

**ANNUAL FINANCIAL REPORT**  
**MONTGOMERY COUNTY, TENNESSEE**

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



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

*COMPTROLLER OF THE TREASURY*  
*JUSTIN P. WILSON*

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
*JAMES R. ARNETTE*  
*Director*

*JEFF BAILEY, CPA, CGFM, CFE*  
*Audit Manager*

*KATIE ARMSTRONG, CPA, CGFM, CFE*  
*Auditor 4*

*CARRIE SABIN*  
*LAUREN SHARPE*  
*BETHANY GRAVES*  
*State Auditors*

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

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with the Montgomery County Trustee. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

## ***Findings***

The following is a summary of the audit finding:

### **OFFICE OF TRUSTEE**

- ◆ A cash shortage of \$12,461 existed in the office.

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# INTRODUCTORY SECTION

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Montgomery County Officials  
June 30, 2017

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**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  
Michael Dale, 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, Chairman  
John Gannon, Sr.  
Arnold Hodges  
Edward Baggett  
Joe Weyant  
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**

Anne Murtha, Chairperson  
Willie Freeman  
Jimmie Garland  
George Giles

Margaret Pace  
Charlie Patterson  
Josh Baggett

**Audit Committee**

David Harper, Chairman  
Brandon Butts  
Larry Rocconi

Arnold Hodges  
Monroe Gildersleeve



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

## 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, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability (asset), and schedule of funding progress - other postemployment benefits plan on pages 98-106 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 Montgomery County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

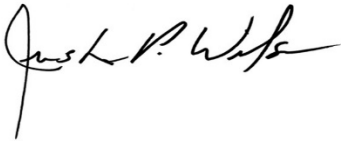
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Montgomery County School Department (a discretely presented component unit), miscellaneous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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

January 24, 2018

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Clarksville- Montgomery County School System</u>
<u>ASSETS</u>		
Cash	\$ 70,335	\$ 663,843
Equity in Pooled Cash and Investments	100,636,302	54,093,679
Inventories	77,706	408,896
Accounts Receivable	3,889,391	351,691
Allowance for Uncollectibles	(1,113,574)	0
Due from Other Governments	1,935,537	17,251,278
Due from Component Units	1,472,684	0
Property Taxes Receivable	86,586,010	31,288,130
Allowance for Uncollectible Property Taxes	(2,118,917)	(787,668)
Prepaid Items	98,559	458
Net Pension Asset - Teacher Retirement Plan	0	433,513
Capital Assets:		
Assets Not Depreciated:		
Land	9,575,865	13,887,378
Construction in Progress	6,511,365	1,135,173
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	96,176,226	277,059,285
Other Capital Assets	6,395,616	19,473,695
Intangibles	1,621,227	0
Infrastructure	36,374,922	0
Total Assets	<u>\$ 348,189,254</u>	<u>\$ 415,259,351</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Clarksville- Montgomery County School System</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 8,209,215	\$ 0
Pension Changes in Experience	330,640	1,138,572
Pension Contributions After Measurement Date	5,050,520	15,828,415
Pension Changes in Proportionate Share	0	1,021,827
Pension Changes in Investment Earnings	3,836,072	24,466,666
Total Deferred Outflows of Resources	<u>\$ 17,426,447</u>	<u>\$ 42,455,480</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,513,903	\$ 4,177,602
Accrued Payroll	2,539	14,758,070
Payroll Deductions Payable	285,966	8,863,504
Accrued Interest Payable	2,063,483	0
Due to Primary Government	0	332,684
Due to State of Tennessee	66	0
Due to Litigants, Heirs, and Others	13,653	0
Other Current Liabilities	23,511	0
Customer Deposits Payable	135,734	162,328
Noncurrent Liabilities:		
Due Within One Year	32,521,849	1,750,748
Due in More Than One Year	300,910,324	29,301,460
Total Liabilities	<u>\$ 338,471,028</u>	<u>\$ 59,346,396</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 82,252,545	\$ 29,652,136
Pension Changes in Experience	2,452,792	24,878,779
Pension Changes in Proportionate Share	0	639,368
Total Deferred Inflows of Resources	<u>\$ 84,705,337</u>	<u>\$ 55,170,283</u>

(Continued)



Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Clarksville- Montgomery County School System</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 15,997,555	\$ 311,555,531
Restricted for:		
Capital Projects	0	2,827,479
Debt Service	39,510,569	0
Highways	4,628,788	0
General Government	399,506	0
Finance	1,859,059	0
Administration of Justice	1,062,085	0
Public Safety	230,009	0
Public Health and Welfare	129,849	0
Central Cafeteria	0	6,968,619
School Transportation	0	2,090,920
School Federal Projects	0	145,560
Education	0	3,772
Pensions	0	433,513
Unrestricted	<u>(121,378,084)</u>	<u>19,172,758</u>
Total Net Position	<u>\$ (57,560,664)</u>	<u>\$ 343,198,152</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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Total Governmental Activities	Clarksville- Montgomery County School System
Primary Government:						
Governmental Activities:						
General Government	\$ 23,525,814	\$ 3,504,089	\$ 50,379	\$ 3,000	\$ (19,968,346)	\$ 0
Finance	7,456,077	5,263,215	0	0	(2,192,862)	0
Administration of Justice	6,858,835	5,026,506	643,176	0	(1,189,153)	0
Public Safety	29,826,393	2,275,537	1,122,580	0	(26,428,276)	0
Public Health and Welfare	16,636,849	5,946,608	2,453,782	10,000	(8,226,459)	0
Social, Cultural, and Recreational Services	3,703,228	225,950	0	0	(3,477,278)	0
Agriculture and Natural Resources	371,136	0	0	0	(371,136)	0
Highways/Public Works	9,036,371	19,282	3,269,435	4,178,655	(1,568,999)	0
Education	48,965,074	41,338,428	0	0	(7,626,646)	0
Interest on Long-term Debt	13,974,058	0	0	0	(13,974,058)	0
<b>Total Primary Government</b>	<b>\$ 160,353,835</b>	<b>\$ 63,599,615</b>	<b>\$ 7,539,352</b>	<b>\$ 4,191,655</b>	<b>\$ (85,023,213)</b>	<b>\$ 0</b>
Component Unit:						
Clarksville-Montgomery County School System	\$ 286,341,758	\$ 5,475,901	\$ 26,410,346	\$ 331,246	\$ 0	\$ (254,124,265)
<b>Total Component Unit</b>	<b>\$ 286,341,758</b>	<b>\$ 5,475,901</b>	<b>\$ 26,410,346</b>	<b>\$ 331,246</b>	<b>\$ 0</b>	<b>\$ (254,124,265)</b>

(Continued)

Exhibit B

Montgomery County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Total Governmental Activities	Component Unit Clarksville- Montgomery County School System
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 48,569,219	\$ 31,122,895
Property Taxes Levied for Debt Service					34,513,989	0
Local Option Sales Tax					166,878	48,467,273
Hotel/Motel Tax					1,858,559	0
Wheel Tax					0	4,426,845
Business Tax					1,637,530	791,563
Mixed Drink Tax					0	407,941
Adequate Facilities/Development Tax					1,359,500	0
Litigation Tax					1,328,932	0
Wholesale Beer Tax					343,033	0
Mineral Severance Tax					205,278	0
Interstate Telecommunications Tax					3,281	14,352
Grants and Contributions Not Restricted to Specific Programs					5,800,728	169,945,593
Interest Income					1,111,490	13,358
Miscellaneous					5,527,330	112,545
Total General Revenues					<u>\$ 102,425,747</u>	<u>\$ 255,302,365</u>
Change in Net Position					\$ 17,402,534	\$ 1,178,100
Net Position, July 1, 2016					<u>(74,963,198)</u>	<u>342,020,052</u>
Net Position, June 30, 2017					<u>\$ (57,560,664)</u>	<u>\$ 343,198,152</u>

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, 2017

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 9,625	\$ 0	\$ 0	\$ 10,710	\$ 20,335
Equity in Pooled Cash and Investments	29,141,487	32,233,597	13,508,269	4,476,123	79,359,476
Inventories	77,706	0	0	0	77,706
Accounts Receivable	3,337,452	180,100	932	10,075	3,528,559
Allowance for Uncollectibles	(1,113,574)	0	0	0	(1,113,574)
Due from Other Governments	1,249,997	27,788	18,925	638,827	1,935,537
Property Taxes Receivable	44,383,542	35,465,352	2,416,296	4,320,820	86,586,010
Allowance for Uncollectible Property Taxes	(1,077,156)	(875,346)	(59,339)	(107,076)	(2,118,917)
Prepaid Items	98,559	0	0	0	98,559
Total Assets	<u>\$ 76,107,638</u>	<u>\$ 67,031,491</u>	<u>\$ 15,885,083</u>	<u>\$ 9,349,479</u>	<u>\$ 168,373,691</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,028,406	\$ 0	\$ 1,242,584	\$ 144,654	\$ 2,415,644
Accrued Payroll	2,539	0	0	0	2,539
Payroll Deductions Payable	264,392	0	0	17,312	281,704
Due to State of Tennessee	66	0	0	0	66
Due to Litigants, Heirs, and Others	765	0	0	12,888	13,653
Other Current Liabilities	0	0	0	23,511	23,511
Current Liabilities Payable From Restricted Assets	12,444	0	0	123,290	135,734
Total Liabilities	<u>\$ 1,308,612</u>	<u>\$ 0</u>	<u>\$ 1,242,584</u>	<u>\$ 321,655</u>	<u>\$ 2,872,851</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 42,190,882	\$ 33,666,654	\$ 2,294,701	\$ 4,100,308	\$ 82,252,545

(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>DEFERRED INFLOWS OF RESOURCES (CONT.)</u>					
Deferred Delinquent Property Taxes	\$ 849,106	\$ 710,776	\$ 47,766	\$ 87,546	\$ 1,695,194
Other Deferred/Unavailable Revenue	1,412,413	12,127	0	314,827	1,739,367
Total Deferred Inflows of Resources	<u>\$ 44,452,401</u>	<u>\$ 34,389,557</u>	<u>\$ 2,342,467</u>	<u>\$ 4,502,681</u>	<u>\$ 85,687,106</u>

FUND BALANCES

Nonspendable:					
Inventory	\$ 77,706	\$ 0	\$ 0	\$ 0	\$ 77,706
Prepaid Items	98,559	0	0	0	98,559
Restricted:					
Restricted for General Government	399,506	0	0	0	399,506
Restricted for Finance	1,859,059	0	0	0	1,859,059
Restricted for Administration of Justice	1,062,085	0	0	0	1,062,085
Restricted for Public Safety	144,683	0	0	85,326	230,009
Restricted for Public Health and Welfare	129,849	0	0	0	129,849
Restricted for Highways/Public Works	0	0	0	4,420,216	4,420,216
Restricted for Debt Service	0	32,641,934	0	0	32,641,934
Restricted for Capital Projects	0	0	12,300,032	0	12,300,032
Committed:					
Committed for General Government	300,940	0	0	0	300,940
Committed for Public Safety	77,982	0	0	0	77,982
Committed for Social, Cultural, and Recreational Services	3,995	0	0	0	3,995
Assigned:					
Assigned for General Government	125,151	0	0	0	125,151
Assigned for Finance	353,882	0	0	0	353,882
Assigned for Public Safety	39,558	0	0	0	39,558

(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>					
Assigned (Cont.):					
Assigned for Public Health and Welfare	\$ 34,449	\$ 0	\$ 0	\$ 0	\$ 34,449
Assigned for Highways/Public Works	0	0	0	19,601	19,601
Unassigned	25,639,221	0	0	0	25,639,221
<b>Total Fund Balances</b>	<b>\$ 30,346,625</b>	<b>\$ 32,641,934</b>	<b>\$ 12,300,032</b>	<b>\$ 4,525,143</b>	<b>\$ 79,813,734</b>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 76,107,638	 \$ 67,031,491	 \$ 15,885,083	 \$ 9,349,479	 \$ 168,373,691

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)	\$	79,813,734
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$	9,575,865
Add: construction in progress		6,511,365
Add: buildings and improvements net of accumulated depreciation		96,176,226
Add: other capital assets net of accumulated depreciation		6,395,616
Add: intangibles net of accumulated depreciation		1,621,227
Add: infrastructure net of accumulated depreciation		36,374,922
Less: capital assets of internal service funds, which are included below in item (2)		<u>(14,288)</u>
		156,640,933
(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.		16,919,059
(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	\$	(287,700,000)
Less: notes payable		(20,000)
Less: other loans payable		(12,276,603)
Less: capital leases payable		(323,917)
Add: debt to be contributed by component units		1,463,917
Add: deferred amount on refunding		8,209,215
Less: unamortized premium on debt		(18,291,207)
Less: accrued interest on bonds, notes, and other loans		(2,063,483)
Less: net pension liability		(2,105,520)
Less: other postemployment benefits liability		(4,560,614)
Less: compensated absences payable		<u>(3,465,179)</u>
		(321,133,391)
(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	\$	9,217,232
Less: deferred inflows of resources related to pensions		<u>(2,452,792)</u>
		6,764,440
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,434,561</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>(57,560,664)</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, 2017

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<b>Revenues</b>					
Local Taxes	\$ 49,015,746	\$ 37,142,062	\$ 2,348,886	\$ 4,628,597	\$ 93,135,291
Licenses and Permits	1,166,007	0	0	0	1,166,007
Fines, Forfeitures, and Penalties	1,133,955	0	0	19,862	1,153,817
Charges for Current Services	6,696,160	0	0	14,949	6,711,109
Other Local Revenues	2,285,423	528,718	43,807	32,399	2,890,347
Fees Received From County Officials	9,828,615	0	0	0	9,828,615
State of Tennessee	7,776,912	0	10,000	4,100,427	11,887,339
Federal Government	414,992	135,579	429,179	0	979,750
Other Governments and Citizens Groups	141,639	1,249,020	150	0	1,390,809
<b>Total Revenues</b>	<b>\$ 78,459,449</b>	<b>\$ 39,055,379</b>	<b>\$ 2,832,022</b>	<b>\$ 8,796,234</b>	<b>\$ 129,143,084</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	\$ 8,148,232	\$ 0	\$ 0	\$ 0	\$ 8,148,232
Finance	7,421,585	0	0	0	7,421,585
Administration of Justice	7,266,340	0	0	14,949	7,281,289
Public Safety	29,429,431	0	0	48,555	29,477,986
Public Health and Welfare	13,577,002	0	0	0	13,577,002
Social, Cultural, and Recreational Services	2,988,797	0	0	0	2,988,797
Agriculture and Natural Resources	358,275	0	0	0	358,275
Other Operations	7,147,808	0	0	0	7,147,808
Highways	138,033	0	0	8,644,416	8,782,449
<b>Debt Service:</b>					
Principal on Debt	0	26,817,649	0	0	26,817,649
Interest on Debt	0	11,914,534	0	0	11,914,534
Other Debt Service	0	881,608	201,984	0	1,083,592

(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	\$ 16,448,644	\$ 435,000	\$ 16,883,644
Total Expenditures	\$ 76,475,503	\$ 39,613,791	\$ 16,650,628	\$ 9,142,920	\$ 141,882,842
<u>Excess (Deficiency) of Revenues Over Expenditures</u>					
	\$ 1,983,946	\$ (558,412)	\$ (13,818,606)	\$ (346,686)	\$ (12,739,758)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 17,600,000	\$ 0	\$ 17,600,000
Capital Leases Issued	0	0	0	435,000	435,000
Refunding Debt Issued	0	10,830,000	0	0	10,830,000
Premiums on Debt Sold	0	465,897	1,100,783	0	1,566,680
Insurance Recovery	134,692	0	800	14,063	149,555
Transfers In	0	0	639,000	0	639,000
Transfers Out	(639,000)	0	0	0	(639,000)
Payments to Refunded Debt Escrow Agent	0	(11,163,478)	0	0	(11,163,478)
Total Other Financing Sources (Uses)	\$ (504,308)	\$ 132,419	\$ 19,340,583	\$ 449,063	\$ 19,417,757
<u>Net Change in Fund Balances</u>					
Fund Balance, July 1, 2016	\$ 28,866,987	\$ 33,067,927	\$ 6,778,055	\$ 4,422,766	\$ 73,135,735
Fund Balance, June 30, 2017	\$ 30,346,625	\$ 32,641,934	\$ 12,300,032	\$ 4,525,143	\$ 79,813,734

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, 2017

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 6,677,999
(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	\$ 10,939,708	
Less: current-year depreciation expense	(5,405,745)	
Add: current-year depreciation expense in internal service fund	<u>991</u>	5,534,954
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: capital assets donated	\$ 2,855,262	
Less: book value of capital assets disposed	<u>(199,245)</u>	2,656,017
(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, 2016	\$ (4,908,257)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>3,434,561</u>	(1,473,696)
(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	\$ (28,430,000)	
Add: payment to refunding agent	10,450,000	
Add: principal payments on notes	20,000	
Add: principal payments on bonds	25,075,000	
Add: principal payments on other loans	1,611,566	
Add: principal payments on capital leases	111,083	
Less: capital lease proceeds	(435,000)	
Add: loan to component unit - school department	435,000	
Less: contributions from school department - component unit for capital leases	(111,083)	
Less: contributions from bi-county component unit for bonds	(185,000)	
Less: change in deferred amount on refunding debt	(1,431,324)	
Add: change in unamortized premium on debt issuances	<u>325,677</u>	7,435,919
(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	\$ 85,278	
Change in other postemployment benefits liability	(827,787)	
Change in compensated absences payable	(313,362)	
Change in net pension liability/asset	(1,619,601)	
Change in deferred outflows of resources related to pensions	3,616,537	
Change in deferred inflows of resources related to pensions	<u>(290,998)</u>	650,067
(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>(4,078,726)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 17,402,534</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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 49,015,746	\$ 0	\$ 0	\$ 49,015,746	\$ 48,411,785	\$ 48,411,785	\$ 603,961
Licenses and Permits	1,166,007	0	0	1,166,007	1,040,500	1,040,500	125,507
Fines, Forfeitures, and Penalties	1,133,955	0	0	1,133,955	984,800	984,800	149,155
Charges for Current Services	6,696,160	0	0	6,696,160	7,023,150	7,034,050	(337,890)
Other Local Revenues	2,285,423	0	0	2,285,423	1,748,284	1,756,284	529,139
Fees Received From County Officials	9,828,615	0	0	9,828,615	8,230,000	8,230,000	1,598,615
State of Tennessee	7,776,912	0	0	7,776,912	7,542,754	7,912,798	(135,886)
Federal Government	414,992	0	0	414,992	116,350	837,398	(422,406)
Other Governments and Citizens Groups	141,639	0	0	141,639	205,360	227,499	(85,860)
<b>Total Revenues</b>	<b>\$ 78,459,449</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 78,459,449</b>	<b>\$ 75,302,983</b>	<b>\$ 76,435,114</b>	<b>\$ 2,024,335</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 347,121	\$ 0	\$ 0	\$ 347,121	\$ 344,652	\$ 354,992	\$ 7,871
Board of Equalization	1,238	0	0	1,238	4,841	4,841	3,603
Beer Board	2,018	0	0	2,018	4,845	4,845	2,827
Other Boards and Committees	2,906	0	0	2,906	5,168	5,168	2,262
County Mayor/Executive	480,404	0	0	480,404	497,462	497,462	17,058
Personnel Office	382,495	0	0	382,495	383,009	395,709	13,214
County Attorney	64,938	0	0	64,938	67,950	67,950	3,012
Election Commission	700,143	0	0	700,143	737,617	752,817	52,674
Register of Deeds	437,623	0	0	437,623	474,628	474,628	37,005
Planning	328,008	0	0	328,008	328,008	328,008	0
Building	299,936	0	0	299,936	317,392	320,892	20,956
Codes Compliance	794,935	0	0	794,935	844,664	844,664	49,729
Geographical Information Systems	122,558	0	0	122,558	164,740	164,740	42,182
County Buildings	381,489	(4,950)	0	376,539	390,809	399,559	23,020
Other Facilities	2,459,061	0	0	2,459,061	2,594,351	2,631,878	172,817
Other General Administration	1,160,723	0	0	1,160,723	610,789	1,185,995	25,272
Preservation of Records	182,636	0	0	182,636	164,760	201,979	19,343

(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 7/1/2016	Add: Encumbrances 6/30/2017	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	\$ 624,883	\$ 0	\$ 0	\$ 624,883	\$ 663,099	\$ 669,699	\$ 44,816
Purchasing	304,743	0	0	304,743	313,797	313,797	9,054
Property Assessor's Office	1,163,166	(23,500)	0	1,139,666	1,322,185	1,345,685	206,019
County Trustee's Office	667,096	0	0	667,096	679,222	705,222	38,126
County Clerk's Office	2,101,395	(677)	0	2,100,718	2,118,766	2,148,543	47,825
Data Processing	2,516,151	0	0	2,516,151	2,450,423	2,537,665	21,514
Other Finance	44,151	0	0	44,151	61,300	61,300	17,149
<u>Administration of Justice</u>							
Circuit Court	2,967,480	0	0	2,967,480	3,124,003	3,124,003	156,523
General Sessions Court	689,778	0	0	689,778	686,186	689,386	(392)
Drug Court	69,999	0	0	69,999	70,000	70,000	1
Chancery Court	566,168	0	2,064	568,232	561,413	586,763	18,531
Juvenile Court	1,317,957	0	0	1,317,957	1,331,412	1,607,021	289,064
District Attorney General	47,566	0	0	47,566	59,750	59,750	12,184
Office of Public Defender	6,963	0	0	6,963	7,313	7,433	470
Judicial Commissioners	211,609	0	0	211,609	242,100	242,100	30,491
Other Administration of Justice	541,155	0	0	541,155	519,333	544,333	3,178
Probation Services	847,665	0	0	847,665	1,090,780	1,090,780	243,115
<u>Public Safety</u>							
Sheriff's Department	10,392,755	(36,649)	75,907	10,432,013	10,590,894	10,838,925	406,912
Special Patrols	2,213,604	(10,225)	0	2,203,379	2,348,201	2,367,012	163,633
Administration of the Sexual Offender Registry	14,456	0	0	14,456	17,100	17,950	3,494
Jail	13,179,015	0	0	13,179,015	13,070,737	14,159,455	980,440
Workhouse	1,905,895	0	0	1,905,895	1,921,382	1,929,968	24,073
Correctional Incentive Program Improvements	468,462	0	0	468,462	493,802	507,802	39,340
Juvenile Services	259,681	0	0	259,681	280,767	280,767	21,086
Fire Prevention and Control	155,709	0	1,500	157,209	192,152	218,042	60,833
Civil Defense	547,100	0	0	547,100	560,630	560,630	13,530
Other Emergency Management	48,994	0	3,665	52,659	0	335,516	282,857

(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 7/1/2016	Add: Encumbrances 6/30/2017	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	\$ 243,760	\$ 0	\$ 0	\$ 243,760	\$ 224,700	\$ 274,700	\$ 30,940
<u>Public Health and Welfare</u>							
Local Health Center	317,941	0	0	317,941	205,151	431,668	113,727
Rabies and Animal Control	793,374	0	34,695	828,069	841,169	868,049	39,980
Ambulance/Emergency Medical Services	9,912,368	0	0	9,912,368	10,686,543	10,686,543	774,175
Other Local Health Services	2,330,970	0	0	2,330,970	2,787,300	2,915,703	584,733
Appropriation to State	209,349	0	0	209,349	211,999	211,999	2,650
Other Local Welfare Services	11,600	0	0	11,600	20,825	20,825	9,225
Other Public Health and Welfare	1,400	0	0	1,400	2,500	2,500	1,100
<u>Social, Cultural, and Recreational Services</u>							
Libraries	2,002,996	0	0	2,002,996	2,002,996	2,002,996	0
Parks and Fair Boards	979,098	0	0	979,098	907,326	1,007,311	28,213
Other Social, Cultural, and Recreational	6,703	0	0	6,703	9,688	10,636	3,933
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	320,448	0	0	320,448	421,545	421,545	101,097
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	35,827	0	0	35,827	34,890	37,805	1,978
<u>Other Operations</u>							
Tourism	1,471,979	0	0	1,471,979	1,513,335	1,513,335	41,356
Industrial Development	1,936,779	0	0	1,936,779	1,368,807	2,041,896	105,117
Airport	275,000	0	0	275,000	314,000	314,000	39,000
Veterans' Services	493,227	0	0	493,227	476,373	517,220	23,993
Other Charges	2,160,914	0	0	2,160,914	2,316,406	2,312,906	151,992
Contributions to Other Agencies	391,260	0	0	391,260	384,500	435,285	44,025
Employee Benefits	407,213	0	0	407,213	457,900	459,800	52,587
Miscellaneous	11,436	0	0	11,436	15,500	15,500	4,064
<u>Highways</u>							
Litter and Trash Collection	138,033	0	0	138,033	121,088	138,688	655
<b>Total Expenditures</b>	<b>\$ 76,475,503</b>	<b>\$ (76,001)</b>	<b>\$ 117,831</b>	<b>\$ 76,517,333</b>	<b>\$ 78,038,973</b>	<b>\$ 82,298,584</b>	<b>\$ 5,781,251</b>

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,983,946	\$ 76,001	\$ (117,831)	\$ 1,942,116	\$ (2,735,990)	\$ (5,863,470)	\$ 7,805,586
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 134,692	\$ 0	\$ 0	\$ 134,692	\$ 0	\$ 84,196	\$ 50,496
Transfers In	0	0	0	0	430,862	758,231	(758,231)
Transfers Out	(639,000)	0	0	(639,000)	0	(639,000)	0
Total Other Financing Sources	\$ (504,308)	\$ 0	\$ 0	\$ (504,308)	\$ 430,862	\$ 203,427	\$ (707,735)
Net Change in Fund Balance	\$ 1,479,638	\$ 76,001	\$ (117,831)	\$ 1,437,808	\$ (2,305,128)	\$ (5,660,043)	\$ 7,097,851
Fund Balance, July 1, 2016	28,866,987	(76,001)	0	28,790,986	28,866,987	28,866,987	(76,001)
Fund Balance, June 30, 2017	\$ 30,346,625	\$ 0	\$ (117,831)	\$ 30,228,794	\$ 26,561,859	\$ 23,206,944	\$ 7,021,850

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, 2017

Governmental  
 Activities -  
 Internal  
 Service  
 Funds

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ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 21,276,826
Cash with Paying Agents	50,000
Accounts Receivable	360,832
Due from Component Units	8,767
Total Current Assets	<u>\$ 21,696,425</u>

Noncurrent Assets:

Capital Assets:

Buildings and Improvements	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(10,515)
Total Noncurrent Assets	<u>\$ 14,288</u>
Total Assets	<u>\$ 21,710,713</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 98,259
Due to Component Units	4,262
Claims and Judgments Payable	2,344,567
Total Current Liabilities	<u>\$ 2,447,088</u>

Noncurrent Liabilities:

Claims and Judgments Payable	\$ 2,344,566
Total Noncurrent Liabilities	<u>\$ 2,344,566</u>

Total Liabilities	<u>\$ 4,791,654</u>
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NET POSITION

Unrestricted	<u>\$ 16,919,059</u>
Total Net Position	<u>\$ 16,919,059</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, 2017

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for Current Services	\$ 52,657,407
Total Operating Revenues	<u>\$ 52,657,407</u>
<u>Operating Expenses</u>	
Other Facilities	\$ 4,204
Risk Management	652,071
County Trustee's Office	1,687
Circuit Court	7,846
Jail	4,400
Waste Pickup	539
Convenience Centers	1,153
Landfill Operation and Maintenance	890
Parks and Fair Boards	1,047
Depreciation	991
Other Charges	1,656,850
Employee Benefits	57,447,889
Other	29,882
Total Operating Expenses	<u>\$ 59,809,449</u>
Operating Income (Loss)	<u>\$ (7,152,042)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 92,204
Miscellaneous Refunds	2,980,112
Insurance Recovery	1,000
Total Nonoperating Revenues (Expenses)	<u>\$ 3,073,316</u>
Changes in Net Position	\$ (4,078,726)
Net Position, July 1, 2016	<u>20,997,785</u>
Net Position, June 30, 2017	<u>\$ 16,919,059</u>

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



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

	<u>Governmental Activities - Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Interfund Services Provided	\$ 52,695,688
Other Self-Insured Claims	(59,293,100)
Other Receipts (Payments)	2,981,112
Net Cash Provided By (Used In) Operating Activities	<u>\$ (3,616,300)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 92,204
Net Cash Provided By (Used In) Investing Activities	<u>\$ 92,204</u>
Net Increase (Decrease) in Cash	\$ (3,524,096)
Cash, July 1, 2016	<u>24,850,922</u>
Cash, June 30, 2017	<u><u>\$ 21,326,826</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (7,152,042)
Miscellaneous Refunds	2,980,112
Insurance Recovery	1,000
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	991
(Increase) Decrease in Accounts Receivable	45,698
(Increase) Decrease in Due from Component Units	(7,417)
Increase (Decrease) in Accounts Payable	(36,311)
Increase (Decrease) in Payroll Deductions Payable	1,850
Increase (Decrease) in Due to Component Units	(38)
Increase (Decrease) in Claims and Judgments Payable	549,857
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (3,616,300)</u></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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 7,797,867
Equity in Pooled Cash and Investments	425,351
Accounts Receivable	1,890
Due from Other Governments	<u>2,882,268</u>
Total Assets	<u>\$ 11,107,376</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 6,713
Due to Other Taxing Units	2,878,427
Due to Litigants, Heirs, and Others	7,915,901
Due to Joint Ventures	293,688
Other Current Liabilities	<u>12,647</u>
Total Liabilities	<u>\$ 11,107,376</u>

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

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

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

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

**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 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, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The 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 material to the component units' opinion unit and therefore have been omitted from this report.

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 financial statements of the Bi-County Solid Waste Management System were not material to the component units' opinion unit and therefore have been omitted from this report.

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 financial statements of the Clarksville-Montgomery County Industrial Development Board were not material to the component units' opinion unit and therefore have been omitted from this report.

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 financial statements of the Clarksville-Montgomery County Public Library were not material to the component units' opinion unit and therefore have been omitted from this report.

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 financial statements of the Clarksville-Montgomery County Tourism Commission were not material to the component units' opinion unit and therefore have been omitted from this report.

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. The financial statements of the Emergency Communications District of Montgomery County, the Bi-County Solid Waste Management System, the Clarksville-Montgomery County Industrial

Development Board, the Clarksville-Montgomery County Public Library, and the Clarksville-Montgomery County Tourism Commission were not material to the component units' opinion unit and, therefore, have been omitted from this report, as previously mentioned. 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, Suite 501  
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 \$2,252,089 were contributed by the county to the School System during the year ended June 30, 2017.

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 amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

## **2. Receivables and Payables**

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Montgomery County for rental deposits (\$12,444) and road construction (\$123,290) and in the school system represent prepaid meal plans for students. Claims and Judgments Payable totaling \$4,689,133 for the primary government and \$198,500 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 acquisition value at the date of donation.

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

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

Property, plant, equipment, 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	18 - 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, pension changes in proportionate share, pension changes on investment earnings, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. 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 experience, pension changes in proportionate share, 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, pension liabilities, 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, 2017, Montgomery County had \$157,448,730 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.

**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:	
General Sessions Court	\$ 392
School System:	
School Transportation:	
Board of Education	748

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

### C. Cash Shortage

A cash shortage of \$12,461 existed on the Office of Trustee as of November 17, 2017. Details of this cash shortage are discussed in the Schedule of Findings and Questions Cost section of this report as Finding 2017-001.

## 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, 2017, Montgomery County had the following investments carried at amortized cost using a Stable Net Asset Value or fair value within the fair value hierarchy established by generally accepted accounting principles. 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)	Maturities	Fair Value or Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	3 to 80	N/A	\$ 46,806
Investments at Fair Value:			
Federal Farm Credit Banks	N/A	various	2,894,752
Federal Home Loan Bank System	N/A	various	5,949,663
Federal Home Loan Mortgage	N/A	various	3,450,559
US Treasury Note	N/A	various	<u>1,992,758</u>
Total			<u><u>\$ 14,334,538</u></u>

Investment by fair value level	Fair Value Measurements Using			
	Fair Value 6-30-17	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Farm Credit Banks	\$ 2,894,752	\$ 2,894,752	\$ 0	\$ 0
Federal Home Loan Bank System	5,949,663	5,949,663	0	0
Federal Home Loan Mortgage	3,450,559	3,450,559	0	0
US Treasury Note	1,992,758	1,992,758	0	0
<b>Total</b>	<b>\$ 14,287,732</b>	<b>\$ 14,287,732</b>	<b>\$ 0</b>	<b>\$ 0</b>

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

**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, 2017, Montgomery County's investment in the State Treasurer's Investment Pool was unrated. Montgomery County's investments in Federal Farm Credit Banks, Federal Home Loan Bank System, and Federal Home Loan Mortgage Association were rated Aaa by Moody's Investor's Service, AA+ by Standard & Poor's, and AAA by Fitch Ratings.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Montgomery County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in the Federal Farm Credit Bank, Federal Home Loan Bank System, and Federal Home Loan Mortgage Association. These investments are 20.19 percent, 41.51 percent, and 24.07 percent, respectively, of the county's total investments.

**B. Capital Assets**

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

**Primary Government (Includes Internal Service Fund)**

**Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 9,340,894	\$ 234,971	\$ 0	\$ 9,575,865
Construction in Progress	11,931,231	7,865,674	(13,285,540)	6,511,365
Total Capital Assets Not Depreciated	<u>\$ 21,272,125</u>	<u>\$ 8,100,645</u>	<u>\$ (13,285,540)</u>	<u>\$ 16,087,230</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 121,584,062	\$ 13,723,571	\$ 0	\$ 135,307,633
Other Capital Assets	16,858,719	2,166,377	(546,530)	18,478,566
Intangibles	9,732,887	0	0	9,732,887
Infrastructure	52,419,266	3,089,917	0	55,509,183
Total Capital Assets Depreciated	<u>\$ 200,594,934</u>	<u>\$ 18,979,865</u>	<u>\$ (546,530)</u>	<u>\$ 219,028,269</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 35,693,422	\$ 3,437,985	\$ 0	\$ 39,131,407
Other Capital Assets	11,051,980	1,378,255	(347,285)	12,082,950
Intangibles	8,004,851	106,809	0	8,111,660
Infrastructure	18,651,565	482,696	0	19,134,261
Total Accumulated Depreciation	<u>\$ 73,401,818</u>	<u>\$ 5,405,745</u>	<u>\$ (347,285)</u>	<u>\$ 78,460,278</u>
Total Capital Assets Depreciated, Net	<u>\$ 127,193,116</u>	<u>\$ 13,574,120</u>	<u>\$ (199,245)</u>	<u>\$ 140,567,991</u>
Governmental Activities Capital Assets, Net	<u>\$ 148,465,241</u>	<u>\$ 21,674,765</u>	<u>\$ (13,484,785)</u>	<u>\$ 156,655,221</u>

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

**Governmental Activities:**

General Government	\$ 1,018,950
Finance	274,561
Administration of Justice	554,920
Public Safety	1,505,849
Public Health and Welfare	738,927
Social, Cultural, and Recreational Services	569,857
Agriculture and Natural Resources	41,310
Highway/Public Works	<u>701,371</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,405,745</u>

**Discretely Presented Clarksville-Montgomery County School System**

**Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 13,865,563	\$ 81,755	\$ (59,940)	\$ 13,887,378
Construction in Progress	393,745	1,475,060	(733,632)	1,135,173
Total Capital Assets Not Depreciated	<u>\$ 14,259,308</u>	<u>\$ 1,556,815</u>	<u>\$ (793,572)</u>	<u>\$ 15,022,551</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 400,203,830	\$ 2,338,913	\$ (13,688)	\$ 402,529,055
Other Capital Assets	36,557,279	4,390,501	(115,948)	40,831,832
Total Capital Assets Depreciated	<u>\$ 436,761,109</u>	<u>\$ 6,729,414</u>	<u>\$ (129,636)</u>	<u>\$ 443,360,887</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 116,411,921	\$ 9,071,537	\$ (13,688)	\$ 125,469,770
Other Capital Assets	19,206,195	2,253,565	(101,623)	21,358,137
Total Accumulated Depreciation	<u>\$ 135,618,116</u>	<u>\$ 11,325,102</u>	<u>\$ (115,311)</u>	<u>\$ 146,827,907</u>
Total Capital Assets Depreciated, Net	<u>\$ 301,142,993</u>	<u>\$ (4,595,688)</u>	<u>\$ (14,325)</u>	<u>\$ 296,532,980</u>
Governmental Activities Capital Assets, Net	<u>\$ 315,402,301</u>	<u>\$ (3,038,873)</u>	<u>\$ (807,897)</u>	<u>\$ 311,555,531</u>

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



**Governmental Activities:**

Instruction	\$ 107,879
Support Services	10,912,596
Operation of Non-instructional Services	<u>304,627</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 11,325,102</u>

**C. Construction Commitments**

At June 30, 2017, the General Capital Projects Fund had uncompleted construction contracts of approximately \$13,270,027 for various construction projects. Funding for these future expenditures is currently available or is expected to be received from property taxes.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
School System Component Unit:		
General Purpose School	Nonmajor governmental	\$ 535,875
Nonmajor governmental	General Purpose School	50,373
"	Nonmajor governmental	1,438

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Component Unit:	
Government-wide	School System:	
"	Government-wide	\$ 323,917
"	Bi-County Solid Waste Management System	1,140,000
Internal Service - Self-Insurance	School System:	
"	General Purpose School	6,967
	Nonmajor Governmental	1,800

**Interfund Transfers:**

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

**Primary Government:**

Transfer Out	Transfer In	
	General Capital Projects Fund	Purpose
General	\$ 639,000	Land and Renovations

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

Transfers Out	Transfers In		
	General Purpose School Fund	Education Capital Projects Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 4,081,500	\$ 1,240,000
Nonmajor governmental funds	506,084	0	1,282,915
	<u>\$ 506,084</u>	<u>\$ 4,081,500</u>	<u>\$ 2,522,915</u>

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.

The School Department made one-time transfers of \$4,081,500 and \$1,240,000, respectively, from the General Purpose School Fund to the Education Capital Projects Fund and the School Transportation Fund for various capital projects and school buses. The School Department also made a one-time transfer of \$1,282,915 from the School Federal Projects Fund to the School Transportation Fund for special education bus driver salaries.

**E. Capital Lease**

On May 31, 2017, Montgomery County entered into a three year lease-purchase agreement for the School System for teacher laptops. The terms of the agreement require total lease payments of \$446,800 including interest of 1.703 percent. The General Purpose School Fund is making the lease payments. In the government-wide financial statements, the laptops were expensed in the year of acquisition because the items did not meet criteria of the county's capitalization policy.

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

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2018	\$ 111,700
2019	111,700
2019	111,700
Total Minimum Lease Payments	<u>\$ 335,100</u>
Less: Amount Representing Interest	<u>(11,183)</u>
Present Value of Minimum Lease Payments	<u>\$ 323,917</u>

**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 20 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, notes, and other loans included in long-term debt as of June 30, 2017, will be retired from the General Debt Service Fund.

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

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	2 to 5.625	%	4-1-36	\$ 135,045,000	\$ 110,805,000
General Obligation Bonds - Refunding	.2 to 5		4-1-35	239,500,000	176,895,000
Capital Outlay Notes	3		3-11-18	80,000	20,000
Other Loans	0 to 1.515		7-1-26	23,763,987	12,276,603
Capital Leases	1.703		6-30-20	435,000	323,917

In prior years, Montgomery County entered into a loan agreement with the Tennessee State School Bond Authority. Under this loan agreement, the authority borrowed \$3,763,987 (Series 2005) Qualified Zone Academy Bonds and loaned the proceeds to Montgomery County for various renovation and construction projects. This loan is repayable at zero percent interest with annual administrative fees of \$1,246.

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, 2017, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 26,085,000	\$ 11,062,934	\$ 37,147,934
2019	27,035,000	10,148,752	37,183,752
2020	28,485,000	9,185,327	37,670,327
2021	29,615,000	8,149,001	37,764,001
2022	26,305,000	6,809,151	33,114,151
2023-2027	110,070,000	18,945,264	129,015,264
2028-2032	30,230,000	4,063,250	34,293,250
2033-2036	9,875,000	746,393	10,621,393

Total \$ 287,700,000 \$ 69,110,072 \$ 356,810,072

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 20,000	\$ 600	\$ 20,600
Total	<u><u>\$ 20,000</u></u>	<u><u>\$ 600</u></u>	<u><u>\$ 20,600</u></u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 1,403,572	\$ 277,750	\$ 19,579	\$ 1,700,901
2019	1,507,569	303,000	21,246	1,831,815
2020	1,507,569	303,000	21,246	1,831,815
2021	1,377,556	303,000	21,246	1,701,802
2022	1,247,969	303,000	20,000	1,570,969
2023-2027	5,232,368	1,237,250	85,000	6,554,618
Total	<u><u>\$ 12,276,603</u></u>	<u><u>\$ 2,727,000</u></u>	<u><u>\$ 188,317</u></u>	<u><u>\$ 15,191,920</u></u>

There is \$32,641,934 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,669, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, capital leases, and unamortized debt premiums, totaled \$1,849, based on the 2010 federal census.

The School System and Bi-County Solid Waste Management System, a component unit, are currently contributing funds to service some of the debt issued on their behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the primary government in the financial statements of the School System and 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 6-30-17
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
Teacher Laptops	\$ 323,917
<u>Bonds Payable</u>	
<u>Contributions from the Bi-County Solid Waste Management System</u>	
General Obligation Refunding and Improvement	<u>1,140,000</u>
 Total	 <u>\$ 1,463,917</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

**Primary Government**

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2016	\$ 294,795,000	\$ 40,000	\$ 13,888,169
Additions	28,430,000	0	0
Reductions	<u>(35,525,000)</u>	<u>(20,000)</u>	<u>(1,611,566)</u>
Balance, June 30, 2017	<u>\$ 287,700,000</u>	<u>\$ 20,000</u>	<u>\$ 12,276,603</u>
Balance Due Within One Year	<u>\$ 26,085,000</u>	<u>\$ 20,000</u>	<u>\$ 1,403,572</u>

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 0	\$ 3,151,817	\$ 3,732,827
Additions	435,000	3,782,469	950,750
Reductions	<u>(111,083)</u>	<u>(3,469,107)</u>	<u>(122,963)</u>
Balance, June 30, 2017	<u>\$ 323,917</u>	<u>\$ 3,465,179</u>	<u>\$ 4,560,614</u>
Balance Due Within One Year	<u>\$ 106,140</u>	<u>\$ 2,562,570</u>	<u>\$ 0</u>

	Net Pension Liability - Agent Plan	Internal Service Claims and Judgments
Balance, July 1, 2016	\$ 485,919	\$ 4,139,276
Additions	10,664,595	52,173,014
Reductions	(9,044,994)	(51,623,157)
Balance, June 30, 2017	<u>\$ 2,105,520</u>	<u>\$ 4,689,133</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 2,344,567</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 315,140,966
Less: Due Within One Year	(32,521,849)
Add: Unamortized Premium on Debt	<u>18,291,207</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 300,910,324</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.

Advance Refunding

On November 30, 2016, Montgomery County advance refunded a portion of a general obligation bond issue with a separate general obligation bond issue. The county issued \$10,830,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next eight years will be reduced by \$1,095,819, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,000,091 was obtained.

**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, 2017, was as follows:

	<u>Other</u>		
	<u>Postemployment</u>	<u>Compensated</u>	<u>Claims and</u>
	<u>Benefits</u>	<u>Absences</u>	<u>Judgments</u>
Balance, July 1, 2016	\$ 6,258,883	\$ 1,599,955	\$ 152,800
Additions	3,235,471	1,725,710	233,054
Reductions	<u>(901,728)</u>	<u>(1,648,605)</u>	<u>(187,354)</u>
Balance, June 30, 2017	<u>\$ 8,592,626</u>	<u>\$ 1,677,060</u>	<u>\$ 198,500</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,626,748</u>	<u>\$ 124,000</u>

	<u>Net Pension</u>	<u>Net Pension</u>
	<u>Liability -</u>	<u>Liability -</u>
	<u>Agent Plan</u>	<u>Legacy Plan</u>
Balance, July 1, 2016	\$ 514,531	\$ 1,251,794
Additions	10,148,431	47,591,822
Reductions	<u>(8,659,348)</u>	<u>(30,263,208)</u>
Balance, June 30, 2017	<u>\$ 2,003,614</u>	<u>\$ 18,580,408</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 31,052,208
Less: Due Within One Year	<u>(1,750,748)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 29,301,460</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, 2017, were \$132,800. The School System has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Montgomery County issued revenue anticipation notes in advance of revenue collections and deposited the proceeds in the School Federal Projects Fund. These notes were necessary because funds were not available to meet obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2017, was as follows:

	Balance 7-1-16	Issued	Paid	Balance 6-30-17
Tax Anticipation Notes	\$ 3,900,000	\$ 0	\$ (3,900,000)	\$ 0
Revenue Anticipation Notes	0	1,000,000	(1,000,000)	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 \$500,000 per specific loss. The county obtained a stop/loss commercial insurance policy to cover claims beyond this liability. The reinsurance carrier will cover 85 percent of paid claims exceeding \$500,000 per specific loss to an unlimited maximum less the county’s deductible.

All full-time and certain 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
2015-16	\$ 3,758,167	\$ 45,191,163	\$ (45,118,472)	\$ 3,830,858
2016-17	3,830,858	51,679,764	(51,110,332)	4,400,290

Montgomery County has decided to maintain a self-insurance plan for risks associated with workers' compensation claims made prior to December 1, 2004. 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
2015-16	\$ 40,373	\$ 351,968	\$ (350,475)	\$ 41,866
2016-17	41,866	19,575	(39,150)	22,291

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, unless in the case of a catastrophic event. 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
2015-16	\$ 116,218	\$ 212,193	\$ (61,859)	\$ 266,552
2016-17	266,552	473,675	(473,675)	266,552

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 made prior to January 1, 2006. 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
2015-16	\$ 291,724	\$ 0	\$ (174,724)	\$ 117,000
2016-17	117,000	62,288	(30,288)	149,000

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
2015-16	\$ 11,489	\$ 134,045	\$ (109,734)	\$ 35,800
2016-17	35,800	170,766	(157,066)	49,500

## **B. Accounting Changes**

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

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

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

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

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

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

**C. Contingent Liabilities**

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

**D. Change in Administration**

On August 24, 2016, Ted Crozier left the Office of Clerk and Master and was succeeded by Michael Dale.

**E. 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.

**F. 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 \$560,000 for the operations of the airport during the year ended June 30, 2017.

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 2016-17 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 2016-17 year.

The Clarksville Central Business Improvement District Management Corporation of 1999, doing business as Two Rivers Company (TRC), is a joint venture between Montgomery County and the City of Clarksville. The 13 member board is comprised of the county mayor, city mayor, President of Austin Peay State University, Executive Director of the Economic Development Council, and nine appointed members. The purpose of TRC is to adopt and implement a comprehensive plan for the redevelopment of the Clarksville Central Business Improvement and Redevelopment District. The county and city will provide equal funding for each fiscal year. Montgomery County contributed \$108,000 to TRC for the year ended June 30, 2017.

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

Two Rivers Company  
1 Millenium Plaza, Suite 104  
Clarksville, TN 37040

**G. 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.



## H. Retirement Commitments

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

#### Primary Government

#### Public Employee Retirement Plan

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

*Plan Description.* Employees of Montgomery County and non-certified employees of the discretely presented Montgomery County School Department with membership in the TCRS before January 1, 2017, are provided a defined benefit pension plan through the Public Employee Legacy Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan is closed to new membership. Employees of Montgomery County and non-certified employees of the discretely presented Montgomery County School Department with membership in the TCRS after January 1, 2017, are provided with pensions through a legally separate plan, referred to as 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](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members of the Public Employee Retirement 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. 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. Under the Public Employee 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 employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. 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, 2017, the employer contribution for the Montgomery County Public Employee Retirement Plan was \$35,122 based on a rate of four percent of covered 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 contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities.* The measurement date is June 30, 2016, which is prior to the onset of the Public Employee Retirement Plan. Consequently, there is no net pension liability at June 30, 2016.

*Pension Expense.* Since the measurement date is June 30, 2016, Montgomery County did not recognize any pension expense at June 30, 2017.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Montgomery County reported deferred outflows of resources related to pensions for the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	\$ 35,122	N/A
Total	\$ 35,122	\$ 0

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction to net pension liability in the year ending June 30, 2018.

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

	Deferred Outflows of Resources
Primary Government	\$ 17,676
School Department	17,446
Total	\$ 35,122

**Public Employee Legacy Plan**

*Plan Description.* Employees of Montgomery County and non-certified employees of the discretely presented Montgomery County School Department with membership in the TCRS before January 1, 2017, are provided a defined benefit pension plan through the Public Employee Legacy Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan closed to new membership on December 31, 2016, but will continue providing benefits to existing members and retirees. Beginning January 1, 2017, the Public Employee Pension Plan became effective for employees of Montgomery County and non-certified employees of the School Department hired after January 1, 2017. The primary government employees comprised 51.24 percent and the non-certified employees of the discretely presented School Department comprised 48.76 percent of the plan based on contribution data. Employees of Montgomery County and non-certified employees of the discretely presented Montgomery County School Department with membership in the TCRS after January 1, 2017, are provided with pensions through a legally separate plan, referred to as 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](http://www.treasury.tn.gov/tcrs).

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	1,051
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,153
Active Employees	2,503
 Total	 <u>4,707</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, 2017, the employer contribution for Montgomery County was \$10,267,681 based on a rate of 13.83 percent of covered 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 contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

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

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

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% 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	2.50%

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

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

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

Asset Class	Percentage 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 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, 2015	\$ 215,185,725	\$ 214,185,275	\$ 1,000,450
Changes for the year:			
Service Cost	\$ 5,973,457	\$ 0	\$ 5,973,457
Interest	16,294,055	0	16,294,055
Differences Between Expected and Actual Experience	(3,509,703)	0	(3,509,703)
Contributions-Employer	0	10,115,859	(10,115,859)
Contributions-Employees	0	20,647	(20,647)
Net Investment Income	0	5,701,037	(5,701,037)
Benefit Payments, Including Refunds of Employee Contributions	(7,810,221)	(7,810,221)	0
Administrative Expense	0	(188,418)	188,418
Other Changes	0	0	0
Net Changes	\$ 10,947,588	\$ 7,838,904	\$ 3,108,684
Balance, June 30, 2016	\$ 226,133,313	\$ 222,024,179	\$ 4,109,134

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	51.24%	\$ 115,870,710	\$ 113,765,189	\$ 2,105,520
School Department	48.76%	110,262,603	108,258,990	2,003,614
Total		<u>\$ 226,133,313</u>	<u>\$ 222,024,179</u>	<u>\$ 4,109,134</u>

*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
Montgomery County	6.5%	7.5%	8.5%
Net Pension Liability	\$ 34,991,632	\$ 4,109,134	\$ (21,580,569)

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

*Pension Expense.* For the year ended June 30, 2017, Montgomery County recognized pension expense of \$6,235,367.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, 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
Difference Between Expected and Actual Experience	\$ 645,277	\$ 4,786,870
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,486,481	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	<u>10,267,681</u>	<u>N/A</u>
Total	<u>\$ 18,399,439</u>	<u>\$ 4,786,870</u>

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

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

		Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	51.24%	\$ 9,199,556	\$ 2,452,792
School Department	48.76%	<u>9,199,883</u>	<u>2,334,078</u>
Total		<u>\$ 18,399,439</u>	<u>\$ 4,786,870</u>

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

Year Ending June 30	Amount
2018	\$ (55,850)
2019	(55,850)
2020	3,121,405
2021	1,292,550
2022	(957,375)
Thereafter	0

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

## **Discretely Presented 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 Montgomery County School Department hired before January 1, 2017, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 51.24 percent and the non-certified employees of the discretely presented School Department comprised 48.76 percent of the plan based on contribution data.

### **Certified Employees**

#### **Teacher Retirement Plan**

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

*Plan Description.* Teachers of the 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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early

retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$1,182,322, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2017, the Montgomery County School Department reported an asset of \$433,513 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Montgomery County School Department’s proportion of the net pension asset was based on the Montgomery County School Department’s share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Montgomery County School Department’s proportion was 4.164263 percent. The revised proportion measured at June 30, 2015, was 3.747950 percent.

*Pension Expense.* For the year ended June 30, 2017, the Montgomery County School Department recognized pension expense of \$361,972.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 42,005	\$ 49,983
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	70,979	0
Changes in Proportion of Net Pension Liability (Asset)	0	11,678
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	1,182,322	0
Total	<u>\$ 1,295,306</u>	<u>\$ 61,661</u>

The Montgomery County School Department’s employer contributions of \$1,182,322, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 16,574
2019	16,574
2020	16,574
2021	13,189
2022	(2,017)
Thereafter	(9,572)

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

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

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

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

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

utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage 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 three factors described above.

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the 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 the 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%
Net Pension Liability	\$ 204,712	\$ (433,513)	\$ (903,756)

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

### **Teacher Legacy Pension Plan**

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

*Plan Description.* Teachers of the 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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Montgomery County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$9,393,810, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2017, the Montgomery County School Department reported a liability of \$18,580,408 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The



Montgomery County School Department's proportion of the net pension liability (asset) was based on the Montgomery County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Montgomery County School Department's proportion was 2.973129 percent. The proportion measured at June 30, 2015, was 3.055886 percent.

*Pension Expense.* For the year ended June 30, 2017, the Montgomery County School Department recognized pension expense of \$2,319,606.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 781,930	\$ 22,494,718
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	20,745,278	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	1,021,827	627,690
Changes in Proportion of Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>9,393,810</u>	<u>N/A</u>
Total	<u>\$ 31,942,845</u>	<u>\$ 23,122,408</u>

The Montgomery County School Department's employer contributions of \$9,393,810 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (3,346,779)
2019	(3,346,779)
2020	6,604,717
2021	1,106,874
2022	(1,591,406)
Thereafter	0

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

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

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

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

The actuarial assumptions used in the June 30, 2015, 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 Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the 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 the 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%
Net Pension Liability	\$ 102,028,217	\$ 18,580,408	\$ (50,543,993)

*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.

## **I. 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 with Montgomery County 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	\$ 959,810	\$ 3,240,077	\$ 4,199,887
Interest on the NOPEBO	132,193	281,650	413,843
Adjustment to the ARC	(141,253)	(286,256)	(427,509)
Annual OPEB cost	\$ 950,750	\$ 3,235,471	\$ 4,186,221
Amount of contribution	(122,963)	(901,728)	(1,024,691)
Increase/decrease in NOPEBO	\$ 827,787	\$ 2,333,743	\$ 3,161,530
Net OPEB obligation, 7-1-16	3,732,827	6,258,883	9,991,710
Net OPEB obligation, 6-30-17	\$ 4,560,614	\$ 8,592,626	\$ 13,153,240

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Primary Government	\$ 696,273	19 %	\$ 2,936,828
6-30-16	"	887,447	10	3,732,827
6-30-17	"	950,750	13	4,560,614
6-30-15	School System	2,004,764	43	4,958,468
6-30-16	"	2,123,440	39	6,258,883
6-30-17	"	3,235,471	28	8,592,626

Funded Status and Funding Progress

The funded status of the plans are as follows:

	Primary Government	School System
Actuarial valuation date	7-1-16	7-1-17
Actuarial accrued liability (AAL)	\$ 7,869,562	\$ 22,641,102
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 7,869,562	\$ 22,641,102
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 32,914,268	\$ 172,615,674
UAAL as a % of covered payroll	24%	13%

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, 2016, 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 seven percent initially, reduced by decrements to an ultimate rate of five percent after four 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, 2017, actuarial valuation for the School System, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.17 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of five percent after ten years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 20-year period beginning with July 1, 2009.

#### **J. 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.

**K. 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, along with *TCA Section 12-3-1212*, require all purchases exceeding \$25,000 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, along with *TCA Section 12-3-1212*, 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 \$25,000 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.

**L. Subsequent Events**

On July 1, 2017, Dr. B.J. Worthington left the Office of Director of Schools and was succeeded by Millard House II.

On September 20, 2017, Montgomery County issued \$50,490,000 in general obligation refunding and public improvement bonds.

On November 27, 2017, the county's General Debt Service Fund issued a \$1,000,000 revenue anticipation note to the School Federal Projects Fund for temporary operating funds.



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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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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

	2014	2015	2016
<b>Total Pension Liability</b>			
Service Cost	\$ 5,364,200	\$ 5,781,524	\$ 5,973,457
Interest	14,385,325	15,453,553	16,294,055
Differences Between Actual and Expected Experience	1,129,234	(2,606,966)	(3,509,703)
Benefit Payments, Including Refunds of Employee Contributions	(6,689,595)	(7,416,482)	(7,810,221)
Net Change in Total Pension Liability	\$ 14,189,164	\$ 11,211,629	\$ 10,947,588
Total Pension Liability, Beginning	189,784,932	203,974,096	215,185,725
Total Pension Liability, Ending (a)	\$ 203,974,096	\$ 215,185,725	\$ 226,133,313
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 9,861,110	\$ 9,884,158	\$ 10,115,859
Contributions - Employee	1,936	9,073	20,647
Net Investment Income	29,005,282	6,354,345	5,701,037
Benefit Payments, Including Refunds of Employee Contributions	(6,689,595)	(7,416,482)	(7,810,221)
Administrative Expense	(92,900)	(121,228)	(188,418)
Other Changes	0	9,750	0
Net Change in Plan Fiduciary Net Position	\$ 32,085,833	\$ 8,719,616	\$ 7,838,904
Plan Fiduciary Net Position, Beginning	173,379,826	205,465,659	214,185,275
Plan Fiduciary Net Position, Ending (b)	\$ 205,465,659	\$ 214,185,275	\$ 222,024,179
Net Pension Liability (Asset), Ending (a - b)	\$ (1,491,563)	\$ 1,000,450	\$ 4,109,134
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.73%	99.54%	98.18%
Covered Payroll	\$ 68,814,466	\$ 71,520,680	\$ 73,260,275
Net Pension Liability (Asset) as a Percentage of Covered Payroll	2.17%	1.40%	5.61%

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

Note: data presented includes primary government and non-certified employees of the discretely presented School 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>2017</u>
Actuarially Determined Contribution	\$ 35,122
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(35,122)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>
Covered Payroll	\$ 791,837
Contributions as a Percentage of Covered Payroll	4.00%

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

Note: data presented includes primary government and non-certified employees of the discretely presented School System hired after January 1, 2017.

Exhibit F-3

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

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 9,861,110	\$ 9,884,158	\$ 10,115,859	\$ 10,267,681
Less Contributions in Relation to the Actuarially Determined Contribution	(9,861,110)	(9,884,158)	(10,115,859)	(10,267,681)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 68,814,466	\$ 71,520,680	\$ 73,260,275	\$ 76,772,157
Contributions as a Percentage of Covered Payroll	14.33%	13.82%	13.81%	13.83%

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

Note: data presented includes primary government and non-certified employees of the discretely presented School System hired prior to January 1, 2017.

Exhibit F-4

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

	2015	2016	2017
Contractually Required Contribution	\$ 318,055	\$ 732,918	\$ 1,182,322
Less Contributions in Relation to the Contractually Required Contribution	<u>(318,055)</u>	<u>(732,918)</u>	<u>(1,182,322)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 7,951,405	\$ 18,323,029	\$ 29,558,002
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

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

Exhibit F-5

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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 10,592,992	\$ 10,341,505	\$ 9,702,087	\$ 9,393,810
Less Contributions in Relation to the Contractually Required Contribution	(10,592,992)	(10,341,505)	(9,702,087)	(9,393,810)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 119,290,487	\$ 114,397,283	\$ 107,324,025	\$ 103,847,693
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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

Exhibit F-6

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

	<u>2016</u>	<u>2017</u>
School System's Proportion of the Net Pension Liability (Asset)	3.826940%	4.164263%
School System's Proportionate Share of the Net Pension Liability (Asset)	\$ (153,956)	\$ (433,513)
Covered Payroll	\$ 7,951,405	\$ 18,323,029
School System's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

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

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

Exhibit F-7

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 System  
For the Fiscal Year Ended June 30 \*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School System's Proportion of the Net Pension Liability (Asset)	3.039254%	3.055886%	2.973129%
School System's Proportionate Share of the Net Pension Liability (Asset)	\$ (493,865)	\$ 1,251,796	\$ 18,580,408
Covered Payroll	\$ 119,290,452	\$ 114,397,283	\$ 107,324,028
School System's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094253%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

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

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



Exhibit F-8

Montgomery County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Clarksville-Montgomery County School System  
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	7-1-15	\$0	\$6,304	\$6,304	0 %	\$31,420	20 %
"	7-1-16	0	7,194	7,194	0	32,914	22
"	7-1-16	0	7,869	7,869	0	32,914	24
School System	7-1-13	0	18,377	18,377	0	155,432	12
"	7-1-15	0	19,238	19,238	0	155,432	12
"	7-1-17	0	22,641	22,641	0	172,615	13

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, 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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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.

# Capital Projects Funds

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

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Education Capital Projects Fund – The Education Capital Projects Fund accounts for debt issued by Montgomery County that is subsequently contributed to the discretely presented Clarksville-Montgomery County School System for general capital expenditures of the school system.

Exhibit G-1

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	
<u>ASSETS</u>				
Cash	\$ 0	\$ 10,660	\$ 50	\$ 10,710
Equity in Pooled Cash and Investments	121,933	0	4,354,190	4,476,123
Accounts Receivable	902	2,228	6,945	10,075
Due from Other Governments	0	0	638,827	638,827
Property Taxes Receivable	0	0	4,320,820	4,320,820
Allowance for Uncollectible Property Taxes	0	0	(107,076)	(107,076)
Total Assets	<u>\$ 122,835</u>	<u>\$ 12,888</u>	<u>\$ 9,213,756</u>	<u>\$ 9,349,479</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 13,998	\$ 0	\$ 130,656	\$ 144,654
Payroll Deductions Payable	0	0	17,312	17,312
Due to Litigants, Heirs, and Others	0	12,888	0	12,888
Other Current Liabilities	23,511	0	0	23,511
Current Liabilities Payable From Restricted Assets	0	0	123,290	123,290
Total Liabilities	<u>\$ 37,509</u>	<u>\$ 12,888</u>	<u>\$ 271,258</u>	<u>\$ 321,655</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 4,100,308	\$ 4,100,308
Deferred Delinquent Property Taxes	0	0	87,546	87,546
Other Deferred/Unavailable Revenue	0	0	314,827	314,827
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,502,681</u>	<u>\$ 4,502,681</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

    Restricted for Public Safety

    Restricted for Highways/Public Works

Assigned:

    Assigned for Highways/Public Works

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
Drug Control	Constitu- tional Officers - Fees	Highway / Public Works		
\$ 85,326	\$ 0	\$ 0	\$ 85,326	
0	0	4,420,216	4,420,216	
0	0	19,601	19,601	
<u>\$ 85,326</u>	<u>\$ 0</u>	<u>\$ 4,439,817</u>	<u>\$ 4,525,143</u>	
<u>\$ 122,835</u>	<u>\$ 12,888</u>	<u>\$ 9,213,756</u>	<u>\$ 9,349,479</u>	

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, 2017

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	Total	Education Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 4,628,597	\$ 4,628,597	\$ 0	\$ 4,628,597
Fines, Forfeitures, and Penalties	19,862	0	0	19,862	0	19,862
Charges for Current Services	0	14,949	0	14,949	0	14,949
Other Local Revenues	0	0	32,399	32,399	0	32,399
State of Tennessee	0	0	4,100,427	4,100,427	0	4,100,427
Total Revenues	<u>\$ 19,862</u>	<u>\$ 14,949</u>	<u>\$ 8,761,423</u>	<u>\$ 8,796,234</u>	<u>\$ 0</u>	<u>\$ 8,796,234</u>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 14,949	\$ 0	\$ 14,949	\$ 0	\$ 14,949
Public Safety	48,555	0	0	48,555	0	48,555
Highways	0	0	8,644,416	8,644,416	0	8,644,416
Capital Projects	0	0	0	0	435,000	435,000
Total Expenditures	<u>\$ 48,555</u>	<u>\$ 14,949</u>	<u>\$ 8,644,416</u>	<u>\$ 8,707,920</u>	<u>\$ 435,000</u>	<u>\$ 9,142,920</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (28,693)</u>	<u>\$ 0</u>	<u>\$ 117,007</u>	<u>\$ 88,314</u>	<u>\$ (435,000)</u>	<u>\$ (346,686)</u>
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 435,000	\$ 435,000
Insurance Recovery	0	0	14,063	14,063	0	14,063
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,063</u>	<u>\$ 14,063</u>	<u>\$ 435,000</u>	<u>\$ 449,063</u>
Net Change in Fund Balances	\$ (28,693)	\$ 0	\$ 131,070	\$ 102,377	\$ 0	\$ 102,377
Fund Balance, July 1, 2016	114,019	0	4,308,747	4,422,766	0	4,422,766
Fund Balance, June 30, 2017	<u>\$ 85,326</u>	<u>\$ 0</u>	<u>\$ 4,439,817</u>	<u>\$ 4,525,143</u>	<u>\$ 0</u>	<u>\$ 4,525,143</u>



Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 19,862	\$ 25,000	\$ 25,000	\$ (5,138)
Total Revenues	\$ 19,862	\$ 25,000	\$ 25,000	\$ (5,138)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 48,555	\$ 49,820	\$ 49,820	\$ 1,265
Total Expenditures	\$ 48,555	\$ 49,820	\$ 49,820	\$ 1,265
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,693)	\$ (24,820)	\$ (24,820)	\$ (3,873)
Net Change in Fund Balance	\$ (28,693)	\$ (24,820)	\$ (24,820)	\$ (3,873)
Fund Balance, July 1, 2016	114,019	114,019	114,019	0
Fund Balance, June 30, 2017	\$ 85,326	\$ 89,199	\$ 89,199	\$ (3,873)

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,628,597	\$ 0	\$ 0	\$ 4,628,597	\$ 4,650,869	\$ 4,650,869	\$ (22,272)
Other Local Revenues	32,399	0	0	32,399	58,000	58,000	(25,601)
State of Tennessee	4,100,427	0	0	4,100,427	3,644,058	4,144,058	(43,631)
Other Governments and Citizens Groups	0	0	0	0	25,000	25,000	(25,000)
<b>Total Revenues</b>	<b>\$ 8,761,423</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,761,423</b>	<b>\$ 8,377,927</b>	<b>\$ 8,877,927</b>	<b>\$ (116,504)</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 447,088	\$ 0	\$ 0	\$ 447,088	\$ 452,848	\$ 452,848	\$ 5,760
Highway and Bridge Maintenance	4,159,848	0	0	4,159,848	4,713,538	4,713,538	553,690
Operation and Maintenance of Equipment	1,145,958	(20,450)	0	1,125,508	1,186,626	1,206,450	80,942
Traffic Control	460,844	0	0	460,844	519,197	519,197	58,353
Other Charges	490,141	0	0	490,141	570,295	570,295	80,154
Employee Benefits	25,317	0	0	25,317	35,000	35,000	9,683
Capital Outlay	1,915,220	(406,233)	19,601	1,528,588	1,631,492	2,547,725	1,019,137
<b>Total Expenditures</b>	<b>\$ 8,644,416</b>	<b>\$ (426,683)</b>	<b>\$ 19,601</b>	<b>\$ 8,237,334</b>	<b>\$ 9,108,996</b>	<b>\$ 10,045,053</b>	<b>\$ 1,807,719</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 117,007</b>	<b>\$ 426,683</b>	<b>\$ (19,601)</b>	<b>\$ 524,089</b>	<b>\$ (731,069)</b>	<b>\$ (1,167,126)</b>	<b>\$ 1,691,215</b>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 14,063	\$ 0	\$ 0	\$ 14,063	\$ 0	\$ 0	\$ 14,063
<b>Total Other Financing Sources</b>	<b>\$ 14,063</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,063</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,063</b>
<b>Net Change in Fund Balance</b>	<b>\$ 131,070</b>	<b>\$ 426,683</b>	<b>\$ (19,601)</b>	<b>\$ 538,152</b>	<b>\$ (731,069)</b>	<b>\$ (1,167,126)</b>	<b>\$ 1,705,278</b>
Fund Balance, July 1, 2016	4,308,747	(426,683)	0	3,882,064	4,308,747	4,308,747	(426,683)
<b>Fund Balance, June 30, 2017</b>	<b>\$ 4,439,817</b>	<b>\$ 0</b>	<b>\$ (19,601)</b>	<b>\$ 4,420,216</b>	<b>\$ 3,577,678</b>	<b>\$ 3,141,621</b>	<b>\$ 1,278,595</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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## Exhibit H

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 37,142,062	\$ 36,530,750	\$ 36,530,750	\$ 611,312
Other Local Revenues	528,718	400,000	400,000	128,718
Federal Government	135,579	90,000	90,000	45,579
Other Governments and Citizens Groups	1,249,020	0	354,700	894,320
Total Revenues	<u>\$ 39,055,379</u>	<u>\$ 37,020,750</u>	<u>\$ 37,375,450</u>	<u>\$ 1,679,929</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 9,676,205	\$ 8,586,205	\$ 9,676,205	\$ 0
Education	17,141,444	16,926,364	17,141,444	0
<u>Interest on Debt</u>				
General Government	3,347,968	3,311,748	3,347,968	0
Education	8,566,566	8,540,701	8,566,837	271
<u>Other Debt Service</u>				
General Government	336,175	267,500	468,191	132,016
Education	545,433	678,000	679,667	134,234
Total Expenditures	<u>\$ 39,613,791</u>	<u>\$ 38,310,518</u>	<u>\$ 39,880,312</u>	<u>\$ 266,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (558,412)</u>	<u>\$ (1,289,768)</u>	<u>\$ (2,504,862)</u>	<u>\$ 1,946,450</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 10,830,000	\$ 0	\$ 10,830,000	\$ 0
Premiums on Debt Sold	465,897	0	465,897	0
Transfers In	0	243,000	0	0
Payments to Refunded Debt Escrow Agent	(11,163,478)	0	(11,163,478)	0
Total Other Financing Sources	<u>\$ 132,419</u>	<u>\$ 243,000</u>	<u>\$ 132,419</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (425,993)	\$ (1,046,768)	\$ (2,372,443)	\$ 1,946,450
Fund Balance, July 1, 2016	<u>33,067,927</u>	<u>33,067,927</u>	<u>33,067,927</u>	<u>0</u>
Fund Balance, June 30, 2017	<u>\$ 32,641,934</u>	<u>\$ 32,021,159</u>	<u>\$ 30,695,484</u>	<u>\$ 1,946,450</u>

# Proprietary Funds

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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.

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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, 2017

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>ASSETS</u>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 20,531,794	\$ 706,757	\$ 38,275	\$ 21,276,826
Cash with Paying Agents	0	50,000	0	50,000
Accounts Receivable	360,832	0	0	360,832
Due from Component Units	8,767	0	0	8,767
Total Current Assets	<u>\$ 20,901,393</u>	<u>\$ 756,757</u>	<u>\$ 38,275</u>	<u>\$ 21,696,425</u>
Noncurrent Assets:				
Capital Assets:				
Buildings and Improvements	\$ 24,803	\$ 0	\$ 0	\$ 24,803
Accumulated Depreciation - Buildings and Improvements	(10,515)	0	0	(10,515)
Total Noncurrent Assets	<u>\$ 14,288</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,288</u>
Total Assets	<u>\$ 20,915,681</u>	<u>\$ 756,757</u>	<u>\$ 38,275</u>	<u>\$ 21,710,713</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 83,285	\$ 14,974	\$ 0	\$ 98,259
Due to Component Units	0	4,262	0	4,262
Claims and Judgments Payable	2,200,145	144,422	0	2,344,567
Total Current Liabilities	<u>\$ 2,283,430</u>	<u>\$ 163,658</u>	<u>\$ 0</u>	<u>\$ 2,447,088</u>
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 2,200,145	\$ 144,421	\$ 0	\$ 2,344,566
Total Noncurrent Liabilities	<u>\$ 2,200,145</u>	<u>\$ 144,421</u>	<u>\$ 0</u>	<u>\$ 2,344,566</u>
Total Liabilities	<u>\$ 4,483,575</u>	<u>\$ 308,079</u>	<u>\$ 0</u>	<u>\$ 4,791,654</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 16,432,106</u>	<u>\$ 448,678</u>	<u>\$ 38,275</u>	<u>\$ 16,919,059</u>
Total Net Position	<u>\$ 16,432,106</u>	<u>\$ 448,678</u>	<u>\$ 38,275</u>	<u>\$ 16,919,059</u>

Exhibit I-2

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

	Internal Service Funds			Total
	Self- Insurance	Workers' Compensation	Unemployment Compensation	
<u>Operating Revenues</u>				
Charges for Current Services	\$ 51,817,635	\$ 787,561	\$ 52,211	\$ 52,657,407
Total Operating Revenues	<u>\$ 51,817,635</u>	<u>\$ 787,561</u>	<u>\$ 52,211</u>	<u>\$ 52,657,407</u>
<u>Operating Expenses</u>				
Other Facilities	\$ 0	\$ 0	\$ 4,204	\$ 4,204
Risk Management	0	652,071	0	652,071
County Trustee's Office	0	0	1,687	1,687
Circuit Court	0	0	7,846	7,846
Jail	0	0	4,400	4,400
Waste Pickup	0	0	539	539
Convenience Centers	0	0	1,153	1,153
Landfill Operation and Maintenance	0	0	890	890
Parks and Fair Boards	0	0	1,047	1,047
Depreciation	991	0	0	991
Other Charges	1,656,850	0	0	1,656,850
Employee Benefits	57,447,326	0	563	57,447,889
Other	0	0	29,882	29,882
Total Operating Expenses	<u>\$ 59,105,167</u>	<u>\$ 652,071</u>	<u>\$ 52,211</u>	<u>\$ 59,809,449</u>
Operating Income (Loss)	<u>\$ (7,287,532)</u>	<u>\$ 135,490</u>	<u>\$ 0</u>	<u>\$ (7,152,042)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 92,204	\$ 0	\$ 0	\$ 92,204
Miscellaneous Refunds	2,978,855	1,257	0	2,980,112
Insurance Recovery	0	1,000	0	1,000
Total Nonoperating Revenues (Expenses)	<u>\$ 3,071,059</u>	<u>\$ 2,257</u>	<u>\$ 0</u>	<u>\$ 3,073,316</u>
Changes in Net Position	\$ (4,216,473)	\$ 137,747	\$ 0	\$ (4,078,726)
Net Position, July 1, 2016	<u>20,648,579</u>	<u>310,931</u>	<u>38,275</u>	<u>20,997,785</u>
Net Position, June 30, 2017	<u>\$ 16,432,106</u>	<u>\$ 448,678</u>	<u>\$ 38,275</u>	<u>\$ 16,919,059</u>

Exhibit I-3

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

	Internal Service Funds			Total
	Self- Insurance	Workers' Compensation	Unemployment Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts from Interfund Services Provided	\$ 51,855,916	\$ 787,561	\$ 52,211	\$ 52,695,688
Other Self-Insured Claims	(58,497,650)	(743,239)	(52,211)	(59,293,100)
Other Receipts (Payments)	2,978,855	2,257	0	2,981,112
Net Cash Provided By (Used In) Operating Activities	<u>\$ (3,662,879)</u>	<u>\$ 46,579</u>	<u>\$ 0</u>	<u>\$ (3,616,300)</u>
<u>Cash Flows from Investing Activities</u>				
Investment Income	\$ 92,204	\$ 0	\$ 0	\$ 92,204
Net Cash Provided By (Used In) Investing Activities	<u>\$ 92,204</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 92,204</u>
Net Increase (Decrease) in Cash	\$ (3,570,675)	\$ 46,579	\$ 0	\$ (3,524,096)
Cash, July 1, 2016	24,102,469	710,178	38,275	24,850,922
Cash, June 30, 2017	<u><u>\$ 20,531,794</u></u>	<u><u>\$ 756,757</u></u>	<u><u>\$ 38,275</u></u>	<u><u>\$ 21,326,826</u></u>

(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</u>				
<u>Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (7,287,532)	\$ 135,490	\$ 0	\$ (7,152,042)
Miscellaneous Refunds	2,978,855	1,257	0	2,980,112
Insurance Recovery	0	1,000	0	1,000
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	45,698	0	0	45,698
(Increase) Decrease in Due from Component Units	(7,417)	0	0	(7,417)
Increase (Decrease) in Accounts Payable	37,132	(73,443)	0	(36,311)
Increase (Decrease) in Payroll Deductions Payable	0	1,850	0	1,850
Increase (Decrease) in Due to Component Units	(38)	0	0	(38)
Increase (Decrease) in Claims and Judgments Payable	569,432	(19,575)	0	549,857
Net Cash Provided By (Used In) Operating Activities	<u>\$ (3,662,879)</u>	<u>\$ 46,579</u>	<u>\$ 0</u>	<u>\$ (3,616,300)</u>

# Fiduciary Funds

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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.

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

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, 2017

	Agency Funds					
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General Fund	Port Authority Fund	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 7,793,341	\$ 4,526	\$ 0	\$ 0	\$ 7,797,867
Equity in Pooled Cash and Investments	0	0	301,179	74,172	50,000	425,351
Accounts Receivable	0	1,153	48	689	0	1,890
Due from Other Governments	2,878,427	0	3,723	118	0	2,882,268
Total Assets	<u>\$ 2,878,427</u>	<u>\$ 7,794,494</u>	<u>\$ 309,476</u>	<u>\$ 74,979</u>	<u>\$ 50,000</u>	<u>\$ 11,107,376</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 3,141	\$ 3,572	\$ 0	\$ 6,713
Due to Other Taxing Units	2,878,427	0	0	0	0	2,878,427
Due to Litigants, Heirs, and Others	0	7,794,494	0	71,407	50,000	7,915,901
Due to Joint Ventures	0	0	293,688	0	0	293,688
Other Current Liabilities	0	0	12,647	0	0	12,647
Total Liabilities	<u>\$ 2,878,427</u>	<u>\$ 7,794,494</u>	<u>\$ 309,476</u>	<u>\$ 74,979</u>	<u>\$ 50,000</u>	<u>\$ 11,107,376</u>

## Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 17,940,608	\$ 17,940,608	\$ 0
Due from Other Governments	2,686,116	2,878,427	2,686,116	2,878,427
Total Assets	\$ 2,686,116	\$ 20,819,035	\$ 20,626,724	\$ 2,878,427
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,686,116	\$ 20,819,035	\$ 20,626,724	\$ 2,878,427
Total Liabilities	\$ 2,686,116	\$ 20,819,035	\$ 20,626,724	\$ 2,878,427
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 199,852	\$ 199,852	\$ 0
Total Assets	\$ 0	\$ 199,852	\$ 199,852	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 199,852	\$ 199,852	\$ 0
Total Liabilities	\$ 0	\$ 199,852	\$ 199,852	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,977,764	\$ 41,747,427	\$ 40,931,850	\$ 7,793,341
Accounts Receivable	2,448	1,153	2,448	1,153
Total Assets	\$ 6,980,212	\$ 41,748,580	\$ 40,934,298	\$ 7,794,494
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,980,212	\$ 41,748,580	\$ 40,934,298	\$ 7,794,494
Total Liabilities	\$ 6,980,212	\$ 41,748,580	\$ 40,934,298	\$ 7,794,494

(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	\$ 5,143	\$ 4,526	\$ 5,143	\$ 4,526
Equity in Pooled Cash and Investments	281,727	208,810	189,358	301,179
Accounts Receivable	146	48	146	48
Due from Other Governments	2,145	3,723	2,145	3,723
Total Assets	<u>\$ 289,161</u>	<u>\$ 217,107</u>	<u>\$ 196,792</u>	<u>\$ 309,476</u>
<u>Liabilities</u>				
Accounts Payable	\$ 2,809	\$ 3,141	\$ 2,809	\$ 3,141
Due to Joint Ventures	216,153	106,266	28,731	293,688
Other Current Liabilities	70,199	107,700	165,252	12,647
Total Liabilities	<u>\$ 289,161</u>	<u>\$ 217,107</u>	<u>\$ 196,792</u>	<u>\$ 309,476</u>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 34,437	\$ 76,862	\$ 37,127	\$ 74,172
Accounts Receivable	1,616	689	1,616	689
Due from Other Governments	694	118	694	118
Total Assets	<u>\$ 36,747</u>	<u>\$ 77,669</u>	<u>\$ 39,437</u>	<u>\$ 74,979</u>
<u>Liabilities</u>				
Accounts Payable	\$ 3,309	\$ 3,572	\$ 3,309	\$ 3,572
Due to Litigants, Heirs, and Others	33,438	74,097	36,128	71,407
Total Liabilities	<u>\$ 36,747</u>	<u>\$ 77,669</u>	<u>\$ 39,437</u>	<u>\$ 74,979</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	\$ 6,982,907	\$ 41,751,953	\$ 40,936,993	\$ 7,797,867
Equity in Pooled Cash and Investments	366,164	18,426,132	18,366,945	425,351
Accounts Receivable	4,210	1,890	4,210	1,890
Due from Other Governments	2,688,955	2,882,268	2,688,955	2,882,268
Total Assets	<u>\$ 10,042,236</u>	<u>\$ 63,062,243</u>	<u>\$ 61,997,103</u>	<u>\$ 11,107,376</u>
<u>Liabilities</u>				
Accounts Payable	\$ 6,118	\$ 6,713	\$ 6,118	\$ 6,713
Due to Other Taxing Units	2,686,116	21,018,887	20,826,576	2,878,427
Due to Litigants, Heirs, and Others	7,063,650	41,822,677	40,970,426	7,915,901
Due to Joint Ventures	216,153	106,266	28,731	293,688
Other Current Liabilities	70,199	107,700	165,252	12,647
Total Liabilities	<u>\$ 10,042,236</u>	<u>\$ 63,062,243</u>	<u>\$ 61,997,103</u>	<u>\$ 11,107,376</u>

# Clarksville-Montgomery County School System

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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.

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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, 2017

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	\$ 153,384,858	\$ 204,487	\$ 10,563,322	\$ 10,602	\$ (142,606,447)
Support Services	113,145,423	406,926	3,394,319	320,644	(109,023,534)
Operation of Non-instructional Services	19,787,519	4,864,488	12,452,705	0	(2,470,326)
Interest on Long-term Debt	23,958	0	0	0	(23,958)
<b>Total Governmental Activities</b>	<b>\$ 286,341,758</b>	<b>\$ 5,475,901</b>	<b>\$ 26,410,346</b>	<b>\$ 331,246</b>	<b>\$ (254,124,265)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 31,122,895
Local Option Sales Tax					48,467,273
Wheel Tax					4,426,845
Business Tax					791,563
Mixed Drink Tax					407,941
Interstate Telecommunications Tax					14,352
Grants and Contributions Not Restricted to Specific Programs					169,945,593
Unrestricted Investment Earnings					13,358
Miscellaneous					112,545
<b>Total General Revenues</b>					<b>\$ 255,302,365</b>
Change in Net Position					\$ 1,178,100
Net Position, July 1, 2016					342,020,052
Net Position, June 30, 2017					<b>\$ 343,198,152</b>



Exhibit K-2

Montgomery County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Clarksville-Montgomery County School System  
June 30, 2017

	<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	\$ 53,115	\$ 0	\$ 610,728	\$ 663,843
Equity in Pooled Cash and Investments	40,482,213	2,956,342	10,655,124	54,093,679
Inventories	225,807	0	183,089	408,896
Accounts Receivable	137,364	0	214,327	351,691
Due from Other Governments	14,185,307	0	3,065,971	17,251,278
Due from Other Funds	535,875	0	51,811	587,686
Property Taxes Receivable	29,296,207	0	1,991,923	31,288,130
Allowance for Uncollectible Property Taxes	(736,716)	0	(50,952)	(787,668)
Prepaid Items	0	0	458	458
Total Assets	<u>\$ 84,179,172</u>	<u>\$ 2,956,342</u>	<u>\$ 16,722,479</u>	<u>\$ 103,857,993</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,283,836	\$ 128,863	\$ 1,764,903	\$ 4,177,602
Accrued Payroll	13,796,589	0	961,481	14,758,070
Payroll Deductions Payable	8,353,323	0	510,181	8,863,504
Due to Other Funds	50,373	0	537,313	587,686
Due to Primary Government	6,967	0	1,800	8,767
Current Liabilities Payable From Restricted Assets	0	0	162,328	162,328
Total Liabilities	<u>\$ 24,491,088</u>	<u>\$ 128,863</u>	<u>\$ 3,938,006</u>	<u>\$ 28,557,957</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 27,766,935	\$ 0	\$ 1,885,201	\$ 29,652,136
Deferred Delinquent Property Taxes	611,791	0	43,046	654,837

(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 Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Other Governmental Funds</u>	
<u>DEFERRED INFLOWS OF RESOURCES (CONT.)</u>				
Other Deferred/Unavailable Revenue	\$ 4,457,657	\$ 0	\$ 0	\$ 4,457,657
Total Deferred Inflows of Resources	<u>\$ 32,836,383</u>	<u>\$ 0</u>	<u>\$ 1,928,247</u>	<u>\$ 34,764,630</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 225,807	\$ 0	\$ 183,089	\$ 408,896
Prepaid Items	0	0	458	458
Restricted:				
Restricted for Education	3,772	0	9,497,213	9,500,985
Restricted for Capital Projects	0	2,827,479	0	2,827,479
Committed:				
Committed for Education	11,935,435	0	1,175,466	13,110,901
Assigned:				
Assigned for Education	8,081,348	0	0	8,081,348
Unassigned	6,605,339	0	0	6,605,339
Total Fund Balances	<u>\$ 26,851,701</u>	<u>\$ 2,827,479</u>	<u>\$ 10,856,226</u>	<u>\$ 40,535,406</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 84,179,172</u>	<u>\$ 2,956,342</u>	<u>\$ 16,722,479</u>	<u>\$ 103,857,993</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, 2017

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$ 40,535,406
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 13,887,378	
Add: construction in progress	1,135,173	
Add: buildings and improvements net of accumulated depreciation	277,059,285	
Add: other capital assets net of accumulated depreciation	<u>19,473,695</u>	311,555,531
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for capital lease	\$ (323,917)	
Less: claims and judgments payable	(198,500)	
Less: other postemployment benefits liability	(8,592,626)	
Less: net pension liability - agent plan	(2,003,614)	
Less: net pension liability - teacher legacy retirement plan	(18,580,408)	
Less: compensated absences payable	<u>(1,677,060)</u>	(31,376,125)
(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	\$ 42,455,480	
Less: deferred inflows of resources related to pensions	<u>(25,518,147)</u>	16,937,333
(4) Net pension assets of the teacher retirement plan are not current financial resources and therefore are not reported in the governmental funds.		433,513
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>5,112,494</u>
Net position of governmental activities (Exhibit A)		<u>\$ 343,198,152</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, 2017

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 83,893,369	\$ 0	\$ 2,115,501	\$ 86,008,870
Charges for Current Services	271,757	0	4,940,617	5,212,374
Other Local Revenues	860,712	0	84,483	945,195
State of Tennessee	148,379,297	0	10,760,614	159,139,911
Federal Government	3,379,066	0	30,871,384	34,250,450
Other Governments and Citizens Groups	466,007	1,817,089	0	2,283,096
Total Revenues	<u>\$ 237,250,208</u>	<u>\$ 1,817,089</u>	<u>\$ 48,772,599</u>	<u>\$ 287,839,896</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 147,297,064	\$ 0	\$ 9,552,039	\$ 156,849,103
Support Services	86,481,038	945,083	21,897,824	109,323,945
Operation of Non-instructional Services	2,189,067	0	17,865,454	20,054,521
Debt Service:				
Interest on Debt	23,958	0	0	23,958
Other Debt Service	812,012	0	0	812,012
Capital Projects	0	3,238,399	0	3,238,399
Total Expenditures	<u>\$ 236,803,139</u>	<u>\$ 4,183,482</u>	<u>\$ 49,315,317</u>	<u>\$ 290,301,938</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 447,069</u>	<u>\$ (2,366,393)</u>	<u>\$ (542,718)</u>	<u>\$ (2,462,042)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 23,095	\$ 0	\$ 0	\$ 23,095
Transfers In	506,084	4,081,500	2,522,915	7,110,499

(Continued)

Exhibit K-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ (5,321,500)	\$ 0	\$ (1,788,999)	\$ (7,110,499)
Total Other Financing Sources (Uses)	\$ (4,792,321)	\$ 4,081,500	\$ 733,916	\$ 23,095
Net Change in Fund Balances	\$ (4,345,252)	\$ 1,715,107	\$ 191,198	\$ (2,438,947)
Fund Balance, July 1, 2016	31,196,953	1,112,372	10,665,028	42,974,353
Fund Balance, June 30, 2017	\$ 26,851,701	\$ 2,827,479	\$ 10,856,226	\$ 40,535,406

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, 2017

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (2,438,947)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 7,552,597	
Less: current-year depreciation expense	<u>(11,325,102)</u>	(3,772,505)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: Book value of capital assets disposed		(74,265)
(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, 2016	\$ (4,987,471)	
Add: deferred delinquent property taxes and other deferred June 30, 2017	<u>5,112,494</u>	125,023
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on leases to primary government	\$ 111,083	
Less: lease proceeds contributed from primary government	<u>(435,000)</u>	(323,917)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension liability- agent plan	\$ (1,489,083)	
Change in net pension liability- teacher legacy plan	(17,328,614)	
Change in net pension asset - teacher retirement plan	279,557	
Change in deferred outflows of resources related to pensions	24,282,423	
Change in deferred inflows of resources related to pensions	4,374,976	
Change in claims and judgments payable	(45,700)	
Change in other postemployment benefits liability	(2,333,743)	
Change in compensated absences payable	<u>(77,105)</u>	7,662,711
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,178,100</u>

Exhibit K-6

Montgomery County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Clarksville-Montgomery County School System  
June 30, 2017

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program	
<u>ASSETS</u>					
Cash	\$ 0	\$ 610,728	\$ 0	\$ 0	\$ 610,728
Equity in Pooled Cash and Investments	1,383,893	5,526,506	3,569,559	175,166	10,655,124
Inventories	0	183,089	0	0	183,089
Accounts Receivable	1,123	40,576	172,328	300	214,327
Due from Other Governments	1,993,953	1,072,018	0	0	3,065,971
Due from Other Funds	7,855	24,018	19,938	0	51,811
Property Taxes Receivable	0	0	1,991,923	0	1,991,923
Allowance for Uncollectible Property Taxes	0	0	(50,952)	0	(50,952)
Prepaid Items	458	0	0	0	458
Total Assets	<u>\$ 3,387,282</u>	<u>\$ 7,456,935</u>	<u>\$ 5,702,796</u>	<u>\$ 175,466</u>	<u>\$ 16,722,479</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 147,879	\$ 23,980	\$ 1,593,044	\$ 0	\$ 1,764,903
Accrued Payroll	961,481	0	0	0	961,481
Payroll Deductions Payable	510,181	0	0	0	510,181
Due to Other Funds	506,117	29,742	1,454	0	537,313
Due to Primary Government	0	0	1,800	0	1,800
Current Liabilities Payable From Restricted Assets	0	162,328	0	0	162,328
Total Liabilities	<u>\$ 2,125,658</u>	<u>\$ 216,050</u>	<u>\$ 1,596,298</u>	<u>\$ 0</u>	<u>\$ 3,938,006</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	\$ 1,885,201	\$ 0	\$ 1,885,201
Deferred Delinquent Property Taxes	0	0	43,046	0	43,046
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,928,247</u>	<u>\$ 0</u>	<u>\$ 1,928,247</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 183,089	\$ 0	\$ 0	\$ 183,089
Prepaid Items	458	0	0	0	458
Restricted:					
Restricted for Education	261,166	7,057,796	2,178,251	0	9,497,213
Committed:					
Committed for Education	1,000,000	0	0	175,466	1,175,466
Total Fund Balances	<u>\$ 1,261,624</u>	<u>\$ 7,240,885</u>	<u>\$ 2,178,251</u>	<u>\$ 175,466</u>	<u>\$ 10,856,226</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,387,282</u>	<u>\$ 7,456,935</u>	<u>\$ 5,702,796</u>	<u>\$ 175,466</u>	<u>\$ 16,722,479</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, 2017

	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	\$ 2,115,501	\$ 0	\$ 2,115,501
Charges for Current Services	0	4,797,772	0	142,845	4,940,617
Other Local Revenues	0	61,396	23,087	0	84,483
State of Tennessee	563,130	142,484	10,055,000	0	10,760,614
Federal Government	18,444,163	12,310,221	117,000	0	30,871,384
Total Revenues	\$ 19,007,293	\$ 17,311,873	\$ 12,310,588	\$ 142,845	\$ 48,772,599
<u>Expenditures</u>					
Current:					
Instruction	\$ 9,440,083	\$ 0	\$ 0	\$ 111,956	\$ 9,552,039
Support Services	6,829,236	0	15,061,479	7,109	21,897,824
Operation of Non-instructional Services	1,148,275	16,717,179	0	0	17,865,454
Total Expenditures	\$ 17,417,594	\$ 16,717,179	\$ 15,061,479	\$ 119,065	\$ 49,315,317
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,589,699	\$ 594,694	\$ (2,750,891)	\$ 23,780	\$ (542,718)
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 2,522,915	\$ 0	\$ 2,522,915
Transfers Out	(1,788,999)	0	0	0	(1,788,999)
Total Other Financing Sources (Uses)	\$ (1,788,999)	\$ 0	\$ 2,522,915	\$ 0	\$ 733,916
Net Change in Fund Balances	\$ (199,300)	\$ 594,694	\$ (227,976)	\$ 23,780	\$ 191,198
Fund Balance, July 1, 2016	1,460,924	6,646,191	2,406,227	151,686	10,665,028
Fund Balance, June 30, 2017	\$ 1,261,624	\$ 7,240,885	\$ 2,178,251	\$ 175,466	\$ 10,856,226

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 83,893,369	\$ 0	\$ 0	\$ 83,893,369	\$ 83,991,760	\$ 84,272,551	\$ (379,182)
Charges for Current Services	271,757	0	0	271,757	192,855	217,770	53,987
Other Local Revenues	860,712	0	0	860,712	526,833	877,515	(16,803)
State of Tennessee	148,379,297	0	0	148,379,297	145,096,425	147,224,724	1,154,573
Federal Government	3,379,066	0	0	3,379,066	3,303,000	3,258,954	120,112
Other Governments and Citizens Groups	466,007	0	0	466,007	32,000	466,494	(487)
<b>Total Revenues</b>	<b>\$ 237,250,208</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 237,250,208</b>	<b>\$ 233,142,873</b>	<b>\$ 236,318,008</b>	<b>\$ 932,200</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 114,895,894	\$ (439,640)	\$ 65,860	\$ 114,522,114	\$ 117,609,979	\$ 118,148,264	\$ 3,626,150
Alternative Instruction Program	1,567,010	0	0	1,567,010	1,594,996	1,632,875	65,865
Special Education Program	25,425,404	(614)	979	25,425,769	25,824,439	26,344,094	918,325
Career and Technical Education Program	5,408,756	(280,415)	35,790	5,164,131	5,054,108	5,243,007	78,876
<u>Support Services</u>							
Attendance	833,759	0	3,850	837,609	819,991	843,774	6,165
Health Services	1,491,707	0	0	1,491,707	1,625,351	1,670,017	178,310
Other Student Support	7,779,323	0	0	7,779,323	8,088,245	8,167,082	387,759
Regular Instruction Program	12,505,864	(11)	357	12,506,210	12,326,086	12,915,286	409,076
Alternative Instruction Program	21,660	0	0	21,660	34,031	34,031	12,371
Special Education Program	3,109,914	0	0	3,109,914	3,109,881	3,262,480	152,566
Career and Technical Education Program	121,904	0	0	121,904	122,631	122,638	734
Technology	9,874,471	0	199,805	10,074,276	9,686,616	10,234,655	160,379
Adult Programs	196,394	0	0	196,394	201,387	201,387	4,993
Other Programs	132,800	0	0	132,800	0	132,800	0
Board of Education	3,315,286	0	0	3,315,286	3,481,411	3,451,791	136,505
Director of Schools	1,125,008	(3,858)	15,105	1,136,255	1,142,792	1,209,692	73,437
Office of the Principal	17,136,785	(2,500)	0	17,134,285	17,067,823	17,363,706	229,421
Fiscal Services	2,727,095	(199)	9,863	2,736,759	2,751,330	2,889,799	153,040

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 2,567,418	\$ 0	\$ 0	\$ 2,567,418	\$ 2,622,086	\$ 2,656,640	\$ 89,222
Operation of Plant	16,584,253	(552,891)	37,021	16,068,383	16,835,929	16,825,507	757,124
Maintenance of Plant	6,777,681	(907,629)	332,468	6,202,520	6,905,232	6,550,500	347,980
Central and Other	179,716	(179,716)	0	0	0	0	0
<u>Operation of Non-instructional Services</u>							
Early Childhood Education	2,189,067	0	0	2,189,067	2,238,947	2,286,862	97,795
<u>Interest on Debt</u>							
Education	23,958	0	0	23,958	24,375	24,375	417
<u>Other Debt Service</u>							
Education	812,012	0	0	812,012	0	812,012	0
Total Expenditures	\$ 236,803,139	\$ (2,367,473)	\$ 701,098	\$ 235,136,764	\$ 239,167,666	\$ 243,023,274	\$ 7,886,510
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 447,069	\$ 2,367,473	\$ (701,098)	\$ 2,113,444	\$ (6,024,793)	\$ (6,705,266)	\$ 8,818,710
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 23,095	\$ 0	\$ 0	\$ 23,095	\$ 25,000	\$ 1,000	\$ 22,095
Transfers In	506,084	0	0	506,084	488,700	446,000	60,084
Transfers Out	(5,321,500)	0	0	(5,321,500)	(4,781,812)	(5,351,500)	30,000
Total Other Financing Sources	\$ (4,792,321)	\$ 0	\$ 0	\$ (4,792,321)	\$ (4,268,112)	\$ (4,904,500)	\$ 112,179
Net Change in Fund Balance							
Fund Balance, July 1, 2016	\$ (4,345,252)	\$ 2,367,473	\$ (701,098)	\$ (2,678,877)	\$ (10,292,905)	\$ (11,609,766)	\$ 8,930,889
	31,196,953	(2,367,473)	0	28,829,480	17,896,381	28,829,480	0
Fund Balance, June 30, 2017	\$ 26,851,701	\$ 0	\$ (701,098)	\$ 26,150,603	\$ 7,603,476	\$ 17,219,714	\$ 8,930,889

Exhibit K-9

Montgomery County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Clarksville-Montgomery County School System  
School Federal Projects Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
State of Tennessee	\$ 563,130	\$ 0	\$ 563,130	\$ 661,660	\$ 674,757	\$ (111,627)
Federal Government	18,444,163	0	18,444,163	20,708,210	22,829,045	(4,384,882)
<b>Total Revenues</b>	<b>\$ 19,007,293</b>	<b>\$ 0</b>	<b>\$ 19,007,293</b>	<b>\$ 21,369,870</b>	<b>\$ 23,503,802</b>	<b>\$ (4,496,509)</b>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 5,840,237	\$ 0	\$ 5,840,237	\$ 5,007,744	\$ 7,609,147	\$ 1,768,910
Special Education Program	3,306,161	0	3,306,161	3,400,439	3,969,381	663,220
Career and Technical Education Program	293,685	(5,712)	287,973	276,186	289,572	1,599
<u>Support Services</u>						
Health Services	155,640	(641)	154,999	155,000	154,999	0
Other Student Support	640,467	0	640,467	687,400	839,487	199,020
Regular Instruction Program	4,611,080	0	4,611,080	7,069,165	5,991,919	1,380,839
Special Education Program	1,301,523	0	1,301,523	1,785,354	1,595,795	294,272
Career and Technical Education Program	4,636	0	4,636	4,000	5,000	364
Transportation	115,890	0	115,890	1,284,130	141,200	25,310
<u>Operation of Non-instructional Services</u>						
Community Services	1,148,275	0	1,148,275	1,057,388	1,486,386	338,111
<b>Total Expenditures</b>	<b>\$ 17,417,594</b>	<b>\$ (6,353)</b>	<b>\$ 17,411,241</b>	<b>\$ 20,726,806</b>	<b>\$ 22,082,886</b>	<b>\$ 4,671,645</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,589,699	\$ 6,353	\$ 1,596,052	\$ 643,064	\$ 1,420,916	\$ 175,136
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 0	\$ 0

(Continued)

Exhibit K-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers Out	\$ (1,788,999)	\$ 0	\$ (1,788,999)	\$ (1,643,065)	\$ (1,865,486)	\$ 76,487
Total Other Financing Sources	\$ (1,788,999)	\$ 0	\$ (1,788,999)	\$ (643,065)	\$ (1,865,486)	\$ 76,487
Net Change in Fund Balance	\$ (199,300)	\$ 6,353	\$ (192,947)	\$ (1)	\$ (444,570)	\$ 251,623
Fund Balance, July 1, 2016	1,460,924	(6,353)	1,454,571	1,000,000	1,454,571	0
Fund Balance, June 30, 2017	\$ 1,261,624	\$ 0	\$ 1,261,624	\$ 999,999	\$ 1,010,001	\$ 251,623

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 4,797,772	\$ 0	\$ 0	\$ 4,797,772	\$ 4,668,584	\$ 4,668,584	\$ 129,188
Other Local Revenues	61,396	0	0	61,396	69,938	69,938	(8,542)
State of Tennessee	142,484	0	0	142,484	142,677	142,677	(193)
Federal Government	12,310,221	0	0	12,310,221	11,501,181	11,851,181	459,040
Total Revenues	\$ 17,311,873	\$ 0	\$ 0	\$ 17,311,873	\$ 16,382,380	\$ 16,732,380	\$ 579,493
<u>Expenditures</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	\$ 16,717,179	\$ (2,189)	\$ 12,000	\$ 16,726,990	\$ 17,108,382	\$ 17,603,546	\$ 876,556
Total Expenditures	\$ 16,717,179	\$ (2,189)	\$ 12,000	\$ 16,726,990	\$ 17,108,382	\$ 17,603,546	\$ 876,556
Excess (Deficiency) of Revenues Over Expenditures	\$ 594,694	\$ 2,189	\$ (12,000)	\$ 584,883	\$ (726,002)	\$ (871,166)	\$ 1,456,049
Net Change in Fund Balance	\$ 594,694	\$ 2,189	\$ (12,000)	\$ 584,883	\$ (726,002)	\$ (871,166)	\$ 1,456,049
Fund Balance, July 1, 2016	6,646,191	(2,189)	0	6,644,002	6,000,000	6,644,002	0
Fund Balance, June 30, 2017	\$ 7,240,885	\$ 0	\$ (12,000)	\$ 7,228,885	\$ 5,273,998	\$ 5,772,836	\$ 1,456,049

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,115,501	\$ 0	\$ 0	\$ 2,115,501	\$ 2,027,875	\$ 2,053,875	\$ 61,626
Other Local Revenues	23,087	0	0	23,087	53,700	62,700	(39,613)
State of Tennessee	10,055,000	0	0	10,055,000	10,055,000	10,055,000	0
Federal Government	117,000	0	0	117,000	1,282,915	0	117,000
Total Revenues	\$ 12,310,588	\$ 0	\$ 0	\$ 12,310,588	\$ 13,419,490	\$ 12,171,575	\$ 139,013
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 42,248	\$ 0	\$ 0	\$ 42,248	\$ 41,500	\$ 41,500	\$ (748)
Transportation	15,019,231	(187,452)	1,283	14,833,062	14,721,247	16,135,034	1,301,972
Total Expenditures	\$ 15,061,479	\$ (187,452)	\$ 1,283	\$ 14,875,310	\$ 14,762,747	\$ 16,176,534	\$ 1,301,224
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,750,891)	\$ 187,452	\$ (1,283)	\$ (2,564,722)	\$ (1,343,257)	\$ (4,004,959)	\$ 1,440,237
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 2,522,915	\$ 0	\$ 0	\$ 2,522,915	\$ 0	\$ 2,522,915	\$ 0
Total Other Financing Sources	\$ 2,522,915	\$ 0	\$ 0	\$ 2,522,915	\$ 0	\$ 2,522,915	\$ 0
Net Change in Fund Balance	\$ (227,976)	\$ 187,452	\$ (1,283)	\$ (41,807)	\$ (1,343,257)	\$ (1,482,044)	\$ 1,440,237
Fund Balance, July 1, 2016	2,406,227	(187,452)	0	2,218,775	1,830,886	2,218,775	0
Fund Balance, June 30, 2017	\$ 2,178,251	\$ 0	\$ (1,283)	\$ 2,176,968	\$ 487,629	\$ 736,731	\$ 1,440,237

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 142,845	\$ 157,500	\$ 159,500	\$ (16,655)
Total Revenues	\$ 142,845	\$ 157,500	\$ 159,500	\$ (16,655)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 111,956	\$ 183,796	\$ 126,483	\$ 14,527
<u>Support Services</u>				
Board of Education	458	1,600	600	142
Office of the Principal	6,651	10,970	10,970	4,319
Operation of Plant	0	5,109	0	0
Total Expenditures	\$ 119,065	\$ 201,475	\$ 138,053	\$ 18,988
Excess (Deficiency) of Revenues Over Expenditures	\$ 23,780	\$ (43,975)	\$ 21,447	\$ 2,333
Net Change in Fund Balance	\$ 23,780	\$ (43,975)	\$ 21,447	\$ 2,333
Fund Balance, July 1, 2016	151,686	185,385	151,686	0
Fund Balance, June 30, 2017	\$ 175,466	\$ 141,410	\$ 173,133	\$ 2,333



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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Promissory Note - Land for EMS Building	\$ 80,000	3 %	7-1-14	3-11-18	\$ 40,000	\$ 0	\$ 20,000	\$ 0	\$ 20,000
Total Notes Payable					\$ 40,000	\$ 0	\$ 20,000	\$ 0	\$ 20,000
<b>OTHER LOANS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Qualified Zone Academy Bonds	3,763,987	0	5-22-06	12-1-20	\$ 1,167,987	\$ 0	\$ 259,600	\$ 0	\$ 908,387
Qualified School Construction Bonds	20,000,000	1.515	12-1-09	7-1-26	12,720,182	0	1,351,966	0	11,368,216
Total Other Loans Payable					\$ 13,888,169	\$ 0	\$ 1,611,566	\$ 0	\$ 12,276,603
<b>CAPITAL LEASES PAYABLE</b>									
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>									
Teacher Laptops	435,000	1.703	5-31-17	6-30-20	\$ 0	\$ 435,000	\$ 111,083	\$ 0	\$ 323,917
Total Capital Lease Payable					\$ 0	\$ 435,000	\$ 111,083	\$ 0	\$ 323,917
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Public Improvement and Schools	18,000,000	4 to 5	8-30-07	5-1-17	\$ 825,000	\$ 0	\$ 825,000	\$ 0	\$ 0
General Obligation Industrial Park	18,450,000	5 to 5.625	8-28-08	5-1-20	13,950,000	0	1,000,000	10,450,000	2,500,000
General Obligation Schools - Build America Bonds	5,400,000	4.55 to 5.6	2-4-10	4-1-30	5,400,000	0	0	0	5,400,000
General Obligation Refunding	74,155,000	2 to 5	4-1-10	4-1-24	55,655,000	0	1,800,000	0	53,855,000
General Obligation School and Public Improvement	62,335,000	2 to 5	7-28-11	4-1-29	58,335,000	0	1,000,000	0	57,335,000
General Obligation Refunding	19,465,000	2 to 5	4-25-12	4-1-25	13,485,000	0	2,860,000	0	10,625,000
General Obligation Public Improvement and Refunding	27,415,000	2 to 5	10-11-12	4-1-29	21,910,000	0	1,455,000	0	20,455,000
General Obligation Refunding	37,120,000	.20 to 1.65	5-17-13	5-1-20	24,975,000	0	6,010,000	0	18,965,000
General Obligation Public Improvement	13,200,000	3 to 5	8-29-13	4-1-28	11,700,000	0	500,000	0	11,200,000
General Obligation Refunding	50,155,000	2.5 to 5	5-15-14	4-1-26	50,155,000	0	8,200,000	0	41,955,000
General Obligation Schools	18,060,000	2 to 5	5-15-15	4-1-35	17,960,000	0	100,000	0	17,860,000
General Obligation Refunding and Improvement	19,120,000	2 to 5	11-5-15	4-1-35	19,120,000	0	50,000	0	19,070,000
General Obligation Public Improvement	17,600,000	3 to 4	11-30-16	4-1-36	0	17,600,000	1,090,000	0	16,510,000
General Obligation Refunding	10,830,000	3	11-30-16	4-1-24	0	10,830,000	0	0	10,830,000
Total Payable through General Debt Service Fund					\$ 293,470,000	\$ 28,430,000	\$ 24,890,000	\$ 10,450,000	\$ 286,560,000
<u>Contributions Due by the Bi-County Solid Waste Management System to the General Debt Service Fund</u>									
General Obligation Public Improvement	625,000	5	10-11-12	4-1-17	\$ 135,000	\$ 0	\$ 135,000	\$ 0	\$ 0
General Obligation Refunding and Improvement	1,240,000	2 to 5	11-5-15	4-1-25	1,190,000	0	50,000	0	1,140,000
Total Contributions Due by the Bi-County Solid Waste Management System to the General Debt Service Fund					\$ 1,325,000	\$ 0	\$ 185,000	\$ 0	\$ 1,140,000
Total Bonds Payable					\$ 294,795,000	\$ 28,430,000	\$ 25,075,000	\$ 10,450,000	\$ 287,700,000

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2018	\$ 20,000	\$ 600	\$ 20,600
Total	\$ 20,000	\$ 600	\$ 20,600

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2018	\$ 1,403,572	\$ 277,750	\$ 19,579	\$ 1,700,901
2019	1,507,569	303,000	21,246	1,831,815
2020	1,507,569	303,000	21,246	1,831,815
2021	1,377,556	303,000	21,246	1,701,802
2022	1,247,969	303,000	20,000	1,570,969
2023	1,247,969	303,000	20,000	1,570,969
2024	1,247,969	303,000	20,000	1,570,969
2025	1,247,969	303,000	20,000	1,570,969
2026	1,370,814	303,000	20,000	1,693,814
2027	117,647	25,250	5,000	147,897
Total	\$ 12,276,603	\$ 2,727,000	\$ 188,317	\$ 15,191,920

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 26,085,000	\$ 11,062,934	\$ 37,147,934
2019	27,035,000	10,148,752	37,183,752
2020	28,485,000	9,185,327	37,670,327
2021	29,615,000	8,149,001	37,764,001
2022	26,305,000	6,809,151	33,114,151

(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	\$ 25,980,000	\$ 5,762,389	\$ 31,742,389
2024	25,945,000	4,656,125	30,601,125
2025	23,165,000	3,684,600	26,849,600
2026	21,190,000	2,778,963	23,968,963
2027	13,790,000	2,063,187	15,853,187
2028	13,270,000	1,500,276	14,770,276
2029	7,420,000	938,525	8,358,525
2030	3,685,000	669,899	4,354,899
2031	3,075,000	526,463	3,601,463
2032	2,780,000	428,087	3,208,087
2033	2,870,000	336,682	3,206,682
2034	3,025,000	240,637	3,265,637
2035	3,110,000	137,537	3,247,537
2036	870,000	31,537	901,537
Total	\$ 287,700,000	\$ 69,110,072	\$ 356,810,072

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2018	\$ 106,140	\$ 5,560	\$ 111,700
2019	107,962	3,738	111,700
2020	109,815	1,885	111,700
Total	\$ 323,917	\$ 11,183	\$ 335,100

Exhibit L-3

Montgomery County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Clarksville-Montgomery County School System  
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Land purchase	\$ 39,000
"	"	Renovations	<u>600,000</u>
Total Transfers Primary Government			<u>\$ 639,000</u>
<u>DISCRETELY PRESENTED CLARKSVILLE-MONTGOMERY COUNTY SCHOOL SYSTEM</u>			
General Purpose School	Education Capital Projects	Capital projects	\$ 4,081,500
"	School Transportation	School buses	1,240,000
School Federal Projects	General Purpose School	Indirect costs	506,084
"	School Transportation	Salaries	<u>1,282,915</u>
Total Transfers Discretely Presented Clarksville-Montgomery County School System			<u>\$ 7,110,499</u>

Exhibit L-4

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, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 151,740 (1)	\$ 100,000 (7)	RLI Insurance Company
Highway Supervisor	Section 8-24-102, <i>TCA</i>	104,898 (1)	(8)	
Director of Schools	State Board of Education and Local Board of Education	191,091 (2)	100,000	The Cincinnati Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	95,362	9,637,421	Hartford Fire Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	95,362	50,000 (7)	Western Surety Company
Director of Accounts and Budgets	County Commission	95,270	100,000 (7)	RLI Insurance Company
Purchasing Agent	County Commission	83,374	100,000 (7)	"
County Clerk	Section 8-24-102, <i>TCA</i>	95,362 (3)	100,000 (7)	"
Circuit, General Sessions, and Juvenile Courts Clerk and Master:	Section 8-24-102, <i>TCA</i>	95,362	100,000 (7)	"
Ted Crozier (7-1-16 through 8-23-16)	Section 8-24-102, <i>TCA</i> , and Chancery Judge	15,099 (4)	50,000	Auto-Owners Mutual Insurance Company
Michael Dale (8-24-16 through 6-30-17)	Section 8-24-102, <i>TCA</i> , and Chancery Judge	80,263 (5)	(8)	
Register of Deeds	Section 8-24-102, <i>TCA</i>	95,362	100,000 (7)	RLI Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	105,674 (6)	100,000 (7)	"
<u>County Employees:</u>				
Public Employees Blanket Bond			400,000	Local Government Insurance Pool
<u>School Employees:</u>				
Public Employees Blanket Bond			500,000	Travelers Casualty & Surety Company

- (1) Does not include fringe benefits for the use of a county vehicle.
- (2) Includes a \$4,800 transportation supplement, a \$12,755 payment for unused vacation days, and a \$2,000 CEO supplement.
- (3) Does not include a cell phone allowance of \$600.
- (4) Does not include special commissioner fees totaling \$9,207.
- (5) Does not include special commissioner fees totaling \$5,742.
- (6) Does not include \$7,500 as a workhouse superintendent and \$600 for a law enforcement training supplement.
- (7) Officials are additionally covered by the employee insurance policy pursuant to Section 8-19-101, *TCA*.
- (8) Officials are covered by the employee insurance policy pursuant to Section 8-19-101, *TCA*.

Exhibit L-5

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

	Special Revenue Funds				Debt Service
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 40,072,433	\$ 0	\$ 0	\$ 4,073,289	\$ 33,156,394
Trustee's Collections - Prior Year	1,166,746	0	0	103,818	651,679
Trustee's Collections - Bankruptcy	99,612	0	0	9,217	63,197
Circuit Clerk/Clerk and Master Collections - Prior Years	583,456	0	0	52,860	346,354
Interest and Penalty	464,757	0	0	42,574	285,264
Payments in-Lieu-of Taxes - T.V.A.	763	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	1,444,989	0	0	0	0
Payments in-Lieu-of Taxes - Other	863,144	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	168,383
Hotel/Motel Tax	1,858,559	0	0	0	0
Litigation Tax - General	426,790	0	0	0	392,365
Litigation Tax - Special Purpose	83,446	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	426,331
Business Tax	1,396,716	0	0	120,407	120,407
Mineral Severance Tax	0	0	0	205,278	0
Adequate Facilities/Development Tax	0	0	0	0	1,359,500
<u>Statutory Local Taxes</u>					
Bank Excise Tax	208,021	0	0	21,154	172,188
Wholesale Beer Tax	343,033	0	0	0	0
Interstate Telecommunications Tax	3,281	0	0	0	0
Total Local Taxes	\$ 49,015,746	\$ 0	\$ 0	\$ 4,628,597	\$ 37,142,062

(Continued)

Exhibit L-5

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>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 35,677	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	6,308	0	0	0	0
Cable TV Franchise	274,941	0	0	0	0
<u>Permits</u>					
Building Permits	611,986	0	0	0	0
Plumbing Permits	23,155	0	0	0	0
Other Permits	213,940	0	0	0	0
Total Licenses and Permits	\$ 1,166,007	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 2,523	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	22,808	0	0	0	0
Drug Court Fees	1,596	0	0	0	0
Veterans Treatment Court Fees	879	0	0	0	0
Data Entry Fee - Circuit Court	9,998	0	0	0	0
Courtroom Security Fee	7,889	0	0	0	0
Victims Assistance Assessments	3,345	0	0	0	0
<u>General Sessions Court</u>					
Fines	126,213	0	0	0	0
Fines for Littering	908	0	0	0	0
Officers Costs	319,466	0	0	0	0
Game and Fish Fines	274	0	0	0	0
Drug Court Fees	25,229	0	0	0	0
Veterans Treatment Court Fees	14,246	0	0	0	0

(Continued)



Exhibit L-5

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>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Jail Fees	\$ 301,245	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	19,081	0	0	0	0
Data Entry Fee - General Sessions Court	60,619	0	0	0	0
Victims Assistance Assessments	60,819	0	0	0	0
<u>Juvenile Court</u>					
Fines	456	0	0	0	0
Officers Costs	22,941	0	0	0	0
Jail Fees	47,674	0	0	0	0
Data Entry Fee - Juvenile Court	9,141	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	39,440	0	0	0	0
Data Entry Fee - Chancery Court	5,718	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	980	0	0	0	0
Drug Control Fines	0	10,962	0	0	0
Drug Court Fees	22,887	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	2,061	8,900	0	0	0
Other Fines, Forfeitures, and Penalties	5,519	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 1,133,955	\$ 19,862	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 5,800,670	\$ 0	\$ 0	\$ 0	\$ 0
Zoning Studies	3,500	0	0	0	0
Other General Service Charges	60,089	0	0	0	0

(Continued)

Exhibit L-5

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>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Recreation Fees	\$ 12,900	\$ 0	\$ 0	\$ 0	\$ 0
Copy Fees	9,968	0	0	0	0
Archives and Records Management Fee	454,838	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0
Telephone Commissions	68,380	0	0	0	0
Vending Machine Collections	106,324	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	14,949	0	0
Data Processing Fee - Register	77,128	0	0	0	0
Probation Fees	15,558	0	0	0	0
Data Processing Fee - Sheriff	33,314	0	0	0	0
Sexual Offender Registration Fee - Sheriff	14,950	0	0	0	0
Data Processing Fee - County Clerk	19,221	0	0	0	0
<u>Education Charges</u>					
Other Charges for Services	19,120	0	0	0	0
Total Charges for Current Services	\$ 6,696,160	\$ 0	\$ 14,949	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 540,069	\$ 0	\$ 0	\$ 0	\$ 435,410
Lease/Rentals	601,635	0	0	0	0
Sale of Gasoline	0	0	0	19,282	0
Sale of Maps	1,476	0	0	0	0
Sale of Recycled Materials	731	0	0	0	0
Miscellaneous Refunds	491,892	0	0	13,117	0

(Continued)

Exhibit L-5

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>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 47,812	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Property	0	0	0	0	93,308
Contributions and Gifts	8,000	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	593,808	0	0	0	0
Total Other Local Revenues	\$ 2,285,423	\$ 0	\$ 0	\$ 32,399	\$ 528,718
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 1,808,483	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	643,317	0	0	0	0
General Sessions Court Clerk	1,956,037	0	0	0	0
Clerk and Master	446,666	0	0	0	0
Juvenile Court Clerk	257,419	0	0	0	0
Register	1,233,421	0	0	0	0
Sheriff	62,182	0	0	0	0
Trustee	3,421,090	0	0	0	0
Total Fees Received From County Officials	\$ 9,828,615	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 601,809	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	56,400	0	0	0	0

(Continued)

Exhibit L-5

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>Health and Welfare Grants</u>					
Other Health and Welfare Grants	\$ 77,174	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	893,764	0
Litter Program	70,600	0	0	0	0
<u>Other State Revenues</u>					
Beer Tax	18,415	0	0	0	0
Vehicle Certificate of Title Fees	26,926	0	0	0	0
Alcoholic Beverage Tax	257,893	0	0	0	0
State Revenue Sharing - T.V.A.	1,648,543	0	0	0	0
Prisoner Transportation	17,922	0	0	0	0
Contracted Prisoner Boarding	1,989,740	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	3,082,318	0
Petroleum Special Tax	0	0	0	124,345	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	2,887,880	0	0	0	0
Other State Revenues	108,446	0	0	0	0
Total State of Tennessee	\$ 7,776,912	\$ 0	\$ 0	\$ 4,100,427	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 122,969	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	258,475	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	135,579
Other Direct Federal Revenue	33,548	0	0	0	0
Total Federal Government	\$ 414,992	\$ 0	\$ 0	\$ 0	\$ 135,579

(Continued)

Exhibit L-5

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 Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 314	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	113,052	0	0	0	1,249,020
<u>Citizens Groups</u>					
Donations	28,273	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 141,639</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,249,020</u>
Total	<u>\$ 78,459,449</u>	<u>\$ 19,862</u>	<u>\$ 14,949</u>	<u>\$ 8,761,423</u>	<u>\$ 39,055,379</u>

(Continued)

Exhibit L-5

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

	Capital Projects Fund	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 2,236,461	\$ 79,538,577
Trustee's Collections - Prior Year	56,947	1,979,190
Trustee's Collections - Bankruptcy	5,059	177,085
Circuit Clerk/Clerk and Master Collections - Prior Years	29,010	1,011,680
Interest and Penalty	9,800	802,395
Payments in-Lieu-of Taxes - T.V.A.	0	763
Payments in-Lieu-of Taxes - Local Utilities	0	1,444,989
Payments in-Lieu-of Taxes - Other	0	863,144
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	168,383
Hotel/Motel Tax	0	1,858,559
Litigation Tax - General	0	819,155
Litigation Tax - Special Purpose	0	83,446
Litigation Tax - Jail, Workhouse, or Courthouse	0	426,331
Business Tax	0	1,637,530
Mineral Severance Tax	0	205,278
Adequate Facilities/Development Tax	0	1,359,500
<u>Statutory Local Taxes</u>		
Bank Excise Tax	11,609	412,972
Wholesale Beer Tax	0	343,033
Interstate Telecommunications Tax	0	3,281
Total Local Taxes	<u>\$ 2,348,886</u>	<u>\$ 93,135,291</u>

(Continued)

Exhibit L-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Registration	\$	0	\$	35,677
Animal Vaccination		0		6,308
Cable TV Franchise		0		274,941
<u>Permits</u>				
Building Permits		0		611,986
Plumbing Permits		0		23,155
Other Permits		0		213,940
Total Licenses and Permits	\$	0	\$	1,166,007
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	2,523
Officers Costs		0		22,808
Drug Court Fees		0		1,596
Veterans Treatment Court Fees		0		879
Data Entry Fee - Circuit Court		0		9,998
Courtroom Security Fee		0		7,889
Victims Assistance Assessments		0		3,345
<u>General Sessions Court</u>				
Fines		0		126,213
Fines for Littering		0		908
Officers Costs		0		319,466
Game and Fish Fines		0		274
Drug Court Fees		0		25,229
Veterans Treatment Court Fees		0		14,246

(Continued)

Exhibit L-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Jail Fees	\$	0	\$	301,245
DUI Treatment Fines		0		19,081
Data Entry Fee - General Sessions Court		0		60,619
Victims Assistance Assessments		0		60,819
<u>Juvenile Court</u>				
Fines		0		456
Officers Costs		0		22,941
Jail Fees		0		47,674
Data Entry Fee - Juvenile Court		0		9,141
<u>Chancery Court</u>				
Officers Costs		0		39,440
Data Entry Fee - Chancery Court		0		5,718
<u>Other Courts - In-county</u>				
Fines		0		980
Drug Control Fines		0		10,962
Drug Court Fees		0		22,887
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		10,961
Other Fines, Forfeitures, and Penalties		0		5,519
Total Fines, Forfeitures, and Penalties	\$	0	\$	1,153,817
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Patient Charges	\$	0	\$	5,800,670
Zoning Studies		0		3,500
Other General Service Charges		0		60,089

(Continued)



Exhibit L-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Fees</u>				
Recreation Fees	\$ 0	\$	0	12,900
Copy Fees	0		0	9,968
Archives and Records Management Fee	0		0	454,838
Greenbelt Late Application Fee	0		0	200
Telephone Commissions	0		0	68,380
Vending Machine Collections	0		0	106,324
Special Commissioner Fees/Special Master Fees	0		0	14,949
Data Processing Fee - Register	0		0	77,128
Probation Fees	0		0	15,558
Data Processing Fee - Sheriff	0		0	33,314
Sexual Offender Registration Fee - Sheriff	0		0	14,950
Data Processing Fee - County Clerk	0		0	19,221
<u>Education Charges</u>				
Other Charges for Services			0	19,120
Total Charges for Current Services	\$ 0	\$	0	6,711,109
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 43,807	\$	0	1,019,286
Lease/Rentals	0		0	601,635
Sale of Gasoline	0		0	19,282
Sale of Maps	0		0	1,476
Sale of Recycled Materials	0		0	731
Miscellaneous Refunds	0		0	505,009

(Continued)

Exhibit L-5

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

	Capital Projects Fund		General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items</u>				
Sale of Equipment	\$ 0	\$	47,812	
Sale of Property	0		93,308	
Contributions and Gifts	0		8,000	
<u>Other Local Revenues</u>				
Other Local Revenues	0		593,808	
Total Other Local Revenues	<u>\$ 43,807</u>	\$	<u>2,890,347</u>	
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$	1,808,483	
Circuit Court Clerk	0		643,317	
General Sessions Court Clerk	0		1,956,037	
Clerk and Master	0		446,666	
Juvenile Court Clerk	0		257,419	
Register	0		1,233,421	
Sheriff	0		62,182	
Trustee	0		3,421,090	
Total Fees Received From County Officials	<u>\$ 0</u>	\$	<u>9,828,615</u>	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$	601,809	
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0		56,400	

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	<u>General Capital Projects</u>	<u>Total</u>
<u>State of Tennessee (Cont.)</u>			
<u>Health and Welfare Grants</u>			
Other Health and Welfare Grants	\$ 10,000	\$	87,174
<u>Public Works Grants</u>			
State Aid Program	0		893,764
Litter Program	0		70,600
<u>Other State Revenues</u>			
Beer Tax	0		18,415
Vehicle Certificate of Title Fees	0		26,926
Alcoholic Beverage Tax	0		257,893
State Revenue Sharing - T.V.A.	0		1,648,543
Prisoner Transportation	0		17,922
Contracted Prisoner Boarding	0		1,989,740
Gasoline and Motor Fuel Tax	0		3,082,318
Petroleum Special Tax	0		124,345
Registrar's Salary Supplement	0		15,164
Other State Grants	0		2,887,880
Other State Revenues	0		108,446
Total State of Tennessee	<u>\$ 10,000</u>	<u>\$</u>	<u>11,887,339</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Homeland Security Grants	\$ 0	\$	122,969
Other Federal through State	429,179		687,654
<u>Direct Federal Revenue</u>			
Tax Credit Bond Rebate	0		135,579
Other Direct Federal Revenue	0		33,548
Total Federal Government	<u>\$ 429,179</u>	<u>\$</u>	<u>979,750</u>

(Continued)

Exhibit L-5

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

	Capital Projects Fund	
	General Capital Projects	Total
<hr/>		
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 314
Contributions	0	1,362,072
<u>Citizens Groups</u>		
Donations	150	28,423
Total Other Governments and Citizens Groups	<u>\$ 150</u>	<u>\$ 1,390,809</u>
Total	<u>\$ 2,832,022</u>	<u>\$ 129,143,084</u>

Exhibit L-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 27,617,681	\$ 0	\$ 0	\$ 1,944,104	\$ 0
Trustee's Collections - Prior Year	899,681	0	0	60,009	0
Trustee's Collections - Bankruptcy	67,256	0	0	4,532	0
Circuit Clerk/Clerk and Master Collections - Prior Years	389,590	0	0	25,988	0
Interest and Penalty	312,419	0	0	20,931	0
Payments in-Lieu-of Taxes - Local Utilities	703,971	0	0	49,537	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	48,114,273	0	0	0	0
Wheel Tax	4,426,845	0	0	0	0
Business Tax	791,563	0	0	0	0
Mixed Drink Tax	407,941	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	147,797	0	0	10,400	0
Interstate Telecommunications Tax	14,352	0	0	0	0
Total Local Taxes	<u>\$ 83,893,369</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,115,501</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>Fees</u>					
Archives and Records Management Fee	\$ 7,462	\$ 0	\$ 0	\$ 0	\$ 0
<u>Education Charges</u>					
Tuition - Regular Day Students	54,292	0	0	0	0
Tuition - Summer School	0	0	0	0	134,395
Tuition - Out-of-state Systems	7,350	0	0	0	0
Tuition - Other	0	0	0	0	8,450

(Continued)

Exhibit L-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 3,163,802	\$ 0	\$ 0
Lunch Payments - Adults	0	0	160,652	0	0
Income from Breakfast	0	0	165,654	0	0
A la Carte Sales	0	0	1,256,171	0	0
School Based Health Services - FFS	133,583	0	0	0	0
TBI Criminal Background Fee	36,880	0	0	0	0
Other Charges for Services	32,190	0	51,493	0	0
<b>Total Charges for Current Services</b>	<b>\$ 271,757</b>	<b>\$ 0</b>	<b>\$ 4,797,772</b>	<b>\$ 0</b>	<b>\$ 142,845</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 19	\$ 0	\$ 13,339	\$ 0	\$ 0
Lease/Rentals	167,213	0	0	0	0
Sale of Materials and Supplies	0	0	44,931	3,674	0
Sale of Recycled Materials	8,048	0	0	0	0
E-Rate Funding	16,116	0	0	0	0
Miscellaneous Refunds	38,540	0	513	18,634	0
<u>Nonrecurring Items</u>					
Sale of Equipment	506,863	0	2,604	0	0
Sale of Property	20,480	0	0	0	0
Damages Recovered from Individuals	36,198	0	0	779	0
Contributions and Gifts	67,235	0	9	0	0
<b>Total Other Local Revenues</b>	<b>\$ 860,712</b>	<b>\$ 0</b>	<b>\$ 61,396</b>	<b>\$ 23,087</b>	<b>\$ 0</b>

(Continued)

Exhibit L-6

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

	Special Revenue Funds				
	General Purpose School	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	\$ 132,800	\$ 0	\$ 0	\$ 0	\$ 0
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	164,827	0	0	0	0
<u>State Education Funds</u>					
Basic Education Program	145,586,904	0	0	10,055,000	0
Early Childhood Education	1,833,517	0	0	0	0
School Food Service	0	0	142,484	0	0
Energy Efficient School Initiative	7,360	0	0	0	0
Other State Education Funds	90,422	563,130	0	0	0
Career Ladder Program	435,037	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	128,430	0	0	0	0
Total State of Tennessee	\$ 148,379,297	\$ 563,130	\$ 142,484	\$ 10,055,000	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 7,714,536	\$ 0	\$ 0
USDA - Commodities	0	0	1,331,112	0	0
Breakfast	0	0	3,264,573	0	0
Vocational Education - Basic Grants to States	0	453,893	0	0	0
Title I Grants to Local Education Agencies	0	8,124,735	0	0	0
Special Education - Grants to States	155,954	5,742,760	0	0	0
Special Education Preschool Grants	0	118,747	0	0	0
English Language Acquisition Grants	0	51,471	0	0	0

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Extended School Program
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Safe and Drug-free Schools - State Grants	\$ 0	\$ 920,165	\$ 0	\$ 0	\$ 0
Education for Homeless Children and Youth	0	42,113	0	0	0
Eisenhower Professional Development State Grants	0	867,041	0	0	0
Other Federal through State	0	0	0	117,000	0
<u>Direct Federal Revenue</u>					
Public Law 874 - Maintenance and Operation	2,620,900	0	0	0	0
ROTC Reimbursement	602,212	0	0	0	0
Other Direct Federal Revenue	0	2,123,238	0	0	0
<b>Total Federal Government</b>	<b>\$ 3,379,066</b>	<b>\$ 18,444,163</b>	<b>\$ 12,310,221</b>	<b>\$ 117,000</b>	<b>\$ 0</b>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 435,000	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	31,007	0	0	0	0
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 466,007</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total</b>	<b>\$ 237,250,208</b>	<b>\$ 19,007,293</b>	<b>\$ 17,311,873</b>	<b>\$ 12,310,588</b>	<b>\$ 142,845</b>

(Continued)



Exhibit L-6

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

	Capital Projects Fund	Education Capital Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 29,561,785	
Trustee's Collections - Prior Year	0	959,690	
Trustee's Collections - Bankruptcy	0	71,788	
Circuit Clerk/Clerk and Master Collections - Prior Years	0	415,578	
Interest and Penalty	0	333,350	
Payments in-Lieu-of Taxes - Local Utilities	0	753,508	
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	48,114,273	
Wheel Tax	0	4,426,845	
Business Tax	0	791,563	
Mixed Drink Tax	0	407,941	
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	158,197	
Interstate Telecommunications Tax	0	14,352	
Total Local Taxes	<u>\$ 0</u>	<u>\$ 86,008,870</u>	
<u>Charges for Current Services</u>			
<u>Fees</u>			
Archives and Records Management Fee	\$ 0	\$ 7,462	
<u>Education Charges</u>			
Tuition - Regular Day Students	0	54,292	
Tuition - Summer School	0	134,395	
Tuition - Out-of-state Systems	0	7,350	
Tuition - Other	0	8,450	

(Continued)

Exhibit L-6

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

	Capital Projects Fund	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Education Charges (Cont.)</u>			
Lunch Payments - Children	\$ 0	\$ 3,163,802	
Lunch Payments - Adults	0	160,652	
Income from Breakfast	0	165,654	
A la Carte Sales	0	1,256,171	
School Based Health Services - FFS	0	133,583	
TBI Criminal Background Fee	0	36,880	
Other Charges for Services	0	83,683	
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 5,212,374</u>	
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 13,358	
Lease/Rentals	0	167,213	
Sale of Materials and Supplies	0	48,605	
Sale of Recycled Materials	0	8,048	
E-Rate Funding	0	16,116	
Miscellaneous Refunds	0	57,687	
<u>Nonrecurring Items</u>			
Sale of Equipment	0	509,467	
Sale of Property	0	20,480	
Damages Recovered from Individuals	0	36,977	
Contributions and Gifts	0	67,244	
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 945,195</u>	

(Continued)

Exhibit L-6

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

	Capital Projects Fund		Education Capital Projects	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 0	\$		132,800
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants			0	164,827
<u>State Education Funds</u>				
Basic Education Program			0	155,641,904
Early Childhood Education			0	1,833,517
School Food Service			0	142,484
Energy Efficient School Initiative			0	7,360
Other State Education Funds			0	653,552
Career Ladder Program			0	435,037
<u>Other State Revenues</u>				
Income Tax			0	128,430
Total State of Tennessee	\$		0	\$ 159,139,911
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$		0	\$ 7,714,536
USDA - Commodities			0	1,331,112
Breakfast			0	3,264,573
Vocational Education - Basic Grants to States			0	453,893
Title I Grants to Local Education Agencies			0	8,124,735
Special Education - Grants to States			0	5,898,714
Special Education Preschool Grants			0	118,747
English Language Acquisition Grants			0	51,471

(Continued)

Exhibit L-6

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

	Capital Projects Fund	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
Safe and Drug-free Schools - State Grants	\$ 0	\$	920,165
Education for Homeless Children and Youth	0		42,113
Eisenhower Professional Development State Grants	0		867,041
Other Federal through State	0		117,000
<u>Direct Federal Revenue</u>			
Public Law 874 - Maintenance and Operation	0		2,620,900
ROTC Reimbursement	0		602,212
Other Direct Federal Revenue	0		2,123,238
Total Federal Government	<u>\$ 0</u>	<u>\$</u>	<u>34,250,450</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 1,817,089	\$	2,252,089
Contracted Services	0		31,007
Total Other Governments and Citizens Groups	<u>\$ 1,817,089</u>	<u>\$</u>	<u>2,283,096</u>
Total	<u>\$ 1,817,089</u>	<u>\$</u>	<u>287,839,896</u>

Exhibit L-7

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

General Fund

General Government

County Commission

Secretary(ies)	\$	47,538	
Board and Committee Members Fees		119,150	
Social Security		10,177	
Pensions		6,574	
Life Insurance		53	
Medical Insurance		11,608	
Employer Medicare		2,380	
Audit Services		122,199	
Legal Notices, Recording, and Court Costs		2,735	
Travel		14,092	
Tuition		3,010	
Other Contracted Services		7,210	
Office Supplies		255	
Other Supplies and Materials		140	
Total County Commission			\$ 347,121

Board of Equalization

Board and Committee Members Fees	\$	1,150	
Social Security		71	
Employer Medicare		17	
Total Board of Equalization			1,238

Beer Board

Board and Committee Members Fees	\$	1,875	
Social Security		116	
Employer Medicare		27	
Total Beer Board			2,018

Other Boards and Committees

Board and Committee Members Fees	\$	2,700	
Social Security		167	
Employer Medicare		39	
Total Other Boards and Committees			2,906

County Mayor/Executive

County Official/Administrative Officer	\$	151,740	
Supervisor/Director		95,270	
Secretary(ies)		60,781	
Clerical Personnel		31,938	
Social Security		18,533	
Pensions		46,985	
Life Insurance		211	
Medical Insurance		37,116	
Employer Medicare		4,770	
Advertising		250	
Communication		2,896	
Dues and Memberships		1,300	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Licenses	\$	13	
Maintenance and Repair Services - Vehicles		563	
Postal Charges		594	
Rentals		4,427	
Travel		5,097	
Tuition		1,625	
Other Contracted Services		9,990	
Custodial Supplies		71	
Food Supplies		1,114	
Gasoline		2,375	
Library Books/Media		336	
Office Supplies		1,435	
Periodicals		446	
Other Supplies and Materials		228	
Communication Equipment		300	
Total County Mayor/Executive			\$ 480,404

Personnel Office

Supervisor/Director	\$	89,607	
Accountants/Bookkeepers		56,479	
Clerical Personnel		85,462	
Overtime Pay		134	
Social Security		13,287	
Pensions		32,042	
Life Insurance		238	
Medical Insurance		57,925	
Employer Medicare		3,107	
Communication		1,320	
Dues and Memberships		602	
Evaluation and Testing		11,884	
Postal Charges		761	
Rentals		2,692	
Travel		905	
Tuition		2,432	
Other Contracted Services		18,814	
Data Processing Supplies		751	
Duplicating Supplies		170	
Instructional Supplies and Materials		248	
Office Supplies		993	
Office Equipment		2,642	
Total Personnel Office			382,495

County Attorney

Legal Services	\$	64,938	
Total County Attorney			64,938

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

Supervisor/Director	\$	91,545	
Clerical Personnel		147,587	
Temporary Personnel		34,182	
Overtime Pay		27,057	
Election Commission		10,670	
Election Workers		165,100	
Social Security		20,847	
Pensions		33,572	
Life Insurance		257	
Medical Insurance		41,055	
Employer Medicare		5,077	
Communication		1,165	
Legal Notices, Recording, and Court Costs		12,122	
Maintenance and Repair Services - Office Equipment		21,412	
Postal Charges		14,000	
Printing, Stationery, and Forms		7,887	
Rentals		5,254	
Travel		4,270	
Tuition		2,400	
Other Contracted Services		24,230	
Office Supplies		4,737	
Other Supplies and Materials		4,199	
Communication Equipment		1,492	
Data Processing Equipment		12,491	
Voting Machines		5,800	
Other Capital Outlay		1,735	
Total Election Commission			\$ 700,143

Register of Deeds

County Official/Administrative Officer	\$	95,362	
Deputy(ies)		187,828	
Social Security		16,924	
Pensions		35,315	
Life Insurance		306	
Medical Insurance		41,060	
Employer Medicare		3,958	
Communication		340	
Data Processing Services		46,159	
Postal Charges		446	
Rentals		2,999	
Other Contracted Services		2,118	
Data Processing Supplies		1,180	
Duplicating Supplies		444	
Other Supplies and Materials		1,040	
Furniture and Fixtures		2,144	
Total Register of Deeds			437,623

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Contributions	\$ 328,008	
Total Planning		\$ 328,008

Building

Assistant(s)	\$ 44,479	
Supervisor/Director	86,590	
Other Salaries and Wages	49,340	
Social Security	10,602	
Pensions	20,726	
Life Insurance	150	
Medical Insurance	38,223	
Employer Medicare	2,479	
Communication	1,206	
Dues and Memberships	754	
Licenses	1,606	
Maintenance and Repair Services - Vehicles	787	
Postal Charges	33	
Printing, Stationery, and Forms	122	
Rentals	2,050	
Travel	1,156	
Tuition	505	
Other Contracted Services	2,500	
Gasoline	924	
Office Supplies	622	
Other Supplies and Materials	158	
Communication Equipment	200	
Data Processing Equipment	1,249	
Furniture and Fixtures	2,415	
Motor Vehicles	31,060	
Total Building		299,936

Codes Compliance

Assistant(s)	\$ 313,980
Supervisor/Director	81,363
Clerical Personnel	92,508
Social Security	28,239
Pensions	64,625
Life Insurance	572
Medical Insurance	117,037
Employer Medicare	6,604
Communication	8,104
Contracts with Private Agencies	3,300
Dues and Memberships	2,100
Legal Notices, Recording, and Court Costs	1,312
Maintenance and Repair Services - Office Equipment	989
Maintenance and Repair Services - Vehicles	3,603
Postal Charges	943

(Continued)



Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Rentals	\$	6,818	
Travel		822	
Tuition		2,559	
Permits		3,460	
Other Contracted Services		634	
Data Processing Supplies		90	
Gasoline		10,187	
Library Books/Media		1,016	
Office Supplies		1,257	
Uniforms		823	
Other Supplies and Materials		1,034	
Furniture and Fixtures		300	
Motor Vehicles		40,656	
Total Codes Compliance			\$ 794,935

Geographical Information Systems

Contracts with Government Agencies	\$	122,558	
Total Geographical Information Systems			122,558

County Buildings

Supervisor/Director	\$	48,029	
Maintenance Personnel		126,056	
Overtime Pay		2,642	
Social Security		10,212	
Pensions		24,305	
Life Insurance		255	
Medical Insurance		47,184	
Employer Medicare		2,388	
Communication		754	
Maintenance and Repair Services - Buildings		12,910	
Maintenance and Repair Services - Equipment		8,896	
Maintenance and Repair Services - Vehicles		1,027	
Pest Control		600	
Rentals		3,552	
Other Contracted Services		1,798	
Custodial Supplies		12,259	
Data Processing Supplies		197	
Diesel Fuel		200	
Drugs and Medical Supplies		541	
Electricity		59,166	
Equipment Parts - Light		856	
Gasoline		633	
Natural Gas		126	
Office Supplies		17	
Tires and Tubes		629	
Water and Sewer		3,369	
Other Supplies and Materials		6,622	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Building Improvements	\$	4,950	
Maintenance Equipment		1,316	
Total County Buildings			\$ 381,489

Other Facilities

Assistant(s)	\$	34,181
Supervisor/Director		130,586
Secretary(ies)		46,753
Custodial Personnel		301,988
Maintenance Personnel		402,774
Part-time Personnel		10,741
Overtime Pay		4,817
Social Security		54,296
Pensions		124,795
Life Insurance		1,379
Medical Insurance		211,499
Unemployment Compensation		4,204
Employer Medicare		12,698
Communication		12,983
Licenses		378
Maintenance Agreements		68,625
Maintenance and Repair Services - Buildings		44,770
Maintenance and Repair Services - Equipment		80,275
Maintenance and Repair Services - Vehicles		2,693
Pest Control		4,628
Rentals		2,123
Travel		103
Tuition		418
Disposal Fees		5,310
Other Contracted Services		30,864
Custodial Supplies		36,905
Electricity		498,840
Food Supplies		1,231
Gasoline		11,428
Natural Gas		79,924
Office Supplies		911
Propane Gas		3,151
Salt		557
Small Tools		3,092
Uniforms		5,006
Water and Sewer		59,799
Other Supplies and Materials		67,635
Building and Contents Insurance		2,271
Building Improvements		31,038
Furniture and Fixtures		885
Maintenance Equipment		5,610
Motor Vehicles		32,476

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Other Equipment	\$	11,221	
Other Capital Outlay		13,200	
Total Other Facilities			\$ 2,459,061

Other General Administration

Supervisor/Director	\$	48,961	
Social Security		2,911	
Pensions		6,478	
Life Insurance		44	
Medical Insurance		10,822	
Employer Medicare		681	
Communication		798	
Contracts with Other Public Agencies		707,621	
Legal Services		20,000	
Travel		536	
Tuition		880	
Other Contracted Services		10,085	
Other Supplies and Materials		906	
Judgments		350,000	
Total Other General Administration			1,160,723

Preservation of Records

Supervisor/Director	\$	55,641	
Clerical Personnel		63,947	
Board and Committee Members Fees		375	
Social Security		7,206	
Pensions		13,146	
Life Insurance		167	
Medical Insurance		7,894	
Employer Medicare		1,685	
Communication		265	
Data Processing Services		13,000	
Dues and Memberships		253	
Maintenance and Repair Services - Office Equipment		1,900	
Rentals		4,195	
Travel		2,886	
Other Contracted Services		531	
Duplicating Supplies		155	
Library Books/Media		2,110	
Office Supplies		3,726	
Other Supplies and Materials		164	
Furniture and Fixtures		1,979	
Other Equipment		1,411	
Total Preservation of Records			182,636

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	95,270	
Accountants/Bookkeepers		284,531	
Clerical Personnel		36,551	
Part-time Personnel		11,884	
Social Security		25,927	
Pensions		59,241	
Life Insurance		396	
Medical Insurance		73,988	
Employer Medicare		6,064	
Communication		3,570	
Data Processing Services		7,520	
Dues and Memberships		799	
Postal Charges		4,943	
Rentals		828	
Travel		1,226	
Tuition		1,340	
Other Contracted Services		4,000	
Data Processing Supplies		3,106	
Duplicating Supplies		389	
Food Supplies		9	
Library Books/Media		317	
Office Supplies		1,289	
Periodicals		244	
Other Supplies and Materials		1,380	
Other Charges		71	
Total Accounting and Budgeting			\$ 624,883

Purchasing

County Official/Administrative Officer	\$	83,374
Purchasing Personnel		47,210
Clerical Personnel		37,278
Other Salaries and Wages		29,444
Social Security		11,628
Pensions		27,288
Life Insurance		211
Medical Insurance		36,479
Employer Medicare		2,720
Communication		848
Dues and Memberships		652
Maintenance and Repair Services - Equipment		8,424
Maintenance and Repair Services - Vehicles		68
Postal Charges		257
Rentals		7,057
Travel		581
Other Contracted Services		32
Custodial Supplies		110
Data Processing Supplies		391

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Duplicating Supplies	\$	2,033	
Food Supplies		139	
Gasoline		1,131	
Office Supplies		2,036	
Periodicals		244	
Tires and Tubes		495	
Other Supplies and Materials		4,613	
Total Purchasing			\$ 304,743

Property Assessor's Office

County Official/Administrative Officer	\$	95,362	
Deputy(ies)		643,051	
Temporary Personnel		2,496	
Overtime Pay		1,539	
Social Security		43,987	
Pensions		92,571	
Life Insurance		902	
Medical Insurance		124,996	
Employer Medicare		10,287	
Audit Services		41,310	
Communication		3,300	
Data Processing Services		45,691	
Dues and Memberships		4,058	
Operating Lease Payments		9,011	
Legal Notices, Recording, and Court Costs		178	
Maintenance and Repair Services - Vehicles		1,026	
Postal Charges		3,729	
Printing, Stationery, and Forms		10,064	
Rentals		444	
Travel		12,431	
Tuition		6,070	
Other Contracted Services		693	
Data Processing Supplies		430	
Duplicating Supplies		404	
Food Supplies		1,195	
Gasoline		2,663	
Library Books/Media		107	
Office Supplies		1,699	
Other Supplies and Materials		1,719	
Communication Equipment		300	
Data Processing Equipment		1,453	
Total Property Assessor's Office			1,163,166

County Trustee's Office

County Official/Administrative Officer	\$	95,362	
Supervisor/Director		65,246	
Deputy(ies)		165,514	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Accountants/Bookkeepers	\$	51,056	
Overtime Pay		3,497	
Board and Committee Members Fees		675	
Social Security		22,027	
Pensions		48,803	
Life Insurance		449	
Medical Insurance		81,068	
Unemployment Compensation		1,687	
Employer Medicare		5,151	
Bank Charges		34,843	
Communication		2,444	
Data Processing Services		29,861	
Dues and Memberships		809	
Legal Notices, Recording, and Court Costs		3,358	
Postal Charges		32,312	
Printing, Stationery, and Forms		389	
Rentals		5,882	
Travel		1,955	
Other Contracted Services		140	
Food Supplies		150	
Office Supplies		3,938	
Periodicals		136	
Premiums on Corporate Surety Bonds		6,775	
Communication Equipment		1,042	
Other Capital Outlay		2,527	
Total County Trustee's Office			\$ 667,096

County Clerk's Office

County Official/Administrative Officer	\$	95,362
Supervisor/Director		67,432
Deputy(ies)		1,134,706
Part-time Personnel		47,061
Overtime Pay		3,650
Social Security		76,036
Pensions		179,654
Life Insurance		1,905
Medical Insurance		355,613
Employer Medicare		17,934
Communication		3,163
Maintenance and Repair Services - Equipment		18,839
Postal Charges		55,042
Printing, Stationery, and Forms		455
Rentals		9,088
Travel		1,369
Other Contracted Services		2,692
Data Processing Supplies		17,098
Duplicating Supplies		4,194

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Food Supplies	\$	524	
Office Supplies		8,178	
Other Supplies and Materials		1,000	
Premiums on Corporate Surety Bonds		400	
Total County Clerk's Office			\$ 2,101,395

Data Processing

Supervisor/Director	\$	95,270	
Computer Programmer(s)		409,195	
Data Processing Personnel		287,745	
Secretary(ies)		41,911	
Social Security		49,533	
Pensions		115,359	
Life Insurance		686	
Medical Insurance		119,538	
Employer Medicare		11,585	
Communication		80,465	
Data Processing Services		655,313	
Dues and Memberships		195	
Freight Expenses		132	
Licenses		318,404	
Maintenance and Repair Services - Vehicles		827	
Postal Charges		157	
Rentals		444	
Travel		4,623	
Tuition		8,350	
Other Contracted Services		20,524	
Custodial Supplies		116	
Data Processing Supplies		5,872	
Food Supplies		141	
Gasoline		1,538	
Instructional Supplies and Materials		243	
Office Supplies		237	
Other Supplies and Materials		1,236	
Communication Equipment		7,841	
Data Processing Equipment		278,671	
Total Data Processing			2,516,151

Other Finance

Legal Notices, Recording, and Court Costs	\$	25,122	
Postal Charges		19,029	
Total Other Finance			44,151

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	95,362	
Assistant(s)		130,491	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Supervisor/Director	\$	194,519	
Deputy(ies)		1,367,284	
Accountants/Bookkeepers		84,456	
Overtime Pay		28,023	
Jury and Witness Expense		48,574	
Social Security		109,462	
Pensions		248,161	
Life Insurance		2,803	
Medical Insurance		474,314	
Unemployment Compensation		7,846	
Employer Medicare		25,600	
Communication		4,732	
Data Processing Services		39,875	
Dues and Memberships		899	
Legal Notices, Recording, and Court Costs		1,468	
Postal Charges		22,218	
Printing, Stationery, and Forms		12,015	
Rentals		7,683	
Travel		1,006	
Other Contracted Services		6,165	
Custodial Supplies		251	
Data Processing Supplies		4,804	
Duplicating Supplies		4,366	
Food Supplies		1,455	
Library Books/Media		1,790	
Office Supplies		6,444	
Premiums on Corporate Surety Bonds		1	
Communication Equipment		7,763	
Data Processing Equipment		21,378	
Furniture and Fixtures		6,272	
Total Circuit Court			\$ 2,967,480

General Sessions Court

Judge(s)	\$	484,041	
Secretary(ies)		46,752	
Social Security		24,627	
Pensions		73,409	
Life Insurance		185	
Medical Insurance		53,306	
Employer Medicare		7,458	
Total General Sessions Court			689,778

Drug Court

Probation Officer(s)	\$	46,800	
Social Security		2,888	
Pensions		2,617	
Life Insurance		51	

(Continued)



Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Employer Medicare	\$	675	
Communication		574	
Dues and Memberships		200	
Travel		2,216	
Other Contracted Services		10,811	
Office Supplies		462	
Other Supplies and Materials		2,705	
Total Drug Court			\$ 69,999

Chancery Court

County Official/Administrative Officer	\$	95,362	
Deputy(ies)		287,930	
Social Security		22,263	
Pensions		45,137	
Life Insurance		436	
Medical Insurance		65,552	
Employer Medicare		5,207	
Communication		526	
Dues and Memberships		859	
Legal Notices, Recording, and Court Costs		341	
Maintenance and Repair Services - Office Equipment		480	
Postal Charges		3,437	
Printing, Stationery, and Forms		875	
Rentals		5,500	
Other Contracted Services		20,258	
Data Processing Supplies		3,204	
Duplicating Supplies		334	
Library Books/Media		1,690	
Office Supplies		4,237	
Premiums on Corporate Surety Bonds		119	
Data Processing Equipment		2,421	
Total Chancery Court			566,168

Juvenile Court

Judge(s)	\$	161,347	
Supervisor/Director		79,742	
Probation Officer(s)		125,728	
Youth Service Officer(s)		283,960	
Clerical Personnel		69,794	
Social Security		40,591	
Pensions		92,943	
Life Insurance		708	
Medical Insurance		80,837	
Employer Medicare		10,092	
Communication		4,308	
Contributions		56,404	
Dues and Memberships		4,456	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Operating Lease Payments	\$	4,004	
Postal Charges		408	
Travel		15,148	
Tuition		864	
Other Contracted Services		218,184	
Library Books/Media		3,846	
Office Supplies		12,536	
Other Supplies and Materials		4,832	
Data Processing Equipment		4,932	
Furniture and Fixtures		10,366	
Other Capital Outlay		31,927	
Total Juvenile Court			\$ 1,317,957

District Attorney General

Communication	\$	166	
Dues and Memberships		673	
Legal Notices, Recording, and Court Costs		232	
Travel		37,370	
Other Contracted Services		349	
Custodial Supplies		1,453	
Duplicating Supplies		375	
Food Supplies		1,307	
Library Books/Media		3,389	
Office Supplies		1,099	
Other Supplies and Materials		1,153	
Total District Attorney General			47,566

Office of Public Defender

Travel	\$	4,865	
Other Contracted Services		1,818	
Other Supplies and Materials		160	
Data Processing Equipment		120	
Total Office of Public Defender			6,963

Judicial Commissioners

Part-time Personnel	\$	47,219	
Overtime Pay		8,062	
Other Salaries and Wages		113,598	
Social Security		10,176	
Pensions		16,637	
Life Insurance		185	
Medical Insurance		8,880	
Employer Medicare		2,380	
Communication		982	
Rentals		2,314	
Other Contracted Services		843	
Office Supplies		333	
Total Judicial Commissioners			211,609

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Supervisor/Director	\$	65,989	
Social Security		4,000	
Pensions		9,126	
Life Insurance		53	
Medical Insurance		5,920	
Employer Medicare		936	
Communication		810	
Contracts with Private Agencies		447,082	
Dues and Memberships		720	
Postal Charges		437	
Instructional Supplies and Materials		5,717	
Office Supplies		42	
Other Supplies and Materials		323	
Total Other Administration of Justice			\$ 541,155

Probation Services

Assistant(s)	\$	21,523	
Supervisor/Director		79,353	
Probation Officer(s)		215,970	
Clerical Personnel		27,774	
Overtime Pay		201	
Other Salaries and Wages		207,723	
Social Security		32,355	
Pensions		70,895	
Life Insurance		708	
Medical Insurance		100,655	
Employer Medicare		7,567	
Communication		1,073	
Dues and Memberships		400	
Evaluation and Testing		41,412	
Licenses		810	
Postal Charges		699	
Printing, Stationery, and Forms		624	
Rentals		1,501	
Travel		1,504	
Tuition		1,556	
Other Contracted Services		17,838	
Duplicating Supplies		1,918	
Instructional Supplies and Materials		8,142	
Office Supplies		2,289	
Other Supplies and Materials		3,175	
Total Probation Services			847,665

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	105,674	
Assistant(s)		132,753	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Deputy(ies)	\$	3,210,007
Investigator(s)		784,208
Captain(s)		151,756
Lieutenant(s)		344,919
Sergeant(s)		694,865
Secretary(ies)		39,480
Clerical Personnel		449,873
Part-time Personnel		46,059
Overtime Pay		260,021
In-service Training		56,400
Social Security		366,587
Pensions		854,579
Life Insurance		6,981
Medical Insurance		1,229,519
Employer Medicare		86,343
Communication		90,968
Contracts with Government Agencies		2,680
Contracts with Private Agencies		30,000
Data Processing Services		6,627
Dues and Memberships		4,504
Evaluation and Testing		2,780
Freight Expenses		72
Legal Services		36,007
Licenses		868
Maintenance Agreements		4,154
Maintenance and Repair Services - Equipment		8,453
Maintenance and Repair Services - Vehicles		103,640
Pest Control		240
Postal Charges		5,359
Printing, Stationery, and Forms		5,209
Rentals		11,580
Towing Services		2,115
Transportation - Other than Students		8,378
Travel		37,532
Tuition		39,113
Veterinary Services		1,796
Other Contracted Services		10,311
Animal Food and Supplies		1,398
Custodial Supplies		1,157
Data Processing Supplies		2,242
Diesel Fuel		183
Drugs and Medical Supplies		1,242
Duplicating Supplies		2,138
Electricity		6,160
Food Supplies		1,932
Gasoline		188,875
Law Enforcement Supplies		50,404

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Library Books/Media	\$	465	
Natural Gas		1,164	
Office Supplies		5,307	
Periodicals		174	
Tires and Tubes		37,872	
Uniforms		64,875	
Vehicle Parts		3,181	
Water and Sewer		195	
Other Supplies and Materials		3,662	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		9,679	
Communication Equipment		3,836	
Data Processing Equipment		39,294	
Law Enforcement Equipment		18,381	
Motor Vehicles		658,511	
Other Capital Outlay		57,821	
Total Sheriff's Department			\$ 10,392,755

Special Patrols

Deputy(ies)	\$	1,258,241	
Lieutenant(s)		70,083	
Sergeant(s)		215,029	
Social Security		91,456	
Pensions		201,402	
Life Insurance		1,602	
Medical Insurance		234,548	
Employer Medicare		21,389	
Communication		1,746	
Evaluation and Testing		357	
Maintenance and Repair Services - Equipment		770	
Maintenance and Repair Services - Vehicles		14,632	
Travel		13,990	
Tuition		15,288	
Other Contracted Services		228	
Gasoline		25,495	
Law Enforcement Supplies		5,607	
Tires and Tubes		6,570	
Uniforms		26,593	
Vehicle Parts		485	
Other Supplies and Materials		5,607	
Communication Equipment		727	
Law Enforcement Equipment		1,759	
Total Special Patrols			2,213,604

Administration of the Sexual Offender Registry

Overtime Pay	\$	7,790	
Communication		1,113	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry (Cont.)

Travel	\$	2,229	
Tuition		930	
Other Supplies and Materials		226	
Other Capital Outlay		2,168	
Total Administration of the Sexual Offender Registry			\$ 14,456

Jail

Assistant(s)	\$	80,523
Supervisor/Director		56,130
Deputy(ies)		4,333,881
Lieutenant(s)		173,147
Sergeant(s)		518,098
Clerical Personnel		655,783
Maintenance Personnel		169,579
Overtime Pay		475,000
Board and Committee Members Fees		1,125
Social Security		380,240
Pensions		801,257
Life Insurance		8,265
Medical Insurance		1,060,303
Unemployment Compensation		4,400
Employer Medicare		89,098
Communication		7,866
Evaluation and Testing		20,105
Laundry Service		4,223
Operating Lease Payments		600
Licenses		2,210
Maintenance Agreements		93,640
Maintenance and Repair Services - Buildings		42,557
Maintenance and Repair Services - Equipment		44,348
Maintenance and Repair Services - Vehicles		2,277
Medical and Dental Services		2,401,649
Pest Control		3,948
Printing, Stationery, and Forms		2,435
Rentals		6,786
Travel		3,025
Tuition		4,675
Disposal Fees		8,536
Other Contracted Services		562,622
Custodial Supplies		31,995
Data Processing Supplies		5,792
Duplicating Supplies		2,960
Electricity		354,084
Equipment and Machinery Parts		5,319
Food Preparation Supplies		296
Gasoline		17,148
Law Enforcement Supplies		23,324

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Library Books/Media	\$	671	
Natural Gas		48,565	
Office Supplies		2,473	
Prisoners Clothing		18,746	
Tires and Tubes		1,348	
Uniforms		34,874	
Water and Sewer		230,984	
Other Supplies and Materials		84,424	
Building and Contents Insurance		145,234	
Indirect Cost		1,736	
Liability Insurance		121,639	
Communication Equipment		4,262	
Law Enforcement Equipment		4,234	
Other Equipment		4,855	
Other Capital Outlay		15,721	
Total Jail			\$ 13,179,015

Workhouse

County Official/Administrative Officer	\$	7,500
Deputy(ies)		762,238
Lieutenant(s)		34,355
Sergeant(s)		55,530
Overtime Pay		35,923
Social Security		51,434
Pensions		121,786
Life Insurance		1,048
Medical Insurance		176,979
Employer Medicare		12,029
Communication		3,068
Evaluation and Testing		1,000
Laundry Service		2,011
Maintenance Agreements		5,612
Maintenance and Repair Services - Buildings		32,899
Maintenance and Repair Services - Equipment		3,361
Maintenance and Repair Services - Vehicles		727
Medical and Dental Services		393,341
Pest Control		552
Rentals		2,217
Other Contracted Services		69,995
Custodial Supplies		9,696
Diesel Fuel		2,718
Electricity		30,147
Equipment and Machinery Parts		324
Gasoline		1,444
Law Enforcement Supplies		2,495
Natural Gas		7,395
Prisoners Clothing		4,912

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Tires and Tubes	\$	607	
Uniforms		4,274	
Water and Sewer		33,029	
Other Supplies and Materials		11,976	
Building and Contents Insurance		12,149	
Liability Insurance		9,215	
Communication Equipment		1,091	
Law Enforcement Equipment		818	
Total Workhouse			\$ 1,905,895

Correctional Incentive Program Improvements

Supervisor/Director	\$	57,369	
Probation Officer(s)		199,924	
Secretary(ies)		15,514	
Social Security		16,197	
Pensions		34,305	
Life Insurance		431	
Medical Insurance		35,654	
Employer Medicare		3,788	
Accounting Services		12,000	
Communication		4,857	
Maintenance and Repair Services - Buildings		359	
Maintenance and Repair Services - Vehicles		572	
Postal Charges		211	
Printing, Stationery, and Forms		694	
Rentals		35,854	
Travel		9,648	
Other Contracted Services		25,502	
Custodial Supplies		418	
Duplicating Supplies		296	
Electricity		1,145	
Food Supplies		262	
Gasoline		1,469	
Office Supplies		2,681	
Periodicals		257	
Other Supplies and Materials		6,403	
Liability Insurance		1,090	
Vehicle and Equipment Insurance		1,362	
Furniture and Fixtures		200	
Total Correctional Incentive Program Improvements			468,462

Juvenile Services

Supervisor/Director	\$	56,975	
Probation Officer(s)		40,600	
Medical Personnel		68,094	
Social Security		9,288	
Pensions		20,508	

(Continued)



Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Life Insurance	\$	194	
Medical Insurance		34,214	
Employer Medicare		2,172	
Communication		1,398	
Data Processing Services		6,500	
Dues and Memberships		650	
Travel		3,568	
Other Contracted Services		2,150	
Food Supplies		135	
Riprap		2,903	
Office Supplies		145	
Other Supplies and Materials		8,714	
Workers' Compensation Insurance		450	
Data Processing Equipment		1,023	
Total Juvenile Services			\$ 259,681

Fire Prevention and Control

Board and Committee Members Fees	\$	5,925	
Social Security		367	
Employer Medicare		86	
Communication		21,111	
Contributions		1,000	
Licenses		832	
Maintenance and Repair Services - Equipment		10,206	
Maintenance and Repair Services - Vehicles		14,397	
Medical and Dental Services		71	
Postal Charges		74	
Travel		1,206	
Other Contracted Services		15,881	
Diesel Fuel		12,659	
Equipment and Machinery Parts		3,941	
Food Supplies		226	
Gasoline		3,381	
Instructional Supplies and Materials		148	
Uniforms		392	
Utilities		25,252	
Chemicals		932	
Other Supplies and Materials		6,436	
Liability Insurance		6,877	
Data Processing Equipment		1,235	
Other Equipment		23,074	
Total Fire Prevention and Control			155,709

Civil Defense

Assistant(s)	\$	56,503	
Supervisor/Director		84,106	
Secretary(ies)		55,642	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Other Salaries and Wages	\$	74,556	
Social Security		16,077	
Pensions		37,452	
Life Insurance		238	
Medical Insurance		39,639	
Employer Medicare		3,760	
Communication		3,735	
Contracts with Private Agencies		1,176	
Maintenance and Repair Services - Vehicles		679	
Rentals		79,764	
Travel		537	
Other Contracted Services		2,680	
Gasoline		5,109	
Utilities		44,693	
Other Supplies and Materials		2,016	
Furniture and Fixtures		1,500	
Motor Vehicles		34,568	
Other Equipment		2,670	
Total Civil Defense			\$ 547,100

Other Emergency Management

Travel	\$	6,375	
Other Contracted Services		5,849	
Communication Equipment		16,718	
Other Equipment		20,052	
Total Other Emergency Management			48,994

County Coroner/Medical Examiner

Medical and Dental Services	\$	229,720	
Other Contracted Services		14,040	
Total County Coroner/Medical Examiner			243,760

Public Health and Welfare

Local Health Center

Medical Personnel	\$	50,694	
Temporary Personnel		9,240	
Social Security		3,552	
Pensions		7,011	
Life Insurance		53	
Medical Insurance		11,608	
Employer Medicare		831	
Advertising		62,819	
Communication		9,752	
Dues and Memberships		200	
Laundry Service		344	
Licenses		175	
Rentals		1,735	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Travel	\$	6,183	
Other Contracted Services		52,127	
Electricity		65,060	
Instructional Supplies and Materials		1,507	
Natural Gas		15,888	
Office Supplies		99	
Water and Sewer		4,089	
Other Supplies and Materials		14,974	
Total Local Health Center			\$ 317,941

Rabies and Animal Control

Supervisor/Director	\$	67,592	
Clerical Personnel		37,997	
Custodial Personnel		23,422	
Part-time Personnel		81,949	
Overtime Pay		17,947	
Other Salaries and Wages		210,247	
Board and Committee Members Fees		2,550	
Social Security		26,447	
Pensions		39,798	
Life Insurance		493	
Medical Insurance		53,948	
Employer Medicare		6,185	
Communication		8,428	
Maintenance and Repair Services - Buildings		150	
Maintenance and Repair Services - Vehicles		4,609	
Printing, Stationery, and Forms		624	
Travel		9,948	
Tuition		4,185	
Veterinary Services		45,051	
Other Contracted Services		12,536	
Animal Food and Supplies		9,581	
Custodial Supplies		6,130	
Drugs and Medical Supplies		30,640	
Electricity		23,801	
Gasoline		13,641	
Natural Gas		5,318	
Office Supplies		1,431	
Uniforms		3,225	
Water and Sewer		6,396	
Other Supplies and Materials		4,410	
Other Capital Outlay		34,695	
Total Rabies and Animal Control			793,374

Ambulance/Emergency Medical Services

Assistant(s)	\$	153,136	
Supervisor/Director		95,270	

(Continued)

## Exhibit L-7

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.)

Captain(s)	\$	286,776
Lieutenant(s)		498,391
Accountants/Bookkeepers		150,595
Medical Personnel		4,629,847
Part-time Personnel		85,752
Overtime Pay		47,451
Board and Committee Members Fees		3,600
Social Security		345,993
Pensions		763,428
Life Insurance		6,256
Medical Insurance		1,123,812
Employer Medicare		81,095
Communication		36,650
Contracts with Private Agencies		273,376
Contributions		34,841
Data Processing Services		16,990
Debt Collection Services		45,211
Dues and Memberships		960
Janitorial Services		4,462
Laundry Service		4,840
Licenses		8,680
Maintenance and Repair Services - Buildings		6,414
Maintenance and Repair Services - Equipment		48,694
Maintenance and Repair Services - Vehicles		111,547
Medical and Dental Services		7,416
Pest Control		2,100
Postal Charges		1,394
Printing, Stationery, and Forms		846
Rentals		5,655
Travel		5,501
Tuition		18,232
Disposal Fees		4,570
Other Contracted Services		15,040
Custodial Supplies		6,365
Data Processing Supplies		121
Diesel Fuel		101,024
Drugs and Medical Supplies		470,484
Duplicating Supplies		710
Electricity		61,162
Food Supplies		781
Gasoline		51,090
Instructional Supplies and Materials		10,282
Natural Gas		10,970
Office Supplies		1,172
Propane Gas		3,411
Tires and Tubes		24,000
Uniforms		47,615

(Continued)

Exhibit L-7

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.)

Vehicle Parts	\$	12,679	
Water and Sewer		9,685	
Other Supplies and Materials		7,669	
Indirect Cost		19,257	
Furniture and Fixtures		5,566	
Heating and Air Conditioning Equipment		5,337	
Health Equipment		124,373	
Other Equipment		13,794	
Total Ambulance/Emergency Medical Services			\$ 9,912,368

Other Local Health Services

Social Workers	\$	362,115	
Medical Personnel		524,352	
Clerical Personnel		624,733	
Educational Assistants		28,168	
Part-time Personnel		42,073	
Social Security		91,620	
Pensions		203,195	
Life Insurance		2,372	
Medical Insurance		355,417	
Employer Medicare		21,428	
Communication		6,425	
Janitorial Services		12,424	
Pest Control		300	
Travel		12,909	
Electricity		15,040	
Natural Gas		3,972	
Water and Sewer		937	
Other Supplies and Materials		1,133	
Liability Insurance		22,357	
Total Other Local Health Services			2,330,970

Appropriation to State

Contributions	\$	209,349	
Total Appropriation to State			209,349

Other Local Welfare Services

Pauper Burials	\$	11,500	
Other Contracted Services		100	
Total Other Local Welfare Services			11,600

Other Public Health and Welfare

Medical and Dental Services	\$	1,400	
Total Other Public Health and Welfare			1,400

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 2,002,996	
Total Libraries		\$ 2,002,996

Parks and Fair Boards

Assistant(s)	\$ 78,959	
Supervisor/Director	69,930	
Clerical Personnel	25,516	
Maintenance Personnel	205,226	
Part-time Personnel	23,038	
Social Security	23,477	
Pensions	45,682	
Life Insurance	550	
Medical Insurance	99,298	
Unemployment Compensation	1,047	
Employer Medicare	5,490	
Communication	8,112	
Dues and Memberships	971	
Maintenance and Repair Services - Vehicles	5,723	
Postal Charges	5	
Rentals	444	
Travel	8,857	
Tuition	2,615	
Disposal Fees	3,458	
Other Contracted Services	12,903	
Custodial Supplies	5,667	
Electricity	73,565	
Fertilizer, Lime, and Seed	42,422	
Gasoline	16,110	
Office Supplies	335	
Sand	13,208	
Uniforms	1,000	
Water and Sewer	21,634	
Gravel and Chert	4,672	
Top Soil	7,028	
Fencing	1,483	
Other Supplies and Materials	49,412	
Communication Equipment	320	
Maintenance Equipment	13,296	
Other Equipment	3,410	
Other Construction	99,985	
Other Capital Outlay	4,250	
Total Parks and Fair Boards		979,098

Other Social, Cultural, and Recreational

Licenses	\$ 328	
Maintenance and Repair Services - Vehicles	22	
Postal Charges	26	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Gasoline	\$	4,184	
Office Supplies		161	
Vehicle and Equipment Insurance		1,362	
Data Processing Equipment		620	
Total Other Social, Cultural, and Recreational			\$ 6,703

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	7,928	
Board and Committee Members Fees		1,725	
Social Security		589	
Pensions		696	
Life Insurance		4	
Medical Insurance		1,737	
Employer Medicare		138	
Communication		1,106	
Contributions		241,810	
Maintenance and Repair Services - Vehicles		67	
Rentals		3,477	
Travel		4,000	
Other Contracted Services		18,000	
Gasoline		1,316	
Office Supplies		1,990	
Building Improvements		4,331	
Furniture and Fixtures		651	
Motor Vehicles		30,883	
Total Agricultural Extension Service			320,448

Forest Service

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

Soil Conservation

Secretary(ies)	\$	29,931	
Social Security		1,856	
Pensions		1,953	
Life Insurance		48	
Employer Medicare		434	
Other Contracted Services		1,036	
Other Supplies and Materials		569	
Total Soil Conservation			35,827

Other Operations

Tourism

Contracts with Government Agencies	\$	367,995	
Contracts with Other Public Agencies		1,103,984	
Total Tourism			1,471,979

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

Contributions	\$ 1,140,404	
Other Contracted Services	796,375	
Total Industrial Development		\$ 1,936,779

Airport

Contributions	\$ 275,000	
Total Airport		275,000

Veterans' Services

Assistant(s)	\$ 197,113	
Supervisor/Director	69,093	
Secretary(ies)	63,920	
Board and Committee Members Fees	1,500	
Social Security	19,230	
Pensions	43,373	
Life Insurance	444	
Medical Insurance	75,176	
Employer Medicare	4,497	
Communication	1,296	
Postal Charges	1,424	
Printing, Stationery, and Forms	358	
Rentals	2,712	
Travel	3,514	
Other Contracted Services	3,796	
Food Supplies	535	
Library Books/Media	509	
Other Supplies and Materials	3,137	
Furniture and Fixtures	1,600	
Total Veterans' Services		493,227

Other Charges

Contributions	\$ 66,613	
Building and Contents Insurance	386,512	
Liability Insurance	19,213	
Trustee's Commission	1,033,797	
Workers' Compensation Insurance	654,440	
Liability Claims	339	
Total Other Charges		2,160,914

Contributions to Other Agencies

Contracts with Other Public Agencies	\$ 72,567	
Contributions	282,635	
Dues and Memberships	36,058	
Total Contributions to Other Agencies		391,260

Employee Benefits

Handling Charges and Administrative Costs	\$ 7,885	
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(Continued)



Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

Medical Insurance	\$	193,430	
Disability Insurance		183,492	
Other Fringe Benefits		22,406	
Total Employee Benefits			\$ 407,213

Miscellaneous

Advertising	\$	1,250	
Travel		681	
Other Contracted Services		8,010	
Office Supplies		34	
Other Supplies and Materials		1,461	
Total Miscellaneous			11,436

Highways

Litter and Trash Collection

Deputy(ies)	\$	88,241	
Social Security		5,200	
Pensions		12,204	
Life Insurance		104	
Medical Insurance		13,420	
Unemployment Compensation		48	
Employer Medicare		1,216	
Other Supplies and Materials		17,600	
Total Litter and Trash Collection			138,033

Total General Fund \$ 76,475,503

Drug Control Fund

Public Safety

Sheriff's Department

Contributions	\$	1,000	
Dues and Memberships		200	
Veterinary Services		5,079	
Animal Food and Supplies		1,931	
Law Enforcement Supplies		5,178	
Other Supplies and Materials		1,264	
Trustee's Commission		185	
Law Enforcement Equipment		3,243	
Other Capital Outlay		30,475	
Total Sheriff's Department			\$ 48,555

Total Drug Control Fund 48,555

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	14,949	
Total Chancery Court			\$ 14,949

Total Constitutional Officers - Fees Fund 14,949

(Continued)

Exhibit L-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	104,898	
Assistant(s)		79,372	
Accountants/Bookkeepers		44,488	
Secretary(ies)		37,018	
Clerical Personnel		36,756	
Overtime Pay		478	
Board and Committee Members Fees		3,600	
Social Security		18,214	
Pensions		41,907	
Life Insurance		264	
Medical Insurance		52,353	
Employer Medicare		4,260	
Dues and Memberships		5,155	
Legal Services		4,200	
Printing, Stationery, and Forms		928	
Rentals		3,504	
Other Contracted Services		4,283	
Drugs and Medical Supplies		1,660	
Office Supplies		2,191	
Other Supplies and Materials		1,559	
Total Administration			\$ 447,088

Highway and Bridge Maintenance

Foremen	\$	522,951	
Mechanic(s)		107,587	
Equipment Operators - Heavy		486,786	
Equipment Operators - Light		183,966	
Truck Drivers		466,184	
Laborers		95,949	
Temporary Personnel		39,407	
Overtime Pay		41,598	
Social Security		112,543	
Pensions		255,805	
Life Insurance		2,502	
Medical Insurance		405,728	
Employer Medicare		26,737	
Rentals		2,877	
Other Contracted Services		40,774	
Asphalt - Hot Mix		1,171,039	
Asphalt - Liquid		40,551	
Concrete		7,682	
Crushed Stone		46,441	
Fertilizer, Lime, and Seed		1,510	
Pipe - Metal		24,282	
Salt		71,415	
Sand		156	
Structural Steel		460	
Other Supplies and Materials		4,918	
Total Highway and Bridge Maintenance			4,159,848

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	63,070	
Mechanic(s)		197,105	
Truck Drivers		13,696	
Clerical Personnel		34,480	
Overtime Pay		5,965	
Social Security		17,868	
Pensions		43,267	
Life Insurance		400	
Medical Insurance		98,118	
Employer Medicare		4,179	
Operating Lease Payments		880	
Maintenance and Repair Services - Equipment		9,251	
Maintenance and Repair Services - Vehicles		52,615	
Other Contracted Services		3,434	
Diesel Fuel		97,373	
Equipment and Machinery Parts		227,752	
Garage Supplies		3,563	
Gasoline		79,340	
Lubricants		19,954	
Small Tools		8,879	
Tires and Tubes		52,619	
Vehicle Parts		86,225	
Other Supplies and Materials		25,925	
Total Operation and Maintenance of Equipment			\$ 1,145,958

Traffic Control

Foremen	\$	65,247	
Equipment Operators - Heavy		41,532	
Laborers		60,509	
Overtime Pay		903	
Social Security		9,941	
Pensions		23,261	
Life Insurance		222	
Medical Insurance		31,237	
Employer Medicare		2,325	
Operating Lease Payments		395	
Other Contracted Services		44,343	
Electricity		31,689	
Road Signs		59,260	
Small Tools		532	
Other Supplies and Materials		89,448	
Total Traffic Control			460,844

Other Charges

Communication	\$	8,017	
Licenses		1,385	
Other Contracted Services		183	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Electricity	\$	22,914	
Natural Gas		1,958	
Water and Sewer		4,053	
Building and Contents Insurance		183,195	
Indirect Cost		14,360	
Trustee's Commission		121,405	
Workers' Compensation Insurance		132,671	
Total Other Charges			\$ 490,141

Employee Benefits

Medical Insurance	\$	25,317	
Total Employee Benefits			25,317

Capital Outlay

Bridge Construction	\$	12,231	
Communication Equipment		60	
Data Processing Equipment		395	
Highway Construction		382,308	
Highway Equipment		236,215	
Motor Vehicles		262,552	
State Aid Projects		949,566	
Other Equipment		71,893	
Total Capital Outlay			<u>1,915,220</u>

Total Highway/Public Works Fund \$ 8,644,416

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	9,656,205	
Principal on Notes		20,000	
Total General Government			\$ 9,676,205

Education

Principal on Bonds	\$	15,418,795	
Principal on Capital Leases		111,083	
Principal on Other Loans		1,611,566	
Total Education			17,141,444

Interest on Debt

General Government

Interest on Bonds	\$	3,346,768	
Interest on Notes		1,200	
Total General Government			3,347,968

Education

Interest on Bonds	\$	8,237,699	
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(Continued)

Exhibit L-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education (Cont.)

Interest on Capital Leases	\$	617	
Interest on Other Loans		328,250	
Total Education			\$ 8,566,566

Other Debt Service

General Government

Trustee's Commission	\$	201,924	
Underwriter's Discount		60,825	
Other Debt Issuance Charges		68,764	
Other Debt Service		4,662	
Total General Government			336,175

Education

Trustee's Commission	\$	519,232	
Other Debt Service		26,201	
Total Education			545,433

Total General Debt Service Fund \$ 39,613,791

General Capital Projects Fund

Other Debt Service

General Government

Underwriter's Discount	\$	125,767	
Other Debt Issuance Charges		76,217	
Total General Government			\$ 201,984

Capital Projects

General Administration Projects

Architects	\$	51,284	
Contracts with Private Agencies		3,000	
Other Contracted Services		106	
Trustee's Commission		47,148	
Building Improvements		1,178,537	
Communication Equipment		49,805	
Data Processing Equipment		261,528	
Heating and Air Conditioning Equipment		70,367	
Other Equipment		61,564	
Other Construction		1,050	
Other Capital Outlay		5,130,770	
Total General Administration Projects			6,855,159

Public Safety Projects

Architects	\$	16,296	
Building Construction		5,285	
Building Improvements		121,755	
Communication Equipment		6,568	
Motor Vehicles		66,267	

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Safety Projects (Cont.)

Other Construction	\$ 768,913	
Other Capital Outlay	29,799	
Total Public Safety Projects		\$ 1,014,883

Public Health and Welfare Projects

Architects	\$ 187,556	
Building Construction	1,380,417	
Building Improvements	725,795	
Data Processing Equipment	15,310	
Furniture and Fixtures	109,471	
Motor Vehicles	858,317	
Health Equipment	1,919	
Other Equipment	56,154	
Other Capital Outlay	22,731	
Total Public Health and Welfare Projects		3,357,670

Social, Cultural, and Recreation Projects

Architects	\$ 71,222	
Building Construction	96,544	
Land	234,971	
Site Development	508,194	
Other Construction	1,335,101	
Other Capital Outlay	1,068	
Total Social, Cultural, and Recreation Projects		2,247,100

Other General Government Projects

Airport Improvement	\$ 35,000	
Other Capital Outlay	250,000	
Total Other General Government Projects		285,000

Highway and Street Capital Projects

Engineering Services	\$ 38,703	
Highway Construction	464,221	
Right-of-Way	368,819	
Total Highway and Street Capital Projects		871,743

Education Capital Projects

Contributions	\$ 1,817,089	
Total Education Capital Projects		1,817,089

Total General Capital Projects Fund \$ 16,650,628

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 435,000	
Total Education Capital Projects		\$ 435,000

Total Education Capital Projects Fund 435,000

Total Governmental Funds - Primary Government \$ 141,882,842

Exhibit L-8

Montgomery County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Clarksville-Montgomery County School System  
For the Year Ended June 30, 2017

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 81,202,766	
Career Ladder Program	220,593	
Homebound Teachers	128,695	
Salary Supplements	1,400	
Educational Assistants	1,303,533	
Certified Substitute Teachers	620,744	
Non-certified Substitute Teachers	784,852	
Social Security	4,992,841	
Pensions	7,546,144	
Life Insurance	95,700	
Medical Insurance	13,706,895	
Employer Medicare	1,171,039	
Maintenance and Repair Services - Equipment	12,600	
Travel	12,793	
Tuition	257,887	
Other Contracted Services	209,659	
Basic Skills Materials	37,784	
Instructional Supplies and Materials	1,234,354	
Textbooks - Bound	864,863	
Fee Waivers	460,150	
Regular Instruction Equipment	30,602	
Total Regular Instruction Program		\$ 114,895,894

Alternative Instruction Program

Teachers	\$ 745,071	
Career Ladder Program	3,000	
Educational Assistants	15,725	
Certified Substitute Teachers	2,203	
Non-certified Substitute Teachers	4,797	
Social Security	45,247	
Pensions	69,690	
Life Insurance	782	
Medical Insurance	139,440	
Employer Medicare	10,582	
Rentals	2,476	
Other Contracted Services	525,000	
Instructional Supplies and Materials	2,997	
Total Alternative Instruction Program		1,567,010

Special Education Program

Teachers	\$ 13,583,033
Career Ladder Program	49,255
Homebound Teachers	161,112
Educational Assistants	2,932,312
Temporary Personnel	282,538
Speech Pathologist	1,649,348

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Overtime Pay	\$	53	
Certified Substitute Teachers		152,080	
Non-certified Substitute Teachers		152,910	
Social Security		1,114,909	
Pensions		1,775,573	
Life Insurance		23,426	
Medical Insurance		3,233,662	
Employer Medicare		261,755	
Other Contracted Services		25,055	
Instructional Supplies and Materials		13,217	
Special Education Equipment		15,166	
Total Special Education Program			\$ 25,425,404

Career and Technical Education Program

Teachers	\$	3,496,225	
Career Ladder Program		6,000	
Salary Supplements		33,806	
Certified Substitute Teachers		25,135	
Non-certified Substitute Teachers		45,346	
Social Security		214,425	
Pensions		319,509	
Life Insurance		3,878	
Medical Insurance		584,625	
Employer Medicare		50,245	
Maintenance and Repair Services - Equipment		998	
Travel		123	
Instructional Supplies and Materials		164,896	
T&I Construction Materials		80,333	
Vocational Instruction Equipment		383,212	
Total Career and Technical Education Program			5,408,756

Support Services

Attendance

Supervisor/Director	\$	177,046	
Career Ladder Program		5,000	
Pupil Personnel		406,140	
Secretary(ies)		31,994	
Social Security		36,637	
Pensions		57,309	
Life Insurance		564	
Medical Insurance		88,364	
Employer Medicare		8,568	
Travel		5,246	
Office Supplies		4,239	
Other Supplies and Materials		4,793	
In Service/Staff Development		7,859	
Total Attendance			833,759

(Continued)



Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	1,039,021	
Temporary Personnel		48,583	
Overtime Pay		193	
Social Security		63,994	
Pensions		119,018	
Life Insurance		1,370	
Medical Insurance		176,304	
Employer Medicare		14,966	
Other Contracted Services		990	
Other Supplies and Materials		26,946	
Health Equipment		322	
Total Health Services			\$ 1,491,707

Other Student Support

Career Ladder Program	\$	16,000	
Guidance Personnel		3,737,420	
Social Workers		242,367	
Salary Supplements		1,422,960	
Clerical Personnel		265,198	
Educational Assistants		152,496	
Overtime Pay		119	
Other Salaries and Wages		15,462	
Social Security		348,282	
Pensions		525,354	
Life Insurance		5,201	
Medical Insurance		770,220	
Employer Medicare		81,571	
Evaluation and Testing		180,872	
Other Contracted Services		13,983	
Instructional Supplies and Materials		962	
Other Charges		856	
Total Other Student Support			7,779,323

Regular Instruction Program

Supervisor/Director	\$	1,596,978	
Career Ladder Program		32,421	
Librarians		2,500,605	
Instructional Computer Personnel		2,018,781	
Salary Supplements		355,500	
Secretary(ies)		160,996	
Clerical Personnel		36,234	
Educational Assistants		763,032	
Other Salaries and Wages		976,732	
In-service Training		13,242	
Social Security		502,769	
Pensions		866,425	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Life Insurance	\$	7,593	
Medical Insurance		1,219,136	
Employer Medicare		117,777	
Dues and Memberships		37,132	
Travel		9,852	
Other Contracted Services		79,537	
Gasoline		166	
Library Books/Media		348,357	
Office Supplies		11,245	
Periodicals		38,000	
Other Supplies and Materials		578,902	
In Service/Staff Development		214,465	
Other Charges		19,505	
Regular Instruction Equipment		482	
Total Regular Instruction Program			\$ 12,505,864

Alternative Instruction Program

Clerical Personnel	\$	18,591	
Social Security		1,151	
Pensions		1,620	
Life Insurance		29	
Employer Medicare		269	
Total Alternative Instruction Program			21,660

Special Education Program

Supervisor/Director	\$	97,008	
Career Ladder Program		7,750	
Psychological Personnel		964,750	
Secretary(ies)		57,132	
Clerical Personnel		49,993	
Other Salaries and Wages		1,046,411	
Social Security		133,220	
Pensions		209,447	
Life Insurance		1,911	
Medical Insurance		271,468	
Employer Medicare		31,156	
Bank Charges		1,151	
Dues and Memberships		1,480	
Travel		25,391	
Other Contracted Services		114,127	
Office Supplies		5,577	
Other Supplies and Materials		78,847	
In Service/Staff Development		13,095	
Total Special Education Program			3,109,914

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Supervisor/Director	\$	74,648	
Secretary(ies)		17,474	
Social Security		5,534	
Pensions		9,165	
Life Insurance		77	
Medical Insurance		11,608	
Employer Medicare		1,294	
Office Supplies		557	
In Service/Staff Development		1,547	
Total Career and Technical Education Program			\$ 121,904

Technology

Supervisor/Director	\$	408,835	
Computer Programmer(s)		353,994	
Salary Supplements		6,039	
Secretary(ies)		37,779	
Temporary Personnel		28,166	
Overtime Pay		879	
Other Salaries and Wages		128,501	
Social Security		57,352	
Pensions		125,762	
Life Insurance		733	
Medical Insurance		109,136	
Employer Medicare		13,543	
Dues and Memberships		215	
Operating Lease Payments		3,841,692	
Internet Connectivity		404,260	
Travel		40,770	
Other Contracted Services		572,628	
Data Processing Supplies		627,660	
Food Supplies		77	
Office Supplies		321	
Cabling		434,619	
Software		1,266,920	
Other Supplies and Materials		73,000	
In Service/Staff Development		32,327	
Data Processing Equipment		324,778	
Other Equipment		984,485	
Total Technology			9,874,471

Adult Programs

Supervisor/Director	\$	80,983
Career Ladder Program		1,000
Guidance Personnel		28,804
Other Salaries and Wages		59,696
Social Security		10,521

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Pensions	\$	12,812	
Life Insurance		117	
Employer Medicare		2,461	
Total Adult Programs			\$ 196,394

Other Programs

On-behalf Payments to OPEB	\$	132,800	
Total Other Programs			132,800

Board of Education

Secretary to Board	\$	22,474	
Board and Committee Members Fees		47,650	
Social Security		3,624	
Pensions		3,108	
Life Insurance		18	
Medical Insurance		5,804	
Disability Insurance		508,874	
Unemployment Compensation		29,882	
Employer Medicare		984	
Other Fringe Benefits		543,973	
Audit Services		76,750	
Dues and Memberships		30,024	
Legal Services		73,496	
Other Contracted Services		16,602	
Liability Insurance		221,889	
Premiums on Corporate Surety Bonds		2,998	
Trustee's Commission		1,174,282	
Workers' Compensation Insurance		185,696	
Liability Claims		194,111	
Other Self-insured Claims		75,155	
In Service/Staff Development		13,158	
Criminal Investigation of Applicants - TBI		49,932	
Other Charges		34,802	
Total Board of Education			3,315,286

Director of Schools

County Official/Administrative Officer	\$	191,091	
Education Media Personnel		113,436	
Secretary(ies)		22,474	
Clerical Personnel		182,072	
Other Salaries and Wages		181,706	
Social Security		37,338	
Pensions		79,976	
Life Insurance		468	
Medical Insurance		118,903	
Employer Medicare		9,533	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Advertising	\$	520	
Dues and Memberships		11,008	
Postal Charges		39,853	
Travel		688	
Other Contracted Services		61,655	
Duplicating Supplies		28,299	
Office Supplies		3,593	
Periodicals		684	
Other Supplies and Materials		6,437	
In Service/Staff Development		12,478	
Other Equipment		22,796	
Total Director of Schools			\$ 1,125,008

Office of the Principal

Principals	\$	3,705,575	
Career Ladder Program		29,848	
Accountants/Bookkeepers		1,648,721	
Assistant Principals		4,732,744	
Clerical Personnel		2,346,515	
Temporary Personnel		6,089	
Overtime Pay		322	
Social Security		736,655	
Pensions		1,301,298	
Life Insurance		11,209	
Medical Insurance		2,383,144	
Employer Medicare		172,336	
Dues and Memberships		9,000	
Other Contracted Services		7,914	
In Service/Staff Development		39,000	
Administration Equipment		6,415	
Total Office of the Principal			17,136,785

Fiscal Services

Supervisor/Director	\$	496,597	
Accountants/Bookkeepers		850,851	
Temporary Personnel		9,805	
Overtime Pay		5,946	
Other Salaries and Wages		533,513	
Social Security		110,614	
Pensions		259,516	
Life Insurance		1,434	
Medical Insurance		318,537	
Employer Medicare		26,038	
Advertising		52	
Bank Charges		4,650	
Dues and Memberships		840	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Laundry Service	\$	2,041	
Travel		548	
Other Contracted Services		40,734	
Food Supplies		212	
Gasoline		7,775	
Office Supplies		32,225	
Other Supplies and Materials		592	
In Service/Staff Development		17,677	
Other Equipment		6,898	
Total Fiscal Services			\$ 2,727,095

Human Services/Personnel

Supervisor/Director	\$	558,841	
Secretary(ies)		620,790	
Overtime Pay		4,911	
Other Salaries and Wages		119,648	
Other Per Diem and Fees		300,026	
Social Security		95,112	
Pensions		192,405	
Life Insurance		890	
Medical Insurance		189,465	
Employer Medicare		22,452	
Advertising		2,284	
Dues and Memberships		3,844	
Travel		16,749	
Other Contracted Services		22,244	
Office Supplies		13,837	
Other Supplies and Materials		27,752	
In Service/Staff Development		16,019	
Administration Equipment		155	
Other Equipment		359,994	
Total Human Services/Personnel			2,567,418

Operation of Plant

Supervisor/Director	\$	299,789	
Salary Supplements		36,250	
Foremen		39,978	
Secretary(ies)		31,588	
Custodial Personnel		4,796,519	
Overtime Pay		8,944	
Social Security		303,176	
Pensions		687,825	
Life Insurance		6,854	
Medical Insurance		1,447,450	
Employer Medicare		70,903	
Evaluation and Testing		7,906	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Laundry Service	\$	49,969	
Licenses		3,541	
Disposal Fees		100,705	
Other Contracted Services		253,480	
Custodial Supplies		388,595	
Electricity		5,830,203	
Fertilizer, Lime, and Seed		35,740	
Fuel Oil		9,184	
Natural Gas		387,798	
Office Supplies		2,780	
Water and Sewer		787,904	
Gravel and Chert		24,397	
Other Supplies and Materials		19,565	
Building and Contents Insurance		437,538	
In Service/Staff Development		3,734	
Furniture and Fixtures		197,950	
Plant Operation Equipment		313,988	
Total Operation of Plant			\$ 16,584,253

Maintenance of Plant

Supervisor/Director	\$	79,217	
Foremen		37,086	
Secretary(ies)		74,755	
Maintenance Personnel		2,291,171	
Overtime Pay		56	
Social Security		145,514	
Pensions		338,714	
Life Insurance		2,233	
Medical Insurance		572,030	
Employer Medicare		34,032	
Communication		595,605	
Dues and Memberships		50	
Laundry Service		10,029	
Maintenance and Repair Services - Equipment		230,001	
Maintenance and Repair Services - Vehicles		4,509	
Rentals		7,398	
Other Contracted Services		906,529	
Gasoline		111,874	
Lubricants		2,299	
Office Supplies		2,993	
Tires and Tubes		13,049	
Vehicle Parts		68,555	
Chemicals		36,147	
Other Supplies and Materials		883,884	
Vehicle and Equipment Insurance		62,150	
In Service/Staff Development		6,465	
Maintenance Equipment		261,336	
Total Maintenance of Plant			6,777,681

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other

Other Contracted Services	\$	112,552	
Data Processing Supplies		18,178	
Other Supplies and Materials		2,000	
Other Equipment		46,986	
Total Central and Other			\$ 179,716

Operation of Non-instructional Services

Early Childhood Education

Teachers	\$	1,055,736	
Educational Assistants		382,312	
Temporary Personnel		12,468	
Other Salaries and Wages		89,241	
Certified Substitute Teachers		13,032	
Non-certified Substitute Teachers		12,036	
Social Security		91,778	
Pensions		157,329	
Life Insurance		2,068	
Medical Insurance		346,861	
Employer Medicare		21,582	
Travel		420	
Instructional Supplies and Materials		2,253	
In Service/Staff Development		1,951	
Total Early Childhood Education			2,189,067

Interest on Debt

Education

Interest on Notes	\$	23,958	
Total Education			23,958

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	812,012	
Total Education			812,012

Total General Purpose School Fund \$ 236,803,139

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,358,931	
Salary Supplements		962,564	
Educational Assistants		498,348	
Other Salaries and Wages		128,026	
Certified Substitute Teachers		31,608	
Non-certified Substitute Teachers		85,574	
Social Security		238,987	

(Continued)



Exhibit L-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Pensions	\$	371,418	
Life Insurance		3,702	
Medical Insurance		566,836	
Employer Medicare		56,443	
Other Contracted Services		11,712	
Instructional Supplies and Materials		416,641	
Regular Instruction Equipment		109,447	
Total Regular Instruction Program			\$ 5,840,237

Special Education Program

Teachers	\$	199,945	
Educational Assistants		1,742,618	
Speech Pathologist		58,552	
Certified Substitute Teachers		10,222	
Non-certified Substitute Teachers		7,475	
Social Security		115,518	
Pensions		253,277	
Life Insurance		3,910	
Medical Insurance		442,598	
Employer Medicare		27,017	
Contracts with Private Agencies		74,994	
Other Contracted Services		125,377	
Instructional Supplies and Materials		21,369	
Other Supplies and Materials		52,926	
Other Charges		3,252	
Special Education Equipment		167,111	
Total Special Education Program			3,306,161

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	495	
Other Contracted Services		3,595	
Instructional Supplies and Materials		10,945	
Other Supplies and Materials		5,711	
Vocational Instruction Equipment		272,939	
Total Career and Technical Education Program			293,685

Support Services

Health Services

Supervisor/Director	\$	50,606	
Social Security		2,922	
Pensions		6,999	
Life Insurance		37	
Medical Insurance		14,373	
Employer Medicare		683	
Travel		186	
Other Supplies and Materials		1,334	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

In Service/Staff Development	\$	452	
Other Charges		2,400	
Health Equipment		75,648	
Total Health Services			\$ 155,640

Other Student Support

Guidance Personnel	\$	51,792	
Social Workers		30,888	
Bus Drivers		1,610	
Clerical Personnel		19,768	
Other Salaries and Wages		167,682	
Social Security		13,035	
Pensions		24,004	
Life Insurance		337	
Medical Insurance		80,372	
Employer Medicare		3,594	
Communication		597	
Travel		43,587	
Other Contracted Services		26,300	
Other Supplies and Materials		64,484	
In Service/Staff Development		42,490	
Other Charges		45,758	
Other Equipment		24,169	
Total Other Student Support			640,467

Regular Instruction Program

Supervisor/Director	\$	210,267	
Salary Supplements		24,200	
Secretary(ies)		17,474	
Temporary Personnel		3,075	
Other Salaries and Wages		2,680,077	
Social Security		175,354	
Pensions		269,820	
Life Insurance		2,568	
Medical Insurance		412,972	
Employer Medicare		41,127	
Communication		597	
Consultants		6,982	
Contributions		145,414	
Postal Charges		75	
Travel		5,659	
Other Contracted Services		340,390	
Library Books/Media		11,902	
Periodicals		857	
Other Supplies and Materials		16,528	
In Service/Staff Development		114,980	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Charges	\$ 2,050	
Other Equipment	128,712	
Total Regular Instruction Program		\$ 4,611,080

Special Education Program

Psychological Personnel	\$ 263,462	
Secretary(ies)	42,474	
Other Salaries and Wages	689,549	
Social Security	59,985	
Pensions	93,139	
Life Insurance	750	
Medical Insurance	107,784	
Employer Medicare	14,029	
Travel	2,058	
Other Supplies and Materials	20,690	
In Service/Staff Development	7,603	
Total Special Education Program		1,301,523

Career and Technical Education Program

Travel	\$ 372	
In Service/Staff Development	4,264	
Total Career and Technical Education Program		4,636

Transportation

Bus Drivers	\$ 90,829	
Social Security	5,431	
Pensions	11,854	
Employer Medicare	1,270	
Other Contracted Services	1,174	
Gasoline	2,445	
Other Charges	2,887	
Total Transportation		115,890

Operation of Non-instructional Services

Community Services

Other Salaries and Wages	\$ 964,939	
Social Security	59,356	
Pensions	91,742	
Employer Medicare	13,881	
Instructional Supplies and Materials	2,303	
In Service/Staff Development	903	
Other Charges	15,151	
Total Community Services		1,148,275

Total School Federal Projects Fund \$ 17,417,594

(Continued)

Exhibit L-8

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

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	107,136	
Salary Supplements		12,650	
Truck Drivers		59,672	
Secretary(ies)		126,733	
Cafeteria Personnel		3,731,817	
Custodial Personnel		219,753	
Overtime Pay		22,642	
Other Salaries and Wages		553,357	
Social Security		279,533	
Pensions		647,721	
Life Insurance		8,373	
Medical Insurance		1,243,632	
Employer Medicare		65,375	
Bank Charges		965	
Communication		4,130	
Dues and Memberships		9,841	
Laundry Service		59,339	
Licenses		3,040	
Travel		10,099	
Other Contracted Services		396,438	
Equipment and Machinery Parts		133,165	
Food Supplies		6,754,964	
Gasoline		10,206	
Lubricants		29	
Office Supplies		29,268	
Tires and Tubes		392	
Uniforms		8,420	
Utilities		266,000	
Vehicle Parts		2,825	
USDA - Commodities		1,331,112	
Other Supplies and Materials		500,955	
Workers' Compensation Insurance		1,658	
In Service/Staff Development		25,109	
Administration Equipment		3,571	
Food Service Equipment		87,259	
Total Food Service		<u>87,259</u>	\$ <u>16,717,179</u>

Total Central Cafeteria Fund \$ 16,717,179

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	<u>42,248</u>	\$ 42,248
Total Board of Education			

(Continued)

Exhibit L-8

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	218,875	
Salary Supplements		19,745	
Mechanic(s)		660,634	
Bus Drivers		4,586,782	
Dispatchers/Radio Operators		132,122	
Secretary(ies)		159,144	
Temporary Personnel		122,441	
Overtime Pay		25,514	
Other Salaries and Wages		1,141,832	
Social Security		411,752	
Pensions		938,575	
Life Insurance		13,387	
Medical Insurance		1,746,669	
Employer Medicare		96,867	
Communication		38,000	
Dues and Memberships		1,000	
Laundry Service		4,882	
Licenses		2,585	
Maintenance and Repair Services - Equipment		13,555	
Maintenance and Repair Services - Vehicles		2,761	
Medical and Dental Services		51,234	
Transportation - Other than Students		152,106	
Other Contracted Services		49,343	
Food Supplies		1,090	
Garage Supplies		7,222	
Gasoline		695,900	
Lubricants		27,157	
Office Supplies		15,138	
Tires and Tubes		117,341	
Vehicle Parts		393,315	
Software		650	
Other Supplies and Materials		18,275	
Vehicle and Equipment Insurance		115,350	
In Service/Staff Development		15,924	
Communication Equipment		9,128	
Transportation Equipment		3,012,936	
Total Transportation			<u>\$ 15,019,231</u>

Total School Transportation Fund

\$ 15,061,479

Extended School Program Fund

Instruction

Regular Instruction Program

Teachers	\$	79,150
Educational Assistants		742
Social Security		4,953

(Continued)

Exhibit L-8

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

Extended School Program Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Pensions	\$	7,227	
Employer Medicare		1,158	
Other Contracted Services		18,726	
Total Regular Instruction Program			\$ 111,956

Support Services

Board of Education

Trustee's Commission	\$	458	
Total Board of Education			458

Office of the Principal

Assistant Principals	\$	5,700	
Social Security		353	
Pensions		515	
Employer Medicare		83	
Total Office of the Principal			<u>6,651</u>

Total Extended School Program Fund \$ 119,065

Education Capital Projects Fund

Support Services

Transportation

Transportation Equipment	\$	945,083	
Total Transportation			\$ 945,083

Capital Projects

Education Capital Projects

Architects	\$	98,693	
Contributions		194,007	
Engineering Services		3,850	
Building Construction		3,701	
Building Improvements		2,616,341	
Site Development		321,807	
Total Education Capital Projects			<u>3,238,399</u>

Total Education Capital Projects Fund 4,183,482

Total Governmental Funds - Clarksville-Montgomery County School System \$ 290,301,938

## Exhibit L-9

Montgomery County, Tennessee  
Schedule of Detailed Revenues and Expenses  
All Proprietary Funds  
For the Year Ended June 30, 2017

	<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	\$ 47,022,386	\$ 787,561	\$ 52,211	\$ 47,862,158
Other Employee Benefit Charges	3,254,542	0	0	3,254,542
Other Charges for Services	76,992	0	0	76,992
Retirees' Insurance Payments	1,463,715	0	0	1,463,715
Total Operating Revenues	<u>\$ 51,817,635</u>	<u>\$ 787,561</u>	<u>\$ 52,211</u>	<u>\$ 52,657,407</u>
<u>Nonoperating Revenues</u>				
Investment Income	\$ 92,204	\$ 0	\$ 0	\$ 92,204
Miscellaneous Refunds	2,978,855	1,257	0	2,980,112
Insurance Recovery	0	1,000	0	1,000
Total Nonoperating Revenues	<u>\$ 3,071,059</u>	<u>\$ 2,257</u>	<u>\$ 0</u>	<u>\$ 3,073,316</u>
Total Revenues	<u>\$ 54,888,694</u>	<u>\$ 789,818</u>	<u>\$ 52,211</u>	<u>\$ 55,730,723</u>
<u>Expenses</u>				
<u>Operating Expenses</u>				
<u>Other Facilities</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 4,204	\$ 4,204
Total Other Facilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,204</u>	<u>\$ 4,204</u>
<u>Risk Management</u>				
Supervisor/Director	\$ 0	\$ 58,690	\$ 0	\$ 58,690
Clerical Personnel	0	45,867	0	45,867
Social Security	0	5,879	0	5,879
State Retirement	0	14,460	0	14,460
Life Insurance	0	132	0	132
Medical Insurance	0	32,418	0	32,418
Employer Medicare	0	1,375	0	1,375
Communication	0	398	0	398
Contracts with Private Agencies	0	99,352	0	99,352
Dues and Memberships	0	480	0	480
Legal Services	0	420	0	420
Medical and Dental Services	0	366,098	0	366,098
Postal Charges	0	86	0	86
Travel	0	5,511	0	5,511
Tuition	0	2,515	0	2,515
Data Processing Supplies	0	180	0	180
Drug and Medical Supplies	0	15,774	0	15,774
Instructional Supplies and Materials	0	552	0	552
Office Supplies	0	17	0	17
Other Supplies and Materials	0	1,867	0	1,867
Total Risk Management	<u>\$ 0</u>	<u>\$ 652,071</u>	<u>\$ 0</u>	<u>\$ 652,071</u>

(Continued)

Exhibit L-9

Montgomery County, Tennessee  
Schedule of Detailed Revenues and Expenses  
All Proprietary Funds (Cont.)

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Expenses (Cont.)</u>				
County Trustee's Office				
Unemployment Compensation	\$ 0	\$ 0	\$ 1,687	\$ 1,687
Total Probation Services	\$ 0	\$ 0	\$ 1,687	\$ 1,687
Circuit Court				
Unemployment Compensation	\$ 0	\$ 0	\$ 7,846	\$ 7,846
Total Probation Services	\$ 0	\$ 0	\$ 7,846	\$ 7,846
<u>Jail</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 4,400	\$ 4,400
Total Jail	\$ 0	\$ 0	\$ 4,400	\$ 4,400
<u>Waste Pickup</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 539	\$ 539
Total Waste Pickup	\$ 0	\$ 0	\$ 539	\$ 539
<u>Convenience Centers</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 1,153	\$ 1,153
Total Convenience Centers	\$ 0	\$ 0	\$ 1,153	\$ 1,153
<u>Landfill Operation and Maintenance</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 890	\$ 890
Total Landfill Operation and Maintenance	\$ 0	\$ 0	\$ 890	\$ 890
<u>Parks and Fair Boards</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 1,047	\$ 1,047
Total Parks and Fair Boards	\$ 0	\$ 0	\$ 1,047	\$ 1,047
<u>Other Charges</u>				
Medical Personnel	\$ 697,771	\$ 0	\$ 0	\$ 697,771
Clerical Personnel	141,335	0	0	141,335
Overtime Pay	1,070	0	0	1,070
Other Salaries and Wages	41,472	0	0	41,472
Social Security	52,792	0	0	52,792
State Retirement	86,721	0	0	86,721
Life Insurance	542	0	0	542
Medical Insurance	99,091	0	0	99,091
Employer Medicare	12,346	0	0	12,346
Travel	337	0	0	337
Other Contracted Services	279,612	0	0	279,612

(Continued)



Exhibit L-9

Montgomery County, Tennessee  
Schedule of Detailed Revenues and Expenses  
All Proprietary Funds (Cont.)

	Internal Service Funds			Total
	Self-Insurance	Workers' Compensation	Unemployment Compensation	
<u>Expenses (Cont.)</u>				
<u>Other Charges (Cont.)</u>				
Other Supplies and Materials	\$ 207,963	\$ 0	\$ 0	\$ 207,963
Liability Insurance	19,781	0	0	19,781
Depreciation	991	0	0	991
In-Service/Staff Development	2,337	0	0	2,337
Other Charges	13,680	0	0	13,680
Total Other Charges	\$ 1,657,841	\$ 0	\$ 0	\$ 1,657,841
<u>Employee Benefits</u>				
Life Insurance	\$ 273,511	\$ 0	\$ 0	\$ 273,511
Contracts with Private Agencies	1,953,936	0	0	1,953,936
Medical and Dental Services	2,130,892	0	0	2,130,892
Unemployment Compensation	0	0	563	563
Other Contracted Services	683,968	0	0	683,968
Drugs and Medical Supplies	112,247	0	0	112,247
Other Supplies and Materials	73	0	0	73
Excess Risk Insurance	142,450	0	0	142,450
Medical Claims	51,679,764	0	0	51,679,764
Other Self-insured Claims	4,864	0	0	4,864
Other Charges	465,621	0	0	465,621
Total Employee Benefits	\$ 57,447,326	\$ 0	\$ 563	\$ 57,447,889
<u>Other</u>				
Unemployment Compensation	\$ 0	\$ 0	\$ 29,882	\$ 29,882
Total Other	\$ 0	\$ 0	\$ 29,882	\$ 29,882
Total Expenses	\$ 59,105,167	\$ 652,071	\$ 52,211	\$ 59,809,449

Exhibit L-10

Montgomery County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
<u>Cash Receipts</u>			
Local Option Sales Tax	\$ 17,940,608	\$ 0	\$ 17,940,608
Trustee Collections - Prior Year	0	199,852	199,852
Total Cash Receipts	<u>\$ 17,940,608</u>	<u>\$ 199,852</u>	<u>\$ 18,140,460</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 17,775,830	\$ 195,855	\$ 17,971,685
Trustee's Commission	164,778	3,997	168,775
Total Cash Disbursements	<u>\$ 17,940,608</u>	<u>\$ 199,852</u>	<u>\$ 18,140,460</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 0	\$ 0
Cash Balance, July 1, 2016	0	0	0
Cash Balance, June 30, 2017	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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# SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

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

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, 2017, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements, and have issued our report thereon dated January 24, 2018.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Montgomery County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2017-001.

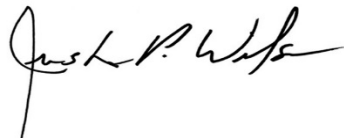
### **Montgomery County's Response to the Finding**

Montgomery County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Montgomery County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

January 24, 2018

JPW/sb



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2017. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2017.

### **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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

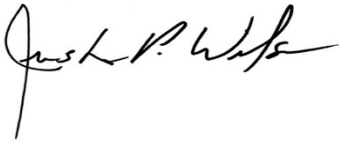
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the 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, 2017, and the related notes to the financial statements, which collectively comprise Montgomery County's basic financial statements. We issued our report thereon dated January 24, 2018, 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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

January 24, 2018

JPW/sb



Montgomery County, Tennessee, and the Montgomery County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2017

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$ 1,331,112
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	(3)	3,264,573
National School Lunch Program	10.555	(3)	<u>7,714,536</u>
Total U.S. Department of Agriculture			<u>\$ 12,310,221</u>
U.S. Department of Defense:			
Direct Program:			
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	\$ 1,133,238
Passed-through the Army Morale Welfare and Recreation Fund:			
Army Youth Programs in Your Neighborhood	12.U01	(3)	<u>1,176,948</u>
Total U.S. Department of Defense			<u>\$ 2,310,186</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Housing and Urban Development:			
Home Investment Partnerships Program	14.239	(3)	<u>\$ 3,000</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 3,000</u>
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 27,978
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention Program	16.540	(3)	11,000
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(3)	32,651
Passed-through State Department of Mental Health and Substance Abuse Services:			
Drug Court Discretionary Grant Program	16.585	(3)	106,095
Passed-through the City of Clarksville:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	25,642
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	(3)	<u>9,000</u>
Total U.S. Department of Justice			<u>\$ 212,366</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(3)	\$ 426,178
State and Community Highway Safety	20.600	(3)	36,352
National Priority Safety Programs	20.616	(3)	<u>32,225</u>
Total U.S. Department of Transportation			<u>\$ 494,755</u>
U.S. Environmental Protection Agency:			
Passed-through East Tennessee Clean Fuels Coalition:			
State Clean Diesel Grant Program	66.040	(3)	<u>\$ 117,000</u>
Total U.S. Environmental Protection Agency			<u>\$ 117,000</u>

(Continued)

Montgomery County, Tennessee, and the Montgomery County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 2,620,900
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	8,125,768
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	5,898,714
Special Education - Preschool Grants	84.173	N/A	118,747
Career and Technical Education - Basic Grants to States	84.048	N/A	459,893
Education for Homeless Children and Youth	84.196	(3)	42,113
Twenty-first Century Community Learning Centers	84.287	(3)	920,165
English Language Acquisition State Grants	84.365	N/A	51,438
Improving Teacher Quality State Grants	84.367	N/A	866,041
Total U.S. Department of Education			<u>\$ 19,103,779</u>
U.S. Election Assistance Commission:			
Passed-through State Department of State:			
Help America Vote Act Requirements Payments	90.401	(3)	\$ 5,510
Total U.S. Election Assistance Commission			<u>\$ 5,510</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 74,350
Homeland Security Grant Program	97.067	(3)	48,619
Total U.S. Department of Homeland Security			<u>\$ 122,969</u>
Total Federal Awards			<u>\$ 34,679,786</u>
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(3)	\$ 1,833,517
Lottery for Education: Afterschool Program - State Department of Education	N/A	(3)	266,003
Forensic Child Interviews - State Department of Children's Services	N/A	(3)	35,000
Veterans Treatment Court Initiative - State Department of Mental Health and Substance Abuse Services			
Abuse Services	N/A	(3)	73,424
Help America Vote - State Department of State, Division of Elections	N/A	(3)	290
Juvenile Justice States Supplemental Funds - State Commission on Children and Youth	N/A	(3)	9,000
Active Built Environment Grant - State Department of Health	N/A	(3)	10,000
Energy Efficient Schools Initiative - State Department of Education	N/A	(3)	7,360
Coordinated School Health - State Department of Education	N/A	(3)	155,000
Safe Schools Act - State Department of Education	N/A	(3)	142,125
Ready to Read - State Department of Education	N/A	(3)	4,652
Connect Tenn - State Department of Education	N/A	(3)	85,770
Child Advocacy Center - State Department of Children's Services	N/A	(3)	52,000
Juvenile Court Prevention - State Department of Children's Services	N/A	(3)	67,727
Litter Program - State Department of Transportation	N/A	(3)	70,600
Rural Local Health Services - State Department of Health	N/A	(3)	2,330,970
Community Correction Grant - State Department of Correction	N/A	(3)	477,621
School to Work Transition Grant - State Department of Human Services	N/A	(3)	164,827
Adult Drug Court - State Department of Mental Health and Substance Abuse Services	N/A	(3)	69,999
Teen Learning Center - State Department of Children's Services	N/A	(3)	447,082
Low Cost Spay and Neuter Procedures - State Department of Health	N/A	(3)	3,750
Total State Grants			<u>\$ 6,306,717</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) Montgomery County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$12,310,221; Special Education Cluster total \$6,017,461.

Montgomery County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2017

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Montgomery County, Tennessee, for the year ended June 30, 2017.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS**

2016	248	2016-001	Tax Anticipation Note was not Retired in Compliance with State Statute	N/A	Corrected
2016	249	2016-002	Material Audit Adjustments were Required for Proper Financial Statement Presentation	N/A	Corrected

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***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.

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**MONTGOMERY COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Montgomery County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Number 12.556 Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools
  - \* CFDA Number 84.010 Title I Grants to Local Educational Agencies
  - \* CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$1,040,394**
9. Auditee qualified as low-risk auditee? **NO**

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. The written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### OFFICE OF TRUSTEE

FINDING 2017-001                    **A CASH SHORTAGE OF \$12,461 EXISTED IN THE OFFICE**  
(Noncompliance Under *Government Auditing Standards*)

On December 22, 2017, a taxpayer visited the Trustee's Office to verify his 2017 property taxes were correctly posted in the office's accounting system as having been paid; however, the property taxes were not reflected as paid. The taxpayer then presented a receipt verifying the payment had been made with cash. When questioned, the deputy clerk who issued the receipt admitted stealing the cash. The trustee then terminated the deputy's employment and contacted the Montgomery County Sheriff's Department. After learning about the theft, the Director of Accounts and Budgets filed a Fraud Reporting Form with the Comptroller's Office on December 28, 2017.

An investigation conducted by auditors from the Division of Local Government Audit and the Montgomery County Sheriff's Department revealed the following:

- A. Between January 25, 2016, and November 17, 2017, the deputy clerk voided nine property tax receipts totaling \$12,461 and stole the cash. To conceal the thefts, the deputy temporarily changed the mailing address for these property tax notices to her personal address, so any delinquent tax notices would be mailed to the deputy instead of the taxpayer. The deputy repaid \$3,749 prior to December 22, 2017, leaving an outstanding cash shortage of \$8,712 on that date. The voided receipts required supervisory approval, but the details giving rise to the voided transactions were not verified by the supervisor.
- B. The software application used by the office generates various audit logs that display transaction changes made by users; however, these audit logs were not periodically reviewed by supervisory personnel.
- C. The trustee did not file a Fraud Reporting Form as required by state statute. Sections 8-4-501 through 8-4-505, *Tennessee Code Annotated*, require a person elected or appointed to any office of a public entity to notify the Comptroller of the Treasury, within a reasonable amount of time under the particular circumstances, but shall not under any circumstances exceed five working days, of any unlawful conduct including theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, involving public money, property, or services.

During the investigation, the trustee liquidated \$5,656 of the cash shortage from her personal funds, leaving an outstanding cash shortage of \$3,056.

### RECOMMENDATION

The trustee should take steps to liquidate the outstanding cash shortage of \$3,056 and ensure adequate controls over the property tax collection process are in place. Software audit logs should be periodically reviewed, and unusual transactions should be investigated immediately to identify and correct discrepancies timely. A Fraud Reporting Form should be filed with the Comptroller of the Treasury for any fraudulent activity as required by state statute.

### MANAGEMENT'S RESPONSE – TRUSTEE

- A. Management concurs including the additional information – After management discovered on the afternoon of Friday, December 22, 2017, a theft had taken place, management immediately terminated the Deputy Trustee's employment, contacted the Montgomery County Sheriff's Department, and called the Comptroller of the Treasury. On December 27, 2017, management changed its Internal Controls and Internal Control Manual to only give the County Trustee or Chief Deputy Trustee permission to perform all VOID(s) of a property tax receipt. When a cash void of a property tax payment is now requested by a Deputy Trustee for a legitimate error in payment, the taxpayer will need to be standing at the Deputy Trustee's work station, and the taxpayer will need to return their "cash paid receipt" to the Deputy Trustee. Management will count the Deputy Trustee's cash drawer to ensure it balances, will perform the VOID procedures, and return the cash to the taxpayer.
- B. Management concurs. Management now reviews its software audit logs daily and investigates any questionable changes requested by the Deputy Trustees.
- C. Management concurs including the additional information – On Friday afternoon, December 22, 2017, a taxpayer visited the County Trustee's Office to verify the cash payment of his 2017 county property taxes was correctly posted in the office's accounting system as having been paid; however, the property tax was reflected as a VOID and not reflected as paid. The taxpayer visited the Trustee's Office, and he presented his 2017 county property tax cash payment receipt. When questioned in a meeting by the County Trustee, the Chief Deputy Trustee, and the taxpayer; the Deputy Trustee who issued the receipt admitted to "stealing the cash to avoid foreclosure of her home." The County Trustee asked the Deputy Trustee, "Were there additional county tax payments that she had stolen the cash payments from?" The Deputy Trustee informed us, "Yes, there may have been only one or two more cash payments she requested a void on and stole those cash payments." I immediately informed her she was terminated from her position as Deputy Trustee. The County Trustee thanked the taxpayer for bringing his 2017 cash paid receipt back to the Trustee's Office. The County Trustee wrote a check out of her personal checking

account for \$975 to cover the missing funds, the payment was processed, and the taxpayer was handed a 2017 cash payment receipt. After the taxpayer left the office, the County Trustee notified the Montgomery County Sheriff's Office to inform them of the theft by the Deputy Trustee. The County Trustee also attempted to notify via telephone an auditor from the Comptroller's Division of Local Government Audit of the theft by the Deputy Trustee. When the County Trustee telephoned the auditor, there was no answer, and the County Trustee did not leave a voicemail message because she wanted to speak to an auditor at the Comptroller's Office. During the holiday week of December 25 - 29, 2017, the County Trustee again telephoned the auditor with no success. Again, the County Trustee did not leave a voicemail message because she wanted to speak with an auditor at the Comptroller's Office. On or about December 29, 2017, an auditor telephoned the Trustee's Office, and the County Trustee promptly returned her phone call. The County Trustee said, I was very happy you called because I made two attempts to telephone and notify the Comptroller of the theft in the Trustee's Office by a Deputy Trustee, and we set up a meeting in the Trustee's Office Boardroom for Wednesday, January 3, 2018. On Friday afternoon, December 22, 2017, the Sheriff's Department took the former Deputy Trustee to the Sheriff's Office for questioning. The Deputy Trustee told detectives that she had two cloth bags under her work station. In the bags she kept back some 2017 county tax notices (with a notice of delinquent taxes) on the bills by manipulating the government documents to send the 2017 delinquent county tax notices to her personal mailing address. Once all the 2017 county property tax notices were mailed out, she changed the mailing addresses back to the property owner's mailing address. The detectives informed the County Trustee that we should find the tampered evidence in her cloth bags. My Chief Deputy Trustee went through both cloth bags twice and found the three 2017 county property tax bills with a delinquent notice(s) as she described. On January 3, 2018, the County Trustee presented to auditors of the Comptroller's Office, a letter documenting the two 2016 county tax payments the Deputy Trustee stole and repaid on November 17, 2017. The three additional 2016 county property taxes totaling \$4,681 found in her cloth bag, she stole the cash but did not repay. The County Trustee paid \$4,681 out of her personal checking account on December 27, 2017, to cover the missing funds. The County Trustee also mailed corrected 2017 property tax notices to the affected taxpayers. When the County Trustee spoke to an auditor on December 29, 2017, the County Trustee informed the auditor that she had already printed an audit log of all cash voids requested by the former Deputy Trustee and informed the auditor that she was reviewing the logs as we were speaking on the telephone. The County Trustee told the auditor she believed there may be approximately two more property tax payments the former Deputy Trustee stole the cash and had not repaid. The auditor told the County Trustee, that when auditors visit the Trustee's Office Boardroom on Tuesday January 3 - 4, 2018, they will also review the former Deputy Trustee's audit log of cash voids requested by the former Deputy Trustee. As the auditors were concluding their work in the Trustee's Office on January 4, 2018, an auditor and the County Trustee concurred to the statements noted-above and concurred there are still two 2017 county property tax payments that the former Deputy Trustee receipted, requested a void, and stole the cash, but

recommended the County Trustee wait to repay the amounts out of the County Trustee's personal bank account for the two 2017 outstanding property taxes until the auditor's work was completed in the Comptroller's Office. After receiving a phone call from the auditor on Monday, January 22, 2018, an exit conference was scheduled for January 24, 2018, and a draft of FINDING 2017-001 was emailed to the County Trustee. The County Trustee repaid \$3,056 out of her personal checking account on January 23, 2018, to cover the two remaining 2017 property taxes the former Deputy Trustee receipted, requested a VOID on, and did not repay. The total amount of the repayments due to the Montgomery County Trustee's personal bank account is \$8,712 (\$975 + \$4,681 + \$3,056). On Wednesday, January 24, 2018, the County Trustee filed a Public Official Fraud Report describing the theft that took place in the Office of the Montgomery County Trustee. Management immediately informed, completely cooperated with, and complied with the Montgomery County Sheriff's Office. The Office of the Montgomery County Trustee has been fully forth-coming with all documents and information, co-operated, and concurred as to the accuracy of the Trustee's Office printed reports regarding the amount of missing cash/theft with the State of Tennessee, Comptroller of the Treasury, Division of Local Government Audit.

#### AUDITOR'S COMMENT

As noted above, a Fraud Reporting Form is to be filed no later than five business days after the issue is known. Persons may obtain a Fraud Reporting Form to report fraud, waste, and abuse on the Comptroller's web page located at [www.comptroller.tn.gov](http://www.comptroller.tn.gov) under the button "Report Fraud, Waste, and Abuse." These forms may be mailed or faxed to the Comptroller's Office at the address and/or phone number noted on the bottom of the form.



### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.

**Montgomery County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2017**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF TRUSTEE**

2017-001	A cash shortage of \$12,461 existed in the office	243
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*Montgomery County Trustee*  
*Brenda E. Radford*

Corrective Action Plan, December 27, 2017  
Amendment(s) to 2017-2018 Trustee Internal Control & Compliance Manual

FINDING: 2017-001  
For The Year Ended June 30, 2017

**A CASH SHORTAGE OF \$12,461 EXISTED IN THE OFFICE**  
(Noncompliance Under *Government Auditing Standards*)

**Response and Corrective Action Plan Prepared by :**  
Brenda E. Radford, Montgomery County TN Trustee

**Person Responsible for Implementing the Corrective Action:**  
Brenda E. Radford, Montgomery County TN Trustee

**Anticipated Completion Date of Corrective Action:**  
December 27, 2017

**Was This A Repeat Finding?**  
No

**Reason Corrective Action Was Not Taken In The Prior Year?**

The theft by the deputy trustee was not discovered until Friday afternoon, December 22, 2017. Internal Controls were already in place that did not give the terminated deputy trustee permission to VOID the property tax payments she took using her unique user name and password at her work station.

**Planned Corrective Action:**

- Management removed permissions from Senior Deputy Trustee(s) to VOID a property tax payment on December 27, 2017. The County Trustee informed the Senior Deputy Trustee's and the Chief Deputy Trustee the permissions have been removed from the Senior Deputy Trustee's to process any VOID requests. Only the County Trustee and the Chief Deputy Trustee have the permission to process a VOID in eGov Tax Collection Software.
- When a request for a VOID is made by a deputy trustee, the Trustee or Chief Deputy Trustee will require as a matter of protocol the following: Payments made by cash: When a deputy trustee requests a VOID payment made by cash from taxpayer, the Trustee or the Chief Deputy Trustee will visit the deputy trustee's station to speak with the taxpayer and ask if they want to pay their property taxes in full or to only pay a portion in cash or a portion using their check or credit card. Trustee or Chief Deputy Trustee will ask the taxpayer to surrender their original property tax receipt, the deputy trustee's cash drawer will be counted for the correct amount of cash received. The Trustee or the Chief Deputy Trustee will perform the requested VOID. Payments made by check/credit card: No change to process with the exception Management removed permissions from Senior Deputy Trustee(s) to VOID a property tax payment on December 27, 2017. Only the County Trustee and the Chief Deputy Trustee have the permission to process a VOID in eGov Tax Collection Software.
- Management will update the 2017-2018 Trustee Internal Control & Compliance Manual to reflect this Planned Corrective Action.

## **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.