Services - Buildings		253	
Maintenance and Repair Services - Vehicles		1,046	
Printing, Stationery, and Forms		1,278	
Travel		3,263	
Tuition		1,190	
Veterinary Services		14,008	
Other Contracted Services		13,111	
Animal Food and Supplies		2,879	
Custodial Supplies		5,651	
Drugs and Medical Supplies		16,906	
Electricity		22,987	
Gasoline		14,586	
Natural Gas		4,445	
Office Supplies		976	
Tires and Tubes		1,171	
Uniforms		2,756	
Water and Sewer		3,108	
Other Supplies and Materials		4,229	
Total Rabies and Animal Control			\$ 612,120

Ambulance/Emergency Medical Services

Assistant(s)	\$	134,545
Supervisor/Director		91,758
Captain(s)		261,418
Lieutenant(s)		375,444
Accountants/Bookkeepers		143,563
Medical Personnel		3,692,005
Part-time Personnel		266,095
Overtime Pay		22,149
Board and Committee Members Fees		3,750
Social Security		290,284
Pensions		630,816
Life Insurance		5,276
Medical Insurance		1,003,077
Employer Medicare		67,889
Communication		41,132
Contracts with Private Agencies		240,665
Contributions		30,215
Data Processing Services		9,586
Debt Collection Services		36,238
Dues and Memberships		1,000
Janitorial Services		3,862
Laundry Service		5,789
Legal Services		969
Licenses		5,522

(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.)

Maintenance and Repair Services - Buildings	\$	4,849	
Maintenance and Repair Services - Equipment		51,765	
Maintenance and Repair Services - Vehicles		98,754	
Medical and Dental Services		4,162	
Pest Control		2,212	
Postal Charges		1,831	
Printing, Stationery, and Forms		198	
Rentals		5,676	
Travel		2,284	
Tuition		23,549	
Disposal Fees		4,319	
Other Contracted Services		6,937	
Custodial Supplies		7,037	
Data Processing Supplies		594	
Diesel Fuel		165,241	
Drugs and Medical Supplies		348,901	
Duplicating Supplies		625	
Electricity		51,886	
Food Supplies		120	
Gasoline		20,498	
Instructional Supplies and Materials		9,744	
Natural Gas		14,257	
Office Supplies		1,840	
Propane Gas		6,251	
Tires and Tubes		22,641	
Uniforms		27,622	
Vehicle Parts		17,313	
Water and Sewer		8,930	
Other Supplies and Materials		9,882	
Indirect Cost		6,070	
Premiums on Corporate Surety Bonds		50	
Building Improvements		9,000	
Communication Equipment		800	
Furniture and Fixtures		2,206	
Other Equipment		342	
Total Ambulance/Emergency Medical Services			\$ 8,301,433

Other Local Health Services

Social Workers	\$	295,467
Medical Personnel		564,371
Clerical Personnel		526,662
Educational Assistants		25,828
Part-time Personnel		50,073
Social Security		85,461
Pensions		186,351
Life Insurance		2,127
Medical Insurance		310,043

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Unemployment Compensation	\$ 5,638	
Employer Medicare	19,986	
Communication	5,913	
Maintenance and Repair Services - Buildings	580	
Pest Control	300	
Travel	11,526	
Custodial Supplies	422	
Electricity	15,845	
Natural Gas	3,241	
Water and Sewer	917	
Liability Insurance	<u>32,959</u>	
Total Other Local Health Services		\$ 2,143,710

Regional Mental Health Center

Contributions	\$ 10,000	
Total Regional Mental Health Center		10,000

Appropriation to State

Contributions	\$ 218,175	
Total Appropriation to State		218,175

Other Local Welfare Services

Contributions	\$ 28,350	
Pauper Burials	17,500	
Other Contracted Services	<u>150</u>	
Total Other Local Welfare Services		46,000

Other Public Health and Welfare

Contributions	\$ 30,000	
Medical and Dental Services	<u>2,000</u>	
Total Other Public Health and Welfare		32,000

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 1,896,812	
Total Libraries		1,896,812

Parks and Fair Boards

Assistant(s)	\$ 28,988	
Supervisor/Director	65,028	
Maintenance Personnel	89,001	
Temporary Personnel	48,810	
Social Security	13,866	
Pensions	23,898	
Life Insurance	216	
Medical Insurance	40,394	
Employer Medicare	3,243	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Communication	\$	7,492	
Dues and Memberships		1,030	
Maintenance and Repair Services - Vehicles		2,928	
Postal Charges		57	
Rentals		105	
Travel		3,631	
Tuition		2,504	
Disposal Fees		2,501	
Other Contracted Services		8,102	
Custodial Supplies		3,687	
Electricity		48,102	
Fertilizer, Lime, and Seed		24,348	
Gasoline		11,942	
Office Supplies		327	
Sand		7,098	
Uniforms		1,033	
Water and Sewer		19,835	
Top Soil		26,999	
Fencing		12,649	
Other Supplies and Materials		38,671	
Furniture and Fixtures		3,500	
Maintenance Equipment		199,946	
Other Capital Outlay		30,391	
Total Parks and Fair Boards			\$ 770,322

Other Social, Cultural, and Recreational

Maintenance and Repair Services - Vehicles	\$	22	
Postal Charges		33	
Gasoline		5,962	
Office Supplies		158	
Vehicle and Equipment Insurance		1,896	
Total Other Social, Cultural, and Recreational			8,071

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	39,600	
Salary Supplements		196,756	
Board and Committee Members Fees		1,275	
Social Security		8,070	
Pensions		25,151	
Life Insurance		51	
Medical Insurance		36,530	
Unemployment Compensation		126	
Employer Medicare		2,643	
Communication		1,350	
Rentals		3,954	
Travel		2,500	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Other Contracted Services	\$ 18,000	
Office Supplies	1,170	
Workers' Compensation Insurance	196	
Total Agricultural Extension Service		\$ 337,372

Forest Service

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

Soil Conservation

Secretary(ies)	\$ 25,667	
Social Security	1,591	
Pensions	3,547	
Life Insurance	51	
Employer Medicare	372	
Other Contracted Services	1,370	
Other Supplies and Materials	341	
Total Soil Conservation		32,939

Other Operations

Tourism

Contracts with Government Agencies	\$ 330,326	
Contracts with Other Public Agencies	990,978	
Total Tourism		1,321,304

Industrial Development

Contributions	\$ 600,403	
Total Industrial Development		600,403

Airport

Contributions	\$ 218,460	
Total Airport		218,460

Veterans' Services

Assistant(s)	\$ 163,343	
Supervisor/Director	66,471	
Secretary(ies)	60,304	
Temporary Personnel	7,643	
Board and Committee Members Fees	1,500	
Social Security	17,607	
Pensions	37,487	
Life Insurance	395	
Medical Insurance	48,956	
Unemployment Compensation	4,675	
Employer Medicare	4,118	
Communication	1,673	
Postal Charges	2,033	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Printing, Stationery, and Forms	\$	250	
Rentals		2,712	
Travel		4,585	
Other Contracted Services		4,044	
Food Supplies		462	
Library Books/Media		556	
Other Supplies and Materials		2,190	
Furniture and Fixtures		250	
Total Veterans' Services			\$ 431,254

Other Charges

Consultants	\$	25,000	
Contributions		77,883	
Boiler Insurance		9,104	
Building and Contents Insurance		394,423	
Liability Insurance		27,875	
Trustee's Commission		808,613	
Total Other Charges			1,342,898

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	12,600	
Contributions		220,907	
Dues and Memberships		32,605	
Total Contributions to Other Agencies			266,112

Employee Benefits

Handling Charges and Administrative Costs	\$	5,458	
Medical Insurance		190,424	
Disability Insurance		168,381	
Other Fringe Benefits		21,658	
Other Charges		8,081	
Total Employee Benefits			394,002

Miscellaneous

Advertising	\$	1,500	
Travel		1,962	
Other Contracted Services		5,123	
Office Supplies		7	
Other Supplies and Materials		1,532	
Other Capital Outlay		3,180	
Total Miscellaneous			13,304

Highways

Litter and Trash Collection

Deputy(ies)	\$	84,155	
Social Security		4,999	
Pensions		11,630	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Life Insurance	\$	102	
Medical Insurance		13,899	
Unemployment Compensation		54	
Employer Medicare		1,169	
Other Supplies and Materials		17,600	
Total Litter and Trash Collection			\$ 133,608

Total General Fund \$ 67,163,809

Drug Control Fund

Public Safety

Sheriff's Department

Veterinary Services	\$	936	
Other Contracted Services		6,000	
Animal Food and Supplies		1,223	
Trustee's Commission		711	
Total Sheriff's Department			\$ 8,870

Total Drug Control Fund 8,870

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	15,651	
Total Chancery Court			\$ 15,651

Total Constitutional Officers - Fees Fund 15,651

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	102,811	
Assistant(s)		65,014	
Accountants/Bookkeepers		42,835	
Secretary(ies)		35,235	
Clerical Personnel		35,173	
Overtime Pay		716	
Board and Committee Members Fees		3,600	
Social Security		16,709	
Pensions		38,943	
Life Insurance		254	
Medical Insurance		52,353	
Employer Medicare		3,908	
Dues and Memberships		4,294	
Legal Services		4,200	
Printing, Stationery, and Forms		746	
Rentals		3,551	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Other Contracted Services	\$	4,787	
Drugs and Medical Supplies		2,133	
Office Supplies		1,115	
Other Supplies and Materials		3,075	
Total Administration			\$ 421,452

Highway and Bridge Maintenance

Foremen	\$	446,515	
Mechanic(s)		110,174	
Equipment Operators - Heavy		500,523	
Equipment Operators - Light		186,687	
Truck Drivers		486,844	
Laborers		101,819	
Temporary Personnel		37,522	
Overtime Pay		65,873	
Social Security		112,700	
Pensions		252,331	
Life Insurance		2,557	
Medical Insurance		476,596	
Employer Medicare		26,358	
Rentals		4,436	
Other Contracted Services		21,091	
Asphalt - Hot Mix		1,294,009	
Asphalt - Liquid		44,030	
Concrete		5,761	
Crushed Stone		58,584	
Pipe - Metal		16,244	
Salt		158,940	
Sand		314	
Other Supplies and Materials		6,167	
Total Highway and Bridge Maintenance			4,416,075

Operation and Maintenance of Equipment

Foremen	\$	55,406	
Mechanic(s)		173,466	
Truck Drivers		30,075	
Clerical Personnel		32,947	
Overtime Pay		10,083	
Social Security		17,279	
Pensions		41,733	
Life Insurance		378	
Medical Insurance		82,893	
Employer Medicare		4,041	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		9,195	
Maintenance and Repair Services - Vehicles		28,213	
Other Contracted Services		6,512	

(Continued)

Exhibit L-8

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.)

Diesel Fuel	\$	174,767	
Equipment and Machinery Parts		190,536	
Garage Supplies		2,999	
Gasoline		98,044	
Lubricants		23,677	
Small Tools		12,661	
Tires and Tubes		59,521	
Vehicle Parts		93,670	
Other Supplies and Materials		24,693	
Total Operation and Maintenance of Equipment			\$ 1,173,669

Traffic Control

Foremen	\$	55,401	
Equipment Operators - Heavy		69,098	
Laborers		58,120	
Overtime Pay		5,865	
Social Security		11,199	
Pensions		26,049	
Life Insurance		253	
Medical Insurance		31,428	
Employer Medicare		2,620	
Operating Lease Payments		395	
Other Contracted Services		20,476	
Electricity		30,612	
Road Signs		35,704	
Small Tools		526	
Uniforms		796	
Other Supplies and Materials		89,285	
Total Traffic Control			437,827

Other Charges

Communication	\$	5,957	
Licenses		1,518	
Other Contracted Services		155	
Electricity		24,666	
Natural Gas		4,240	
Water and Sewer		3,336	
Building and Contents Insurance		254,905	
Indirect Cost		6,478	
Trustee's Commission		118,821	
Total Other Charges			420,076

Employee Benefits

Medical Insurance	\$	30,948	
Unemployment Compensation		2,235	
Total Employee Benefits			33,183

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	500	
Bridge Construction		9,937	
Building Construction		9,642	
Building Improvements		29,921	
Communication Equipment		152	
Data Processing Equipment		475	
Furniture and Fixtures		320	
Heating and Air Conditioning Equipment		9,289	
Highway Equipment		173,231	
Motor Vehicles		23,967	
State Aid Projects		438,627	
Other Equipment		16,358	
Total Capital Outlay			\$ 712,419

Total Highway/Public Works Fund \$ 7,614,701

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	7,801,691	
Principal on Notes		20,000	
Total General Government			\$ 7,821,691

Education

Principal on Bonds	\$	15,068,309	
Principal on Other Loans		1,684,050	
Total Education			16,752,359

Interest on Debt

General Government

Interest on Bonds	\$	3,259,849	
Interest on Notes		2,400	
Total General Government			3,262,249

Education

Interest on Bonds	\$	8,565,176	
Interest on Other Loans		303,000	
Total Education			8,868,176

Other Debt Service

General Government

Trustee's Commission	\$	210,998	
Other Debt Service		1,745	
Total General Government			212,743

Education

Trustee's Commission	\$	493,311	
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(Continued)

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education (Cont.)

Other Debt Service	\$ 25,549	
Total Education		\$ 518,860

Total General Debt Service Fund \$ 37,436,078

General Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 75,207	
Other Debt Issuance Charges	90,096	
Total Education		\$ 165,303

Capital Projects

General Administration Projects

Advertising	\$ 550	
Architects	11,913	
Contracts with Private Agencies	7,545	
Other Contracted Services	38	
Trustee's Commission	57,087	
Building Improvements	892,684	
Data Processing Equipment	12,076	
Furniture and Fixtures	1,306	
Heating and Air Conditioning Equipment	71,842	
Highway Construction	128,559	
Motor Vehicles	20,598	
Other Construction	938,108	
Total General Administration Projects		2,142,306

Administration of Justice Projects

Building Improvements	\$ 12,311	
Total Administration of Justice Projects		12,311

Public Safety Projects

Architects	\$ 57,745	
Building Improvements	112,432	
Heating and Air Conditioning Equipment	26,294	
Motor Vehicles	419,444	
Other Equipment	88,028	
Total Public Safety Projects		703,943

Public Health and Welfare Projects

Architects	\$ 1,923	
Building Construction	1,858,315	
Land	80,000	
Motor Vehicles	189,524	
Health Equipment	377,426	
Total Public Health and Welfare Projects		2,507,188

(Continued)

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

Architects	\$ 13,897	
Contributions	10,000	
Other Contracted Services	2,950	
Building Construction	5,811,673	
Other Construction	554,249	
Other Capital Outlay	<u>37,231</u>	
Total Social, Cultural, and Recreation Projects		\$ 6,430,000

Other General Government Projects

Building Improvements	\$ 1,267	
Other Capital Outlay	<u>38,615</u>	
Total Other General Government Projects		39,882

Highway and Street Capital Projects

Engineering Services	\$ 86,237	
Highway Construction	<u>7,028</u>	
Total Highway and Street Capital Projects		93,265

Education Capital Projects

Contributions	\$ 4,310,443	
Total Education Capital Projects		<u>4,310,443</u>

Total General Capital Projects Fund \$ 16,404,641

Total Governmental Funds - Primary Government \$ 128,643,750

Exhibit L-9

Montgomery County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Clarksville-Montgomery County School System
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 74,599,260	
Career Ladder Program	282,447	
Career Ladder Extended Contracts	78,330	
Homebound Teachers	152,332	
Educational Assistants	1,276,776	
Certified Substitute Teachers	785,263	
Non-certified Substitute Teachers	632,909	
Social Security	4,613,635	
Pensions	6,951,553	
Life Insurance	98,260	
Medical Insurance	12,864,831	
Employer Medicare	1,082,188	
Maintenance and Repair Services - Equipment	12,600	
Travel	18,498	
Tuition	271,132	
Other Contracted Services	217,974	
Basic Skills Materials	37,085	
Food Supplies	1,323	
Instructional Supplies and Materials	812,688	
Textbooks	1,120,467	
Fee Waivers	432,550	
Regular Instruction Equipment	163,392	
Total Regular Instruction Program		\$ 106,505,493

Alternative Instruction Program

Teachers	\$ 707,289	
Career Ladder Program	2,000	
Educational Assistants	14,764	
Certified Substitute Teachers	3,893	
Non-certified Substitute Teachers	8,065	
Social Security	43,829	
Pensions	66,104	
Life Insurance	781	
Medical Insurance	107,444	
Employer Medicare	10,250	
Rentals	4,540	
Instructional Supplies and Materials	2,936	
Total Alternative Instruction Program		971,895

Special Education Program

Teachers	\$ 12,567,263
Career Ladder Program	55,576
Career Ladder Extended Contracts	5,040
Homebound Teachers	127,300
Educational Assistants	2,635,372
Temporary Personnel	160,649

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$ 1,482,044	
Overtime Pay	360	
Certified Substitute Teachers	110,573	
Non-certified Substitute Teachers	138,605	
Social Security	1,020,857	
Pensions	1,615,154	
Life Insurance	23,933	
Medical Insurance	2,945,630	
Employer Medicare	239,065	
Contracts with Private Agencies	675,301	
Other Contracted Services	7,741	
Instructional Supplies and Materials	50,492	
Special Education Equipment	4,226	
Total Special Education Program		\$ 23,865,181

Vocational Education Program

Teachers	\$ 3,624,848	
Career Ladder Program	9,559	
Salary Supplements	30,150	
Certified Substitute Teachers	25,823	
Non-certified Substitute Teachers	41,127	
Social Security	222,012	
Pensions	330,232	
Life Insurance	4,424	
Medical Insurance	625,793	
Employer Medicare	52,012	
Maintenance and Repair Services - Equipment	1,221	
Travel	382	
Instructional Supplies and Materials	149,927	
T&I Construction Materials	200,000	
Vocational Instruction Equipment	18,839	
Total Vocational Education Program		5,336,349

Support Services

Attendance

Supervisor/Director	\$ 131,697
Career Ladder Program	4,000
Career Ladder Extended Contracts	600
Pupil Personnel	370,056
Secretary(ies)	65,907
Social Security	33,702
Pensions	54,883
Life Insurance	626
Medical Insurance	85,010
Employer Medicare	7,882
Dues and Memberships	85

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Travel	\$	5,593	
Office Supplies		4,769	
Other Supplies and Materials		528	
In Service/Staff Development		4,718	
Total Attendance			\$ 770,056

Health Services

Medical Personnel	\$	956,199	
Temporary Personnel		62,816	
Overtime Pay		379	
Social Security		59,931	
Pensions		123,848	
Life Insurance		1,430	
Medical Insurance		172,930	
Employer Medicare		14,016	
Other Contracted Services		445	
Office Supplies		29	
Other Supplies and Materials		21,714	
Health Equipment		6,896	
Total Health Services			1,420,633

Other Student Support

Career Ladder Program	\$	18,000	
Guidance Personnel		3,669,720	
Social Workers		207,479	
Salary Supplements		1,235,148	
Clerical Personnel		281,238	
Educational Assistants		141,617	
Other Salaries and Wages		14,828	
Social Security		331,299	
Pensions		504,073	
Life Insurance		5,567	
Medical Insurance		797,124	
Employer Medicare		77,512	
Contributions		300,000	
Evaluation and Testing		162,550	
Other Contracted Services		27,278	
Instructional Supplies and Materials		536	
Other Supplies and Materials		1,879	
Total Other Student Support			7,775,848

Regular Instruction Program

Supervisor/Director	\$	1,265,718	
Career Ladder Program		39,208	
Career Ladder Extended Contracts		2,400	
Librarians		2,386,440	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Instructional Computer Personnel	\$ 1,473,504	
Salary Supplements	267,290	
Secretary(ies)	143,424	
Clerical Personnel	33,488	
Educational Assistants	682,231	
Overtime Pay	212	
Other Salaries and Wages	1,397,359	
In-service Training	11,478	
Social Security	457,650	
Pensions	780,088	
Life Insurance	7,832	
Medical Insurance	1,189,360	
Employer Medicare	107,257	
Dues and Memberships	25,428	
Travel	9,456	
Other Contracted Services	65,059	
Gasoline	767	
Library Books/Media	166,508	
Office Supplies	18,120	
Periodicals	37,175	
Other Supplies and Materials	439,657	
In Service/Staff Development	181,245	
Other Charges	17,300	
Other Equipment	3,499	
Total Regular Instruction Program		\$ 11,209,153

Alternative Instruction Program

Clerical Personnel	\$ 21,366	
Social Security	1,227	
Pensions	2,953	
Life Insurance	38	
Medical Insurance	5,921	
Employer Medicare	287	
Total Alternative Instruction Program		31,792

Special Education Program

Supervisor/Director	\$ 95,517	
Career Ladder Program	7,333	
Psychological Personnel	778,565	
Secretary(ies)	52,692	
Clerical Personnel	49,999	
Other Salaries and Wages	661,450	
Social Security	97,676	
Pensions	156,067	
Life Insurance	1,558	
Medical Insurance	258,935	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	22,844	
Bank Charges		242	
Dues and Memberships		500	
Travel		22,137	
Other Contracted Services		12,881	
Office Supplies		3,931	
Other Supplies and Materials		52,315	
In Service/Staff Development		12,653	
Total Special Education Program			\$ 2,287,295

Vocational Education Program

Supervisor/Director	\$	68,989	
Secretary(ies)		13,713	
Social Security		4,951	
Pensions		8,132	
Life Insurance		79	
Medical Insurance		11,608	
Employer Medicare		1,158	
Office Supplies		404	
In Service/Staff Development		963	
Total Vocational Education Program			109,997

Adult Programs

Supervisor/Director	\$	37,557	
Career Ladder Program		1,000	
Guidance Personnel		29,770	
Other Salaries and Wages		55,800	
Social Security		7,672	
Pensions		8,530	
Life Insurance		202	
Employer Medicare		1,794	
Total Adult Programs			142,325

Other Programs

On-behalf Payments to OPEB	\$	106,362	
Total Other Programs			106,362

Board of Education

Secretary to Board	\$	28,951	
Board and Committee Members Fees		36,100	
Social Security		3,940	
Pensions		3,735	
Life Insurance		31	
Medical Insurance		5,804	
Disability Insurance		466,842	
Unemployment Compensation		44,643	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Employer Medicare	\$	922	
Other Fringe Benefits		550,701	
Audit Services		70,000	
Dues and Memberships		30,901	
Legal Services		65,108	
Liability Insurance		390,882	
Premiums on Corporate Surety Bonds		2,225	
Trustee's Commission		1,165,295	
Workers' Compensation Insurance		287,424	
Liability Claims		163,996	
Other Self-insured Claims		74,186	
In Service/Staff Development		9,178	
Criminal Investigation of Applicants - TBI		56,368	
Other Charges		18,030	
Total Board of Education			\$ 3,475,262

Director of Schools

County Official/Administrative Officer	\$	177,020	
Education Media Personnel		90,032	
Secretary(ies)		28,008	
Clerical Personnel		174,786	
Other Salaries and Wages		163,865	
Social Security		34,046	
Pensions		78,160	
Life Insurance		507	
Medical Insurance		86,723	
Employer Medicare		8,810	
Advertising		500	
Dues and Memberships		9,377	
Postal Charges		51,171	
Travel		388	
Other Contracted Services		71,311	
Duplicating Supplies		37,496	
Food Supplies		2,836	
Office Supplies		5,957	
Periodicals		315	
Other Supplies and Materials		4,375	
In Service/Staff Development		28,158	
Other Equipment		9,367	
Total Director of Schools			1,063,208

Office of the Principal

Principals	\$	3,399,577	
Career Ladder Program		40,499	
Accountants/Bookkeepers		1,497,601	
Assistant Principals		4,479,158	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Clerical Personnel	\$ 2,113,567	
Temporary Personnel	9,223	
Overtime Pay	22	
Social Security	682,273	
Pensions	1,203,830	
Life Insurance	11,563	
Medical Insurance	2,245,641	
Employer Medicare	159,564	
Dues and Memberships	8,625	
Other Contracted Services	3,002	
In Service/Staff Development	37,255	
Administration Equipment	101,852	
Total Office of the Principal		\$ 15,993,252

Fiscal Services

Supervisor/Director	\$ 442,289	
Accountants/Bookkeepers	707,928	
Temporary Personnel	13,920	
Overtime Pay	2,180	
Other Salaries and Wages	429,042	
Social Security	92,640	
Pensions	219,184	
Life Insurance	1,401	
Medical Insurance	287,645	
Employer Medicare	21,820	
Bank Charges	6,093	
Dues and Memberships	1,059	
Laundry Service	1,886	
Travel	918	
Other Contracted Services	21,413	
Gasoline	9,870	
Office Supplies	19,826	
Other Supplies and Materials	1,279	
In Service/Staff Development	18,603	
Total Fiscal Services		2,298,996

Human Services/Personnel

Supervisor/Director	\$ 505,383	
Secretary(ies)	599,536	
Overtime Pay	3,302	
Other Salaries and Wages	46,719	
Other Per Diem and Fees	7,432	
Social Security	68,802	
Pensions	143,771	
Life Insurance	865	
Medical Insurance	184,515	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Employer Medicare	\$	16,178	
Advertising		5,236	
Dues and Memberships		2,224	
Travel		13,882	
Other Contracted Services		20,697	
Office Supplies		12,449	
Other Supplies and Materials		20,595	
In Service/Staff Development		24,015	
Other Equipment		319,658	
Total Human Services/Personnel			\$ 1,995,259

Operation of Plant

Supervisor/Director	\$	262,923	
Salary Supplements		30,000	
Foremen		28,813	
Secretary(ies)		29,786	
Custodial Personnel		4,429,426	
Overtime Pay		3,611	
Social Security		277,975	
Pensions		624,898	
Life Insurance		7,004	
Medical Insurance		1,444,475	
Employer Medicare		65,011	
Dues and Memberships		150	
Evaluation and Testing		7,117	
Laundry Service		57,595	
Licenses		7,763	
Other Contracted Services		296,257	
Custodial Supplies		367,184	
Electricity		5,729,188	
Fertilizer, Lime, and Seed		38,500	
Fuel Oil		14,770	
Natural Gas		592,893	
Office Supplies		4,203	
Water and Sewer		729,702	
Gravel and Chert		14,136	
Other Supplies and Materials		39,171	
Building and Contents Insurance		454,947	
In Service/Staff Development		2,147	
Furniture and Fixtures		45,298	
Plant Operation Equipment		120,672	
Total Operation of Plant			15,725,615

Maintenance of Plant

Supervisor/Director	\$	73,212	
Foremen		54,184	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Secretary(ies)	\$ 69,098	
Maintenance Personnel	2,155,223	
Overtime Pay	34	
Social Security	137,846	
Pensions	316,820	
Life Insurance	2,334	
Medical Insurance	568,041	
Employer Medicare	32,238	
Communication	1,030,631	
Laundry Service	11,975	
Maintenance and Repair Services - Equipment	224,263	
Maintenance and Repair Services - Vehicles	2,709	
Rentals	4,592	
Other Contracted Services	247,865	
Gasoline	152,763	
Lubricants	3,314	
Office Supplies	2,983	
Tires and Tubes	14,216	
Vehicle Parts	45,908	
Chemicals	22,905	
Other Supplies and Materials	876,826	
Vehicle and Equipment Insurance	42,191	
In Service/Staff Development	3,145	
Maintenance Equipment	217,144	
Total Maintenance of Plant		\$ 6,312,460

Central and Other

Supervisor/Director	\$ 377,711	
Computer Programmer(s)	314,522	
Salary Supplements	8,798	
Secretary(ies)	34,597	
Other Salaries and Wages	135,291	
Social Security	51,662	
Pensions	115,624	
Life Insurance	752	
Medical Insurance	104,470	
Employer Medicare	12,203	
Dues and Memberships	1,205	
Operating Lease Payments	908,039	
Travel	29,062	
Other Contracted Services	1,644,761	
Data Processing Supplies	800,245	
Office Supplies	1,454	
Other Supplies and Materials	72,917	
In Service/Staff Development	13,670	
Data Processing Equipment	409,092	
Other Equipment	722,209	
Total Central and Other		5,758,284

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$ 1,043,313	
Educational Assistants	342,088	
Temporary Personnel	15,544	
Other Salaries and Wages	103,520	
Certified Substitute Teachers	8,818	
Non-certified Substitute Teachers	12,821	
Social Security	88,770	
Pensions	149,395	
Life Insurance	2,189	
Medical Insurance	331,903	
Employer Medicare	20,949	
Travel	753	
In Service/Staff Development	5,218	
Total Early Childhood Education		\$ 2,125,281

Interest on Debt

Education

Interest on Notes	\$ 15,760	
Total Education		15,760

Total General Purpose School Fund

\$ 215,295,756

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,046,365	
Salary Supplements	1,304,671	
Educational Assistants	415,168	
Certified Substitute Teachers	82,052	
Non-certified Substitute Teachers	105,796	
Social Security	235,923	
Pensions	354,820	
Life Insurance	3,519	
Medical Insurance	451,570	
Employer Medicare	55,402	
Other Contracted Services	307,722	
Instructional Supplies and Materials	509,005	
Regular Instruction Equipment	250,770	
Total Regular Instruction Program		\$ 6,122,783

Special Education Program

Teachers	\$ 233,696	
Educational Assistants	1,703,332	
Speech Pathologist	55,500	
Other Salaries and Wages	5,872	
Certified Substitute Teachers	772	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	568	
Social Security		112,777	
Pensions		247,514	
Life Insurance		4,249	
Medical Insurance		493,097	
Employer Medicare		26,377	
Contracts with Private Agencies		15,436	
Instructional Supplies and Materials		31,223	
Other Supplies and Materials		39,103	
Special Education Equipment		92,120	
Total Special Education Program			\$ 3,061,636

Vocational Education Program

Instructional Supplies and Materials	\$	26,000	
Other Charges		11,000	
Vocational Instruction Equipment		328,127	
Total Vocational Education Program			365,127

Adult Education Program

Teachers	\$	91,350	
Social Security		4,226	
Pensions		1,436	
Employer Medicare		1,321	
Other Contracted Services		1,653	
Instructional Supplies and Materials		6,170	
Total Adult Education Program			106,156

Support Services

Health Services

Other Salaries and Wages	\$	38,596	
Social Security		2,391	
Pensions		5,261	
Life Insurance		58	
Employer Medicare		559	
Travel		152	
Other Supplies and Materials		4,253	
In Service/Staff Development		668	
Other Charges		2,000	
Health Equipment		100,593	
Total Health Services			154,531

Other Student Support

Guidance Personnel	\$	48,200	
Social Workers		29,300	
Other Salaries and Wages		144,374	
Social Security		10,845	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Pensions	\$	17,902	
Life Insurance		250	
Medical Insurance		40,745	
Employer Medicare		3,015	
Travel		84,484	
Other Contracted Services		21,419	
Other Supplies and Materials		53,918	
In Service/Staff Development		42,401	
Other Charges		55,678	
Other Equipment		4,555	
Total Other Student Support			\$ 557,086

Regular Instruction Program

Supervisor/Director	\$	233,697	
Secretary(ies)		44,368	
Clerical Personnel		17,909	
Temporary Personnel		5,422	
Other Salaries and Wages		1,794,036	
Social Security		125,886	
Pensions		193,279	
Life Insurance		1,896	
Medical Insurance		263,627	
Employer Medicare		29,522	
Communication		1,564	
Consultants		6,238	
Contributions		293,521	
Dues and Memberships		1,019	
Travel		6,291	
Other Contracted Services		319,899	
Library Books/Media		8,764	
Other Supplies and Materials		40,580	
In Service/Staff Development		143,665	
Other Charges		4,732	
Other Equipment		91,627	
Total Regular Instruction Program			3,627,542

Special Education Program

Psychological Personnel	\$	143,870	
Secretary(ies)		39,229	
Other Salaries and Wages		632,185	
Social Security		48,692	
Pensions		75,153	
Life Insurance		756	
Medical Insurance		107,994	
Employer Medicare		11,388	
Communication		782	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Travel	\$ 4,795	
Other Supplies and Materials	18,888	
In Service/Staff Development	17,130	
Other Charges	3,096	
Total Special Education Program		\$ 1,103,958

Vocational Education Program

Travel	\$ 190	
In Service/Staff Development	1,817	
Total Vocational Education Program		2,007

Adult Programs

Supervisor/Director	\$ 37,288	
Clerical Personnel	29,245	
Other Salaries and Wages	32,302	
Social Security	5,792	
Pensions	11,877	
Medical Insurance	17,529	
Employer Medicare	1,355	
Advertising	225	
Office Supplies	1,996	
In Service/Staff Development	5,815	
Total Adult Programs		143,424

Operation of Plant

Other Equipment	\$ 51,515	
Total Operation of Plant		51,515

Transportation

Bus Drivers	\$ 74,611	
Social Security	4,429	
Pensions	8,914	
Employer Medicare	1,036	
Contracts with Parents	959	
Gasoline	1,104	
Other Charges	7,292	
Total Transportation		98,345

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$ 1,000,771	
Social Security	61,374	
Pensions	94,397	
Employer Medicare	14,405	
Other Contracted Services	58,024	
Instructional Supplies and Materials	89,143	

(Continued)

Exhibit L-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Community Services (Cont.)</u>		
In Service/Staff Development	\$ 7,479	
Other Charges	27,448	
Total Community Services		<u>\$ 1,353,041</u>
Total School Federal Projects Fund		\$ 16,747,151
<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 218,192	
Salary Supplements	45,800	
Truck Drivers	58,726	
Secretary(ies)	90,851	
Cafeteria Personnel	3,263,823	
Custodial Personnel	215,758	
Overtime Pay	64,970	
Other Salaries and Wages	394,335	
Social Security	250,630	
Pensions	573,554	
Life Insurance	8,609	
Medical Insurance	1,207,347	
Employer Medicare	58,616	
Bank Charges	6,449	
Dues and Memberships	15,033	
Laundry Service	57,829	
Licenses	2,960	
Printing, Stationery, and Forms	2,968	
Travel	7,705	
Other Contracted Services	453,457	
Equipment and Machinery Parts	131,871	
Food Supplies	6,029,994	
Gasoline	20,179	
Lubricants	263	
Office Supplies	19,310	
Uniforms	10,235	
Utilities	258,000	
Vehicle Parts	2,400	
USDA - Commodities	771,122	
Other Supplies and Materials	436,424	
Workers' Compensation Insurance	6,112	
In Service/Staff Development	6,418	
Administration Equipment	3,246	
Food Service Equipment	338,236	
Total Food Service		<u>\$ 15,031,422</u>
Total Central Cafeteria Fund		15,031,422

(Continued)

Exhibit L-9

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

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 40,040	
Total Board of Education		\$ 40,040

Transportation

Supervisor/Director	\$ 207,478	
Salary Supplements	26,675	
Mechanic(s)	641,330	
Bus Drivers	4,216,391	
Dispatchers/Radio Operators	129,609	
Secretary(ies)	149,494	
Temporary Personnel	171,438	
Overtime Pay	17,652	
Other Salaries and Wages	984,200	
Social Security	380,720	
Pensions	827,626	
Life Insurance	13,667	
Medical Insurance	1,743,959	
Employer Medicare	89,302	
Dues and Memberships	250	
Laundry Service	5,691	
Licenses	1,612	
Maintenance and Repair Services - Equipment	25,361	
Maintenance and Repair Services - Vehicles	1,286	
Medical and Dental Services	53,220	
Transportation - Other than Students	152,700	
Other Contracted Services	65,116	
Garage Supplies	6,316	
Gasoline	1,040,166	
Lubricants	18,715	
Office Supplies	16,908	
Tires and Tubes	123,550	
Vehicle Parts	383,813	
Other Supplies and Materials	7,838	
Vehicle and Equipment Insurance	73,403	
In Service/Staff Development	15,633	
Communication Equipment	43,961	
Transportation Equipment	188,712	
Total Transportation		<u>11,823,792</u>

Total School Transportation Fund \$ 11,863,832

Extended School Program Fund

Instruction

Regular Instruction Program

Teachers	\$ 37,698
Educational Assistants	6,097

(Continued)

Exhibit L-9

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

<u>Extended School Program Fund (Cont.)</u>		
<u>Instruction (Cont.)</u>		
<u>Regular Instruction Program (Cont.)</u>		
Social Security	\$ 2,715	
Pensions	4,240	
Employer Medicare	635	
Total Regular Instruction Program		\$ 51,385
 <u>Support Services</u>		
<u>Board of Education</u>		
Trustee's Commission	\$ 395	
Total Board of Education		395
 <u>Office of the Principal</u>		
Assistant Principals	\$ 8,575	
Social Security	532	
Pensions	775	
Employer Medicare	124	
Total Office of the Principal		10,006
 <u>Operation of Plant</u>		
Custodial Personnel	\$ 3,840	
Social Security	238	
Pensions	531	
Employer Medicare	56	
Total Operation of Plant		4,665
Total Extended School Program Fund		\$ 66,451
 <u>Education Capital Projects Fund</u>		
<u>Support Services</u>		
<u>Transportation</u>		
Transportation Equipment	\$ 553,655	
Total Transportation		\$ 553,655
 <u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 40,677	
Engineering Services	1,575	
Other Charges	3,413	
Building Construction	1,629,325	
Building Improvements	1,841,118	
Data Processing Equipment	245,632	
Plant Operation Equipment	183,752	
Site Development	115,471	
Transportation Equipment	206,920	
Total Education Capital Projects		4,267,883
Total Education Capital Projects Fund		4,821,538
Total Governmental Funds - Clarksville-Montgomery County School System		<u>\$ 263,826,150</u>

Exhibit L-10

Montgomery County, Tennessee
Schedule of Detailed Revenues and Expenses
All Proprietary Funds
For the Year Ended June 30, 2015

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Self- Insurance</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	
<u>Revenues</u>				
<u>Operating Revenues</u>				
<u>Charges for Current Services</u>				
Self-Insurance Premiums/Contributions	\$ 44,624,384	\$ 0	\$ 83,033	\$ 44,707,417
Other Employee Benefit Charges	3,035,530	0	0	3,035,530
Other Charges for Services	60,188	0	0	60,188
Retirees' Insurance Payments	1,609,771	0	0	1,609,771
Total Operating Revenues	\$ 49,329,873	\$ 0	\$ 83,033	\$ 49,412,906
<u>Nonoperating Revenues</u>				
Investment Income	\$ 74,030	\$ 0	\$ 0	\$ 74,030
Miscellaneous Refunds	1,342,730	0	0	1,342,730
Total Nonoperating Revenues	\$ 1,416,760	\$ 0	\$ 0	\$ 1,416,760
Total Revenues	\$ 50,746,633	\$ 0	\$ 83,033	\$ 50,829,666
<u>Expenses</u>				
<u>Operating Expenses</u>				
<u>Other Facilities</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 550	\$ 550
Total Other Facilities	\$ 0	\$ 0	\$ 550	\$ 550
<u>Risk Management</u>				
Supervisor/Director	\$ 0	\$ 54,362	\$ 0	\$ 54,362
Clerical Personnel	0	23,500	0	23,500
Social Security	0	4,267	0	4,267
State Retirement	0	10,433	0	10,433
Life Insurance	0	81	0	81
Medical Insurance	0	24,812	0	24,812
Employer Medicare	0	998	0	998
Communication	0	411	0	411
Consultants	0	7,900	0	7,900
Contracts with Private Agencies	0	81,805	0	81,805
Dues and Memberships	0	530	0	530
Legal Services	0	280	0	280
Medical and Dental Services	0	151,888	0	151,888
Postal Charges	0	78	0	78
Printing, Stationery, and Forms	0	86	0	86
Travel	0	4,120	0	4,120
Tuition	0	1,660	0	1,660
Drug and Medical Supplies	0	17,010	0	17,010
Instructional Supplies and Materials	0	442	0	442
Library Books/Media	0	310	0	310
Other Supplies and Materials	0	950	0	950
Total Risk Management	\$ 0	\$ 385,923	\$ 0	\$ 385,923

(Continued)

Exhibit L-10

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	\$ 2,542	\$ 2,542
Total Probation Services	\$ 0	\$ 0	\$ 2,542	\$ 2,542
<u>County Trustee's Office</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 6,841	\$ 6,841
Total Probation Services	\$ 0	\$ 0	\$ 6,841	\$ 6,841
<u>County Clerk's Office</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 204	\$ 204
Total Probation Services	\$ 0	\$ 0	\$ 204	\$ 204
<u>Probation Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 13,200	\$ 13,200
Total Probation Services	\$ 0	\$ 0	\$ 13,200	\$ 13,200
<u>Other Local Health Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 5,638	\$ 5,638
Total Other Local Health Services	\$ 0	\$ 0	\$ 5,638	\$ 5,638
<u>Waste Pickup</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 2,504	\$ 2,504
Total Landfill Operation and Maintenance	\$ 0	\$ 0	\$ 2,504	\$ 2,504
<u>Veteran's Services</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 4,675	\$ 4,675
Total Parks and Fair Boards	\$ 0	\$ 0	\$ 4,675	\$ 4,675
<u>Other Charges</u>				
Medical Personnel	\$ 664,668	\$ 0	\$ 0	\$ 664,668
Clerical Personnel	103,341	0	0	103,341
Overtime Pay	314	0	0	314
Other Salaries and Wages	37,784	0	0	37,784
Social Security	48,298	0	0	48,298
State Retirement	89,193	0	0	89,193
Life Insurance	573	0	0	573
Medical Insurance	93,223	0	0	93,223
Employer Medicare	11,296	0	0	11,296
Dues and Memberships	12,691	0	0	12,691
Travel	825	0	0	825
Other Contracted Services	232,730	0	0	232,730
Other Supplies and Materials	162,478	0	0	162,478

(Continued)

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>Other Charges (Cont.)</u>				
Liability Insurance	16,542	0	0	16,542
Depreciation	991	0	0	991
In-Service/Staff Development	7,473	0	0	7,473
Other Charges	19,225	0	0	19,225
Data Processing Equipment	1,846	0	0	1,846
Furniture and Fixtures	1,484	0	0	1,484
Total Other Charges	<u>\$ 1,504,975</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,504,975</u>
<u>Employee Benefits</u>				
Life Insurance	\$ 273,145	\$ 0	\$ 0	\$ 273,145
Medical and Dental Services	2,154,739	0	0	2,154,739
Excess Risk Insurance	817,908	0	0	817,908
Medical Claims	41,838,312	0	0	41,838,312
Contracts with Private Agencies	1,726,774	0	0	1,726,774
Legal Services	34	0	0	34
Other Contracted Services	607,009	0	0	607,009
Drugs and Medical Supplies	15,794	0	0	15,794
Other Charges	683,034	0	0	683,034
Other Self-Insured Claims	116	0	0	116
Total Employee Benefits	<u>\$ 48,116,865</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,116,865</u>
<u>Highway and Bridge Maintenance</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 2,235	\$ 2,235
Total Highway and Bridge Maintenance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,235</u>	<u>\$ 2,235</u>
<u>Other</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 48,135	\$ 48,135
Total Other	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,135</u>	<u>\$ 48,135</u>
Total Expenses	<u>\$ 49,621,840</u>	<u>\$ 385,923</u>	<u>\$ 86,524</u>	<u>\$ 50,094,287</u>

Exhibit L-11

Montgomery County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2015

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 14,741,311	\$ 0	\$ 14,741,311
Trustee Collections - Prior Year	0	670,142	670,142
Total Cash Receipts	<u>\$ 14,741,311</u>	<u>\$ 670,142</u>	<u>\$ 15,411,453</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 14,322,551	\$ 646,241	\$ 14,968,792
Trustee's Commission	418,760	23,901	442,661
Total Cash Disbursements	<u>\$ 14,741,311</u>	<u>\$ 670,142</u>	<u>\$ 15,411,453</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 0	\$ 0
Cash Balance, July 1, 2014	0	0	0
Cash Balance, June 30, 2015	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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
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**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, 2015, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements, and have issued our report thereon dated December 3, 2015. Our report includes a reference to other auditors who audited the financial statements of the discretely presented 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2015-003.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2015-001 and 2015-002.

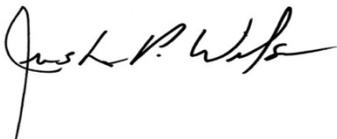
Montgomery County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 3, 2015

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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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 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, 2015. 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, 2015.

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.

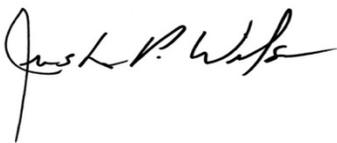
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2015, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements. We issued our report thereon dated December 3, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 3, 2015

JPW/yu

Montgomery County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	\$ 771,122 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	2,803,790
National School Lunch Program	10.555	(2)	6,671,891 (3)
Total U.S. Department of Agriculture			<u>\$ 10,246,803</u>
U.S. Department of Defense:			
Direct Program:			
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	\$ 1,470,325
Passed-through the Army Morale Welfare and Recreation Fund:			
Army Youth Programs in Your Neighborhood	12.XXX	(2)	1,437,181
Total U.S. Department of Defense			<u>\$ 2,907,506</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	\$ 132,926
Total U.S. Department of Housing and Urban Development			<u>\$ 132,926</u>
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 31,702
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	11,000
Passed-through State Department of Mental Health and Substance Abuse Services:			
Drug Court Discretionary Grant Program	16.585	(2)	40,479
Passed-through the City of Clarksville:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	44,219
Passed-through State Children's Advocacy Centers:			
Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	(2)	9,000
Total U.S. Department of Justice			<u>\$ 136,400</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 384,294
Alcohol Open Container Requirements	20.607	(2)	175,827
Total U.S. Department of Transportation			<u>\$ 560,121</u>
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 3,248,364
Passed-through State Department of Education:			
Adult Education - Basic Grants to States	84.002	(2)	187,185
Title I Grants to Local Educational Agencies	84.010	N/A	6,523,520

(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	\$ 5,622,399
Special Education - Preschool Grants	84.173	N/A	92,636
Career and Technical Education - Basic Grants to States	84.048	N/A	567,620
Education for Homeless Children and Youth	84.196	(2)	21,595
Twenty-first Century Community Learning Centers	84.287	(2)	1,092,069
English Language Acquisition State Grants	84.365	N/A	156,037
Mathematics and Science Partnerships	84.366	(2)	66,928
Improving Teacher Quality State Grants	84.367	N/A	778,364
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	122,342
Total U.S. Department of Education			<u>\$ 18,479,059</u>
U.S. Department of Homeland Security:			
Passed-through State Emergency Management Agency:			
Disaster Grants - Public Assistance	97.036	(2)	\$ 127,937
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	74,350
Homeland Security Grant Program	97.067	(2)	166,914
Total U.S. Department of Homeland Security			<u>\$ 369,201</u>
Total Federal Awards			<u>\$ 32,832,016</u>

State Grants		Contract Number	
Early Childhood Education - State Department of Education	N/A	(2)	\$ 1,833,517
Lottery for Education: Afterschool Program - State Department of Education	N/A	(2)	320,116
Juvenile Justice States Supplemental Funds - State Commission on Children and Youth	N/A	(2)	13,500
Day Treatment - State Department of Children's Services	N/A	(2)	422,082
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	60,303
Coordinated School Health - State Department of Education	N/A	(2)	161,827
Safe Schools Act - State Department of Education	N/A	(2)	145,611
Adult Education - State Department of Education	N/A	(2)	62,395
Connect Tenn - State Department of Education	N/A	(2)	89,819
Child Advocacy Center - State Department of Children's Services	N/A	(2)	87,897
Juvenile Court Prevention - State Department of Children's Services	N/A	(2)	48,295
Litter Program - State Department of Transportation	N/A	(2)	70,600
Rural Local Health Services - State Department of Health	N/A	(2)	1,958,372
Disaster Grants (Public Assistance) - State Emergency Management Agency	N/A	(2)	24,984
Community Correction Grant - State Department of Correction	N/A	(2)	415,816
School to Work Transition Grant - State Department of Human Services	N/A	(2)	139,904
Adult Drug Court - State Office of Criminal Justice Programs	N/A	(2)	70,000
Hankook Tire Company, LTD Project - Clarksville - Montgomery County Industrial Development Board	N/A	(2)	400,000
Total State Grants			<u>\$ 6,325,038</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 \$7,443,013.

Montgomery County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report of Montgomery County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	267	Bond anticipation notes were not issued in compliance with state statutes

MONTGOMERY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Montgomery County is unmodified.
2. The audit of the financial statements of Montgomery County disclosed a significant deficiency in internal control. The deficiency was not considered to be a material weaknesses.
3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Montgomery County.
4. The audit reported 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), Impact Aid (CFDA No. 84.041), Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), Twenty-first Century Community Learning Centers (CFDA No. 84.287), and State Fiscal Stabilization Fund – Race-to-the-Top Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$984,960 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 county mayor, director of accounts and budgets, and trustee provided written responses on the findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 2015-001 **A PROMISSORY NOTE WAS NOT ISSUED IN COMPLIANCE WITH STATE STATUTES**
(Noncompliance Under *Government Auditing Standards*)

County officials signed an \$80,000 promissory note with an individual to purchase land. However, officials did not get the approval of the state Comptroller's Office for the issuance of this note as required by Section 9-21-601, *Tennessee Code Annotated (TCA)*. Also, county officials did not file a Report on Debt Obligation with the state Comptroller's Office for the note. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. This deficiency exists due to a lack of management oversight.

RECOMMENDATION

All notes should be issued in compliance with state statutes.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

We concur. The capital outlay note was issued for the convenience of the previous landowner but that does not mitigate compliance with state statutes. In the future, all debt will be approved by State and Local Finance and the appropriate Report on Debt Obligation with the state Comptroller's Office for the note prepared. The deficiency has been corrected and the appropriate form is on file with State and Local Finance.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-002 **DEFICIENCIES EXISTED IN THE CHILD NUTRITION DEPARTMENT**
(Noncompliance Under *Government Auditing Standards*)

The Comptroller's Division of Investigation, Financial and Compliance Unit issued an investigative report on August 13, 2015, on the Clarksville-Montgomery County School System's Child Nutrition Department for the period January 1, 2011, through June 30, 2014, and the Clarksville Child Nutrition Association for the period

January 1, 2012, through April 30, 2015, which revealed numerous deficiencies within the department and the association. A copy of this report is available for public inspection and can be accessed at www.comptroller.tn.gov.

OFFICE OF TRUSTEE

FINDING 2015-003

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following accounting deficiencies were identified in the Office of Trustee, which were the result of a lack of management oversight:

- A. As of the date of this report, the office had not reconciled its two largest bank accounts with the general ledger accounts since June 30, 2014, even though auditors requested these reconciliations be performed several times during the audit. In addition, seven other bank accounts were not reconciled until auditors made an official request. The reconciliations of these seven accounts resulted in \$19,363 in posting errors that were identified but not corrected and \$3,260 in errors that have not been identified. Sound business practices require the reconciliation of bank statements with the general ledger on a current basis to ensure that all cash collections and disbursements are recorded in the accounting records accurately.
- B. Section 5-8-505, *Tennessee Code Annotated*, requires the trustee file an annual financial report with the county mayor and county clerk. In an attempt to comply with this statute, the office prepared three separate annual financial reports; however, all three reports failed to accurately summarize the financial activity of the office.
- C. General ledger receivables for the property tax relief program did not reconcile with the detailed receivable listing by \$1,389. In addition, the general ledger receivable presented four returned checks totaling \$9,436 that had no supporting documentation on file, and no effort was being made to collect the returned checks.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any errors discovered should be corrected promptly. All financial activity of the office should be accurately reflected on the annual financial report. Documentation should be available to support all accounts receivable.

MANAGEMENT'S RESPONSE – TRUSTEE

County Trustee concurs. Bank reconciliation(s) will be made and revision(s) (if necessary) will be made to ensure all areas are in compliance with the recommendations as outlined.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

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

MONTGOMERY COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Montgomery County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Montgomery County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**MONTGOMERY COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015**

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