

ANNUAL FINANCIAL REPORT

MAURY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
MAURY COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

MAURY COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Maury County, Tennessee
For the Year Ended June 30, 2018

Scope

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2018.

Results

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

Our audit resulted in 11 findings and recommendations, which we have reviewed with Maury County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ The School Department has a material recurring audit finding.
- ◆ The office had deficiencies in budget operations.
- ◆ Payroll liability accounts were not reconciled monthly.
- ◆ Cash on deposit with the trustee was not reconciled properly.
- ◆ The office had weaknesses in posting financial transactions.
- ◆ The Internal Revenue Service assessed the School Department penalties and interest totaling \$371,014.
- ◆ Several credit card charges did not have proper supporting documentation.
- ◆ The School Department had deficiencies in the maintenance of capital asset records.
- ◆ Accrued leave records were not maintained adequately.

OFFICE OF TRUSTEE

- ◆ The office did not implement adequate controls to protect its information resources.

INTRODUCTORY SECTION

Maury County Officials

June 30, 2018

Officials

Charlie Norman, County Mayor
Van Boshers, Road Superintendent
Christopher Marczak, Director of Schools
Steve Konz, Trustee
Bobby Daniels, Assessor of Property
Joey Allen, County Clerk
Sandy McLain, Circuit and General Sessions Courts Clerk
Larry Roe, Jr., Clerk and Master
John Fleming, Register of Deeds
Bucky Rowland, Sheriff
Douglas Lukonen, Director of Accounts and Budgets
Buddy Harlan, Purchasing Agent
Dana Gibson, Director of Human Resources

Board of County Commissioners

Michael Fulbright, Chairman
Gerald Adkison
Talvin Barner
Davis Burkhalter
Donna Cook
Daniel Cooper
Gwynne Evans
Craig Harris
Patricia Hawkins
Don Morrow
Kevin Markham

Terry Potts
Eric Previti
William Roddy
Sonny Shackelford
Ricky Sims
Sue Stephenson
Gary Stovall
Scott Sumners
Debbie Turner
Linda Whiteside
Tommy Wolaver

Board of Education

Kristin Parker, Chairperson
Nathan Adkison
David Bates
Howard Beaver
Tommy Dudley
Bettye Kinser

Jyvana Martin
David Moore
Donna Morency
James Pennings
Carey Powers

Budget Committee

Scott Sumners, Chairman
Davis Burkhalter
Gwynn Evans

Sue Stephenson
Sonny Shackelford
Ricky Sims

Audit Committee

Debbie Turner, Chairperson
Karynda Barner
Craig Harris

Vicky Pratt
Eric Previti

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

Independent Auditor's Report

JASON E. MUMPOWER
Deputy Comptroller

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

To the County Mayor and County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Maury Regional Hospital (major proprietary fund), which represent 97 percent, 97 percent, and 99 percent, respectively, of the assets, net position, and revenues of the business-type activities; or the Maury County Board of Public Utilities Water System, a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Maury Regional Hospital and the Maury County Board of Public Utilities Water System, is based solely on the reports of the other auditors. We were unable to determine Maury County Board of Public Utilities Water System's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Maury County Emergency Communications District and the Industrial Development Board of Maury County, component units requiring discrete presentation, were not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Maury County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note 1.D.10. to the financial statements, which describes a restatement reducing the beginning net position of the discretely presented Maury County School Department by \$5,679,359. This restatement was necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of changes in the total OPEB liability and related ratios on pages 129-136 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

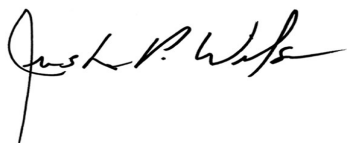
Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2019, on our consideration of Maury County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Maury County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maury County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 5, 2019

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Maury County, Tennessee
Statement of Net Position
June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System
<u>ASSETS</u>					
Cash	\$ 71,373	\$ 35,272,727	\$ 35,344,100	\$ 773,471	\$ 5,988,225
Equity in Pooled Cash and Investments	47,089,489	5,202,778	52,292,267	69,967,789	0
Certificates of Deposit	0	327,037	327,037	0	0
Investments	0	2,529,189	2,529,189	0	3,058,841
Accounts Receivable	1,152,729	77,785,716	78,938,445	96,524	277,072
Other Receivable	0	5,275,843	5,275,843	0	0
Allowance for Uncollectibles	0	(37,000,000)	(37,000,000)	0	0
Property Taxes Receivable	27,378,315	2,654,468	30,032,783	22,495,532	0
Allowance for Uncollectible Property Taxes	(621,854)	(50,682)	(672,536)	(476,917)	0
Accrued Interest Receivable	0	0	0	0	27,898
Due from Other Governments	1,383,020	10,537	1,393,557	5,685,224	0
Due from Affiliates	0	384,308	384,308	0	0
Due from Component Units	1,280,810	0	1,280,810	0	0
Prepaid Items	42,642	3,515,338	3,557,980	104,181	0
Inventories	0	5,804,595	5,804,595	213,328	81,744
Other Current Assets	219	0	219	0	0
Net Pension Asset - Agent Plan	1,522,413	59,644	1,582,057	920,750	63,385
Net Pension Asset - Teacher Retirement Plan	0	0	0	277,088	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	367,001	0
Assets Limited as to Use	0	58,055,500	58,055,500	0	0
Interest in Joint Ventures	0	1,263,414	1,263,414	0	0
Restricted Assets:					
Customer Deposits	0	0	0	0	31,550
Capital Assets:					
Assets Not Depreciated:					
Land	7,584,942	8,473,037	16,057,979	5,848,445	589,205
Intangibles	1,098,294	0	1,098,294	0	0
Construction in Progress	91,374	33,533,023	33,624,397	15,616,508	78,852
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	28,050,080	66,112,585	94,162,665	159,626,126	1,691,950
Infrastructure	43,403,002	0	43,403,002	0	22,369,311
Other Capital Assets	2,650,860	40,564,895	43,215,755	5,680,465	427,542
Total Assets	\$ 162,177,708	\$ 309,773,952	\$ 471,951,660	\$ 287,195,515	\$ 34,685,575

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension Changes in Experience	\$ 121,092	\$ 4,744	\$ 125,836	\$ 304,200	\$ 5,042
Pension Changes in Investment Earnings	0	0	0	55,710	32,142
Pension Changes in Contributions After Measurement Date	775,097	30,366	805,463	4,745,190	31,201
Pension Changes in Assumptions	772,010	1,107,587	1,879,597	3,599,533	0
Pension Changes in Proportionate Share of NPL	0	0	0	93,657	0
OPEB Contributions after Measurement Date	0	0	0	1,555,840	0
Deferred Amount on Refunding	1,247,630	120,128	1,367,758	0	0
Total Deferred Outflows of Resources	\$ 2,915,829	\$ 1,262,825	\$ 4,178,654	\$ 10,354,130	\$ 68,385
<u>LIABILITIES</u>					
Accounts Payable	\$ 169,834	\$ 20,368,397	\$ 20,538,231	\$ 0	\$ 36,820
Accrued Payroll	0	7,279,299	7,279,299	1,181	24,149
Payroll Deductions Payable	629,500	25,923	655,423	4,663,207	0
Compensated Absences Payable	0	6,257,782	6,257,782	0	21,083
Accrued Interest Payable	1,561,970	266,971	1,828,941	0	0
Contracts Payable	0	0	0	4,469,516	0
Due to Litigants, Heirs, and Others	211	0	211	0	0
Customer Deposits Payable	30,000	0	30,000	0	31,550
Due to Primary Government	0	0	0	1,280,810	0
Due to State of Tennessee	70	148	218	2,507	0
Other Current Liabilities	73,203	0	73,203	0	181,172
Current Liabilities Payable from Restricted Assets	4,172	0	4,172	0	0
Other Long-term Liabilities	27,184	0	27,184	0	0
Noncurrent Liabilities:					
Due Within One Year	9,898,244	3,757,521	13,655,765	824,119	340,875
Due in More Than One Year	169,773,150	36,438,301	206,211,451	23,966,876	5,257,438
Total Liabilities	\$ 182,167,538	\$ 74,394,342	\$ 256,561,880	\$ 35,208,216	\$ 5,893,087

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 26,024,152	\$ 2,597,451	\$ 28,621,603	\$ 21,494,610	\$ 0
Pension Changes in Experience	563,739	322,948	886,687	7,938,623	23,471
Pension Changes in Investment Earnings	9,710	80,902	90,612	20,783	404
Pension Changes in Proportionate Share of NPL	0	0	0	338,156	0
OPEB Changes in Investment Earnings	0	0	0	829,982	0
Total Deferred Inflows of Resources	\$ 26,597,601	\$ 3,001,301	\$ 29,598,902	\$ 30,622,154	\$ 23,875
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 77,918,891	\$ 121,278,593	\$ 199,197,484	\$ 186,771,544	\$ 19,558,547
Restricted for:					
Capital Projects	5,172,410	0	5,172,410	0	0
Debt Service	19,293,061	0	19,293,061	0	1,650,000
Highway/Public Works	3,809,938	0	3,809,938	0	0
Central Maintenance Garage	1,007,496	0	1,007,496	0	0
General Government	203,726	0	203,726	0	0
Finance	91,981	0	91,981	0	0
Administration of Justice	284,333	0	284,333	0	0
Public Safety	568,290	0	568,290	0	0
Education	0	0	0	60,465,342	0
Pension	1,522,413	59,644	1,582,057	1,564,839	63,385
Unrestricted	(153,544,141)	112,302,897	(41,241,244)	(17,082,450)	7,565,066
Total Net Position	\$ (43,671,602)	\$ 233,641,134	\$ 189,969,532	\$ 231,719,275	\$ 28,836,998

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

Exhibit B

Maury County, Tennessee
Statement of Activities
For the Year Ended June 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position						
					Primary Government			Component Units			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Maury County School Department	Board of Public Utilities Water System		
Functions/Programs	Expenses										
Primary Government:											
Governmental Activities:											
General Government	\$ 6,781,459	\$ 1,370,028	\$ 87,208	\$ 0	\$ (5,324,223)	\$ 0	\$ (5,324,223)	\$ 0	\$ 0		
Finance	3,490,555	2,816,584	0	0	(673,971)	0	(673,971)	0	0		
Administration of Justice	2,749,013	2,005,989	55,798	0	(687,226)	0	(687,226)	0	0		
Public Safety	13,877,232	2,410,021	165,838	0	(11,301,373)	0	(11,301,373)	0	0		
Public Health and Welfare	1,569,093	78,784	983,301	0	(507,008)	0	(507,008)	0	0		
Social, Cultural, and Recreational Services	1,714,829	42,952	26,958	0	(1,644,919)	0	(1,644,919)	0	0		
Agriculture and Natural Resources	174,703	0	0	0	(174,703)	0	(174,703)	0	0		
Highway/Public Works	8,255,001	7,061	3,147,305	763,404	(4,337,231)	0	(4,337,231)	0	0		
Education	67,720,160	908,561	1,048,641	0	(65,762,958)	0	(65,762,958)	0	0		
Interest on Long-term Debt	5,982,764	0	933,775	0	(5,048,989)	0	(5,048,989)	0	0		
Total Governmental Activities	\$ 112,314,809	\$ 9,639,980	\$ 6,448,824	\$ 763,404	\$ (95,462,601)	\$ 0	\$ (95,462,601)	\$ 0	\$ 0		
Business-type Activities:											
Maury Regional Hospital	\$ 356,736,128	\$ 354,791,304	\$ 2,574,622	\$ 0	\$ 0	\$ 629,798	\$ 629,798	\$ 0	\$ 0		
Solid Waste Disposal	4,201,046	2,678,538	0	0	0	(1,522,508)	(1,522,508)	0	0		
Total Business-type Activities	\$ 360,937,174	\$ 357,469,842	\$ 2,574,622	\$ 0	\$ 0	\$ (892,710)	\$ (892,710)	\$ 0	\$ 0		
Total Primary Government	\$ 473,251,983	\$ 367,109,822	\$ 9,023,446	\$ 763,404	\$ (95,462,601)	\$ (892,710)	\$ (96,355,311)	\$ 0	\$ 0		
Component Units:											
Maury County School Department	\$ 117,064,665	\$ 1,903,931	\$ 13,671,207	\$ 67,198,651	\$ 0	\$ 0	\$ 0	\$ (34,290,876)	\$ 0		
Board of Public Utilities Water System	3,739,784	5,047,685	0	0	0	0	0	0	1,307,901		
Total Component Units	\$ 120,804,449	\$ 6,951,616	\$ 13,671,207	\$ 67,198,651	\$ 0	\$ 0	\$ 0	\$ (34,290,876)	\$ 1,307,901		

(Continued)

Exhibit B

Maury County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Maury County School Department	Board of Public Utilities Water System
					Governmental Activities	Business-type Activities	Total		
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 20,536,614	\$ 2,032,041	\$ 22,568,655	\$ 21,763,426	\$ 0
Property Taxes Levied for Debt Service					9,834,087	0	9,834,087	0	0
Local Option Sales Tax					726,129	0	726,129	16,446,039	0
Hotel/Motel Tax					858,039	0	858,039	0	0
Wheel Tax					2,228,430	0	2,228,430	0	0
Litigation Tax - General					613,447	0	613,447	0	0
Litigation Tax - Jail					609,107	0	609,107	0	0
Business Tax					1,323,962	0	1,323,962	0	0
Mixed Drink Tax					0	0	0	158,748	0
Mineral Severance Tax					122,433	0	122,433	0	0
Adequate Facilities/Development Tax					1,748,295	0	1,748,295	0	0
Wholesale Beer Tax					332,871	0	332,871	0	0
Interstate Telecommunications Tax					84,387	0	84,387	55,117	0
Other Local Taxes					69	0	69	0	0
Grants and Contributions Not Restricted to Specific Programs					5,286,839	56,039	5,342,878	58,063,788	0
Unrestricted Investment Earnings					1,415,074	2,690,936	4,106,010	11,760	58,811
Miscellaneous					312,783	59,239	372,022	61,688	0
Total General Revenues					\$ 46,032,566	\$ 4,838,255	\$ 50,870,821	\$ 96,560,566	\$ 58,811
Transfers					\$ (1,000,000)	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Change in Net Position					\$ (50,430,035)	\$ 4,945,545	\$ (45,484,490)	\$ 62,269,690	\$ 1,366,712
Net Position, July 1, 2017					6,758,433	228,695,589	235,454,022	175,435,010	27,470,286
Prior-period Adjustment - See Note I.D.9.					0	0	0	(306,066)	0
Restatement - See Note I.D.10.					0	0	0	(5,679,359)	0
Net Position, June 30, 2018					\$ (43,671,602)	\$ 233,641,134	\$ 189,969,532	\$ 231,719,275	\$ 28,836,998

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

Exhibit C-1

Maury County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2018

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
		General Debt Service	Other Governmental Funds	Total Governmental Funds
	General			
<u>ASSETS</u>				
Cash	\$ 777	\$ 0	\$ 70,596	\$ 71,373
Equity in Pooled Cash and Investments	18,326,378	19,008,627	8,942,259	46,277,264
Accounts Receivable	790,012	203,712	104,027	1,097,751
Due from Other Governments	721,668	1,063	660,289	1,383,020
Property Taxes Receivable	9,593,891	12,748,270	5,036,154	27,378,315
Allowance for Uncollectible Property Taxes	(202,172)	(312,786)	(106,896)	(621,854)
Prepaid Items	0	42,642	0	42,642
Other Current Assets	219	0	0	219
Total Assets	\$ 29,230,773	\$ 31,691,528	\$ 14,706,429	\$ 75,628,730
<u>LIABILITIES</u>				
Accounts Payable	\$ 86,898	\$ 25	\$ 61,952	\$ 148,875
Payroll Deductions Payable	537,035	0	79,732	616,767
Due to State of Tennessee	38	0	0	38
Due to Litigants, Heirs, and Others	0	0	211	211
Other Current Liabilities	0	0	73,203	73,203
Current Liabilities Payable From Restricted Assets	4,172	0	0	4,172
Deposits	30,000	0	0	30,000
Other Long-term Liabilities	27,184	0	0	27,184
Total Liabilities	\$ 685,327	\$ 25	\$ 215,098	\$ 900,450
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 9,171,034	\$ 12,041,460	\$ 4,811,658	\$ 26,024,152

(Continued)

Exhibit C-1

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
		General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	<u>General</u>			
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Deferred Delinquent Property Taxes	\$ 192,190	\$ 343,149	\$ 102,416	\$ 637,755
Other Deferred/Unavailable Revenue	235,342	0	262,006	497,348
Total Deferred Inflows of Resources	<u>\$ 9,598,566</u>	<u>\$ 12,384,609</u>	<u>\$ 5,176,080</u>	<u>\$ 27,159,255</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Prepaid Items	\$ 0	\$ 42,642	\$ 0	\$ 42,642
Restricted:				
Restricted for General Government	203,726	0	3,635,519	3,839,245
Restricted for Finance	91,981	0	0	91,981
Restricted for Administration of Justice	284,333	2,852,974	0	3,137,307
Restricted for Public Safety	147,397	0	420,893	568,290
Restricted for Social, Cultural, and Recreational Services	0	0	41,014	41,014
Restricted for Highways/Public Works	0	0	3,599,144	3,599,144
Restricted for Capital Outlay	0	0	1,457,350	1,457,350
Restricted for Debt Service	0	16,411,278	0	16,411,278
Committed:				
Committed for General Government	89,063	0	161,331	250,394
Committed for Finance	38,789	0	0	38,789
Committed for Public Safety	36,001	0	0	36,001
Committed for Public Health and Welfare	73,799	0	0	73,799
Committed for Social, Cultural, and Recreational Services	80,000	0	0	80,000
Assigned:				
Assigned for General Government	2,155,372	0	0	2,155,372
Assigned for Public Safety	760,000	0	0	760,000

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Unassigned
 Total Fund Balances

 Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	General		
\$	14,986,419	\$ 0	\$ 14,986,419
\$	18,946,880	\$ 19,306,894	\$ 9,315,251
			\$ 47,569,025
\$	29,230,773	\$ 31,691,528	\$ 14,706,429
			\$ 75,628,730

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

Exhibit C-2

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2018

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)		\$ 47,569,025
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,584,942	
Add: intangibles	1,098,294	
Add: construction in progress	91,374	
Add: buildings and improvements net of accumulated depreciation	28,050,080	
Add: infrastructure net of accumulated depreciation	43,403,002	
Add: other capital assets net of accumulated depreciation	2,650,860	
Less: capital assets of the internal service fund that are also included in item (2) below	<u>(138,305)</u>	82,740,247
(2) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,007,496
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (540,508)	
Less: other loans payable	(3,198,063)	
Less: bonds payable	(161,760,000)	
Less: capital leases payable	(1,280,810)	
Add: debt to be contributed by the School Department	1,280,810	
Add: deferred amount on refunding	1,247,630	
Less: compensated absences payable	(1,494,749)	
Add: compensated absences payable of the internal service fund included in item (2) above	15,690	
Less: accrued interest on bonds and notes	(1,561,970)	
Less: unamortized premium on debt	<u>(11,397,264)</u>	(178,689,234)
(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	\$ 1,668,199	
Less: deferred outflows of internal service fund	(32,764)	
Less: deferred inflows of resources related to pensions	(573,449)	
Add: deferred inflows of internal service fund	<u>11,263</u>	1,073,249
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets of governmental activities	\$ 1,522,413	
Less: net pension position of internal service fund	<u>(29,901)</u>	1,492,512
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,135,103</u>
Net position of governmental activities (Exhibit A)		<u>\$ (43,671,602)</u>

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

Exhibit C-3

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 17,645,572	\$ 17,605,893	\$ 7,846,448	\$ 43,097,913
Licenses and Permits	488,803	0	0	488,803
Fines, Forfeitures, and Penalties	486,124	0	162,005	648,129
Charges for Current Services	374,862	0	0	374,862
Other Local Revenues	870,999	1,415,074	62,113	2,348,186
Fees Received From County Officials	4,938,719	0	0	4,938,719
State of Tennessee	3,078,231	1,189,732	3,752,486	8,020,449
Federal Government	395,700	388	120,904	516,992
Other Governments and Citizens Groups	84,796	1,048,641	0	1,133,437
Total Revenues	\$ 28,363,806	\$ 21,259,728	\$ 11,943,956	\$ 61,567,490
<u>Expenditures</u>				
Current:				
General Government	\$ 3,889,674	\$ 0	\$ 0	\$ 3,889,674
Finance	3,259,592	0	235,942	3,495,534
Administration of Justice	2,805,102	0	18,795	2,823,897
Public Safety	13,219,846	0	437,581	13,657,427
Public Health and Welfare	1,583,490	0	0	1,583,490
Social, Cultural, and Recreational Services	1,457,337	0	240,758	1,698,095
Agriculture and Natural Resources	170,465	0	0	170,465
Other Operations	1,725,698	0	47,626	1,773,324
Highways	0	0	6,726,782	6,726,782
Debt Service:				
Principal on Debt	0	7,367,001	0	7,367,001
Interest on Debt	0	5,477,010	0	5,477,010
Other Debt Service	0	66,098,957	0	66,098,957

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 0	\$ 0	\$ 2,348,375	\$ 2,348,375
Capital Projects - Donated	0	669,585	505,452	1,175,037
Total Expenditures	<u>\$ 28,111,204</u>	<u>\$ 79,612,553</u>	<u>\$ 10,561,311</u>	<u>\$ 118,285,068</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 252,602</u>	<u>\$ (58,352,825)</u>	<u>\$ 1,382,645</u>	<u>\$ (56,717,578)</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 62,050,000	\$ 0	\$ 62,050,000
Notes Issued	0	360,000	0	360,000
Premiums on Debt Sold	0	3,680,644	0	3,680,644
Other Loans Issued	0	669,585	0	669,585
Insurance Recovery	243,967	0	14,884	258,851
Transfers In	144,052	299,312	360,000	803,364
Transfers Out	(299,312)	(360,000)	(1,144,052)	(1,803,364)
Total Other Financing Sources (Uses)	<u>\$ 88,707</u>	<u>\$ 66,699,541</u>	<u>\$ (769,168)</u>	<u>\$ 66,019,080</u>
Net Change in Fund Balances	\$ 341,309	\$ 8,346,716	\$ 613,477	\$ 9,301,502
Fund Balance, July 1, 2017	<u>18,605,571</u>	<u>10,960,178</u>	<u>8,701,774</u>	<u>38,267,523</u>
Fund Balance, June 30, 2018	<u>\$ 18,946,880</u>	<u>\$ 19,306,894</u>	<u>\$ 9,315,251</u>	<u>\$ 47,569,025</u>

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

Exhibit C-4

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (Exhibit C-3)	\$	9,301,502
 (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$	6,943,263
Less: capital assets purchased by the internal service fund that are also included in item (6) below		(41,445)
Less: current-year depreciation expense		(7,173,291)
Add: current-year depreciation expense of the internal service fund that is also included in item (6) below		12,573
		(258,900)
 (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$	83,850
Less: book value of capital assets disposed		(113,687)
		(29,837)
 (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2018	\$	1,135,103
Less: deferred delinquent property taxes and other deferred June 30, 2017		(1,119,457)
		15,646
 (4) The issuance of long-term debt (e.g., bonds, notes, other loans, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$	(62,050,000)
Less: note proceeds		(360,000)
Less: other loan proceeds		(669,585)
Less: change in premium on debt issuances		(2,746,869)
Add: principal payments on bonds		6,405,000
Add: principal payments on notes		88,258
Add: principal payments on other loans		275,052
Add: principal payments on capital leases		598,691
Less: change in deferred amount on refunding debt		(339,614)
Less: contributions from the School Department for capital leases		(598,691)
		(59,397,758)

(Continued)

Exhibit C-4

Maury County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Cont.)

(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	\$ (505,754)	
Change in net pension asset	730,326	
Change in deferred outflows related to pensions	(386,850)	
Change in deferred inflows related to pensions	89,809	
Change in compensated absences payable	(82,985)	
Changes from the internal service fund included in item (6) below:		
Change in deferred outflows related to pensions	12,284	
Change in deferred inflows related to pensions	(3,276)	
Change in net pension asset	(12,538)	
Change in compensated absences payable	(5,542)	(164,526)
<hr/>		
(6) An internal service fund is used by management to charge the costs of a central maintenance garage to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		
		103,838
<hr/>		
Change in net position of governmental activities (Exhibit B)		\$ (50,430,035)
<hr/>		

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

Exhibit C-5

Maury County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 17,645,572	\$ 0	\$ 0	\$ 17,645,572	\$ 15,734,738	\$ 15,734,738	\$ 1,910,834
Licenses and Permits	488,803	0	0	488,803	348,000	348,000	140,803
Fines, Forfeitures, and Penalties	486,124	0	0	486,124	423,680	423,680	62,444
Charges for Current Services	374,862	0	0	374,862	325,240	325,240	49,622
Other Local Revenues	870,999	0	0	870,999	453,100	744,218	126,781
Fees Received From County Officials	4,938,719	0	0	4,938,719	4,325,000	4,325,000	613,719
State of Tennessee	3,078,231	0	0	3,078,231	3,818,564	4,031,754	(953,523)
Federal Government	395,700	0	0	395,700	50,000	171,728	223,972
Other Governments and Citizens Groups	84,796	0	0	84,796	0	60,113	24,683
Total Revenues	\$ 28,363,806	\$ 0	\$ 0	\$ 28,363,806	\$ 25,478,322	\$ 26,164,471	\$ 2,199,335
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 96,298	\$ (200)	\$ 0	\$ 96,098	\$ 97,263	\$ 106,933	\$ 10,835
Board of Equalization	78	0	0	78	3,330	3,330	3,252
Other Boards and Committees	6,698	0	0	6,698	9,080	9,080	2,382
County Mayor/Executive	264,435	(338)	0	264,097	253,213	264,838	741
Personnel Office	244,089	0	0	244,089	244,555	264,555	20,466
County Attorney	117,532	0	0	117,532	113,375	118,205	673
Election Commission	254,682	0	0	254,682	275,944	275,943	21,261
Register of Deeds	328,440	0	0	328,440	324,122	328,515	75
Development	459,914	(350)	1,782	461,346	515,295	515,295	53,949
County Buildings	952,382	0	0	952,382	855,482	999,452	47,070
Other General Administration	977,716	0	0	977,716	1,076,568	1,089,993	112,277
Preservation of Records	187,410	(7,395)	0	180,015	169,708	180,303	288
<u>Finance</u>							
Accounting and Budgeting	516,171	0	0	516,171	531,827	531,827	15,656
Purchasing	204,999	0	0	204,999	222,909	222,909	17,910
Property Assessor's Office	660,511	0	0	660,511	688,838	691,732	31,221
Reappraisal Program	210,092	0	0	210,092	234,651	234,651	24,559

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 344,103	\$ 0	\$ 0	\$ 344,103	\$ 342,941	\$ 344,320	\$ 217
County Clerk's Office	878,425	0	0	878,425	901,957	901,957	23,532
Data Processing	445,291	0	0	445,291	467,386	468,385	23,094
<u>Administration of Justice</u>							
Circuit Court	1,142,663	(60)	0	1,142,603	1,177,442	1,191,958	49,355
General Sessions Court	1,063,016	0	0	1,063,016	1,106,636	1,124,121	61,105
Chancery Court	438,923	0	0	438,923	446,394	446,393	7,470
Courtroom Security	51,702	0	0	51,702	0	66,144	14,442
Victim Assistance Programs	108,798	0	0	108,798	126,200	132,646	23,848
<u>Public Safety</u>							
Sheriff's Department	6,656,148	(9,246)	0	6,646,902	6,732,922	6,800,496	153,594
Administration of the Sexual Offender Registry	1,750	0	0	1,750	2,200	2,350	600
Jail	5,627,771	(1,601)	0	5,626,170	5,711,269	5,881,754	255,584
Juvenile Services	221,349	0	0	221,349	333,666	257,796	36,447
Civil Defense	310,551	(760,000)	760,000	310,551	312,240	312,240	1,689
Other Emergency Management	391,637	(21,500)	0	370,137	357,054	454,863	84,726
Public Safety Grants Program	10,640	0	0	10,640	0	11,468	828
<u>Public Health and Welfare</u>							
Local Health Center	932,987	(25,627)	0	907,360	1,060,615	1,194,119	286,759
Rabies and Animal Control	582,507	0	0	582,507	613,622	613,619	31,112
Appropriation to State	67,996	0	0	67,996	67,996	67,996	0
Other Public Health and Welfare	0	0	0	0	348,500	322,378	322,378
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	34,000	0	0	34,000	34,000	34,000	0
Libraries	650,790	(3,955)	0	646,835	678,327	678,328	31,493
Parks and Fair Boards	772,547	(44,000)	0	728,547	818,167	840,090	111,543
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	128,081	0	0	128,081	141,826	141,826	13,745
Forest Service	2,000	0	0	2,000	2,000	2,000	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Soil Conservation	\$ 40,384	\$ 0	\$ 0	\$ 40,384	\$ 40,978	\$ 40,978	\$ 594
<u>Other Operations</u>							
Tourism	374,692	0	0	374,692	387,575	402,575	27,883
Industrial Development	226,343	0	0	226,343	227,500	227,500	1,157
Other Economic and Community Development	238	0	0	238	1,200	1,200	962
Airport	40,000	0	0	40,000	40,000	40,000	0
Veterans' Services	107,078	0	0	107,078	106,005	108,553	1,475
Contributions to Other Agencies	102,893	0	0	102,893	173,000	185,893	83,000
Employee Benefits	28,914	0	0	28,914	34,000	34,000	5,086
Payments to Cities	250,000	0	0	250,000	250,000	250,000	0
Miscellaneous	595,540	0	0	595,540	706,528	706,324	110,784
Total Expenditures	\$ 28,111,204	\$ (874,272)	\$ 761,782	\$ 27,998,714	\$ 29,366,306	\$ 30,125,831	\$ 2,127,117
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 252,602	\$ 874,272	\$ (761,782)	\$ 365,092	\$ (3,887,984)	\$ (3,961,360)	\$ 4,326,452
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 243,967	\$ 0	\$ 0	\$ 243,967	\$ 20,000	\$ 53,399	\$ 190,568
Transfers In	144,052	0	0	144,052	900,000	144,052	0
Transfers Out	(299,312)	0	0	(299,312)	(635,000)	(299,312)	0
Total Other Financing Sources	\$ 88,707	\$ 0	\$ 0	\$ 88,707	\$ 285,000	\$ (101,861)	\$ 190,568
Net Change in Fund Balance							
Fund Balance, July 1, 2017	\$ 18,605,571	(874,272)	0	17,731,299	18,605,571	18,605,571	(874,272)
Fund Balance, June 30, 2018	\$ 18,946,880	0	(761,782)	\$ 18,185,098	\$ 15,002,587	\$ 14,542,350	\$ 3,642,748

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

Exhibit D-1

Maury County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities			Governmental Activities - Internal Service Fund Central Maintenance/ Garage
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 35,272,527	\$ 200	\$ 35,272,727	\$ 0
Certificates of Deposit	327,037	0	327,037	0
Equity in Pooled Cash and Investments	0	5,202,778	5,202,778	812,225
Investments	2,529,189	0	2,529,189	0
Accounts Receivable	77,586,975	198,741	77,785,716	54,978
Allowance for Uncollectible Accounts	(37,000,000)	0	(37,000,000)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	2,603,786	2,603,786	0
Due from Other Governments	0	10,537	10,537	0
Due from Affiliates	384,308	0	384,308	0
Inventories	5,804,595	0	5,804,595	0
Prepaid Items	3,515,338	0	3,515,338	0
Other Receivables	1,755,573	0	1,755,573	0
Total Current Assets	\$ 90,175,542	\$ 8,016,042	\$ 98,191,584	\$ 867,203
Noncurrent Assets:				
Assets Limited as to Use	\$ 58,055,500	\$ 0	\$ 58,055,500	\$ 0
Interest in Joint Ventures	1,263,414	0	1,263,414	0
Other Assets	3,520,270	0	3,520,270	0
Net Pension Asset - Agent Plan	0	59,644	59,644	29,901
Capital Assets:				
Assets Not Depreciated:				
Land	7,656,670	816,367	8,473,037	25,000
Construction in Progress	33,533,023	0	33,533,023	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	65,797,159	315,426	66,112,585	69,663
Other Capital Assets	39,821,375	743,520	40,564,895	43,642
Total Noncurrent Assets	\$ 209,647,411	\$ 1,934,957	\$ 211,582,368	\$ 168,206
Total Assets	\$ 299,822,953	\$ 9,950,999	\$ 309,773,952	\$ 1,035,409
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 0	\$ 4,744	\$ 4,744	\$ 2,378
Pension Contributions After Measurement Date	0	30,366	30,366	15,223
Pension Changes in Assumptions	1,077,342	30,245	1,107,587	15,163
Deferred Amounts from Debt Refunding	120,128	0	120,128	0
Total Deferred Inflows of Resources	\$ 1,197,470	\$ 65,355	\$ 1,262,825	\$ 32,764
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 20,345,096	\$ 23,301	\$ 20,368,397	\$ 20,959
Accrued Payroll	7,279,299	0	7,279,299	0
Payroll Deductions Payable	0	25,923	25,923	12,733
Due to State of Tennessee	0	148	148	32
Compensated Absences Payable	6,257,782	47,868	6,305,650	15,690
Accrued Liability for Landfill Postclosure Care Cost	0	37,057	37,057	0
Accrued Interest Payable	266,971	0	266,971	0
Current Portion of Long-term Debt	3,672,596	0	3,672,596	0
Total Current Liabilities	\$ 37,821,744	\$ 134,297	\$ 37,956,041	\$ 49,414
Noncurrent Liabilities:				
Accrued Liability for Landfill Postclosure Care Cost	\$ 0	\$ 304,649	\$ 304,649	\$ 0
Compensated Absences Payable	0	5,185	5,185	0
Other Long-term Liabilities	12,396,116	0	12,396,116	0
Bonds and Other Long-term Debt	23,732,351	0	23,732,351	0
Total Noncurrent Liabilities	\$ 36,128,467	\$ 309,834	\$ 36,438,301	\$ 0
Total Liabilities	\$ 73,950,211	\$ 444,131	\$ 74,394,342	\$ 49,414

(Continued)

Exhibit D-1

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

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance/ Garage
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 2,597,451	\$ 2,597,451	\$ 0
Pension Changes in Experience	300,862	22,086	322,948	11,072
Pension Changes in Investment Earnings	80,522	380	80,902	191
Total Deferred Inflows of Resources	<u>\$ 381,384</u>	<u>\$ 2,619,917</u>	<u>\$ 3,001,301</u>	<u>\$ 11,263</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 119,403,280	\$ 1,875,313	\$ 121,278,593	\$ 138,306
Restricted for Other Purposes	0	59,644	59,644	29,901
Unrestricted	107,285,548	5,017,349	112,302,897	839,289
Total Net Position	<u>\$ 226,688,828</u>	<u>\$ 6,952,306</u>	<u>\$ 233,641,134</u>	<u>\$ 1,007,496</u>

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

Exhibit D-2

Maury County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance/ Garage
<u>Operating Revenues</u>				
Charges for Current Services	\$ 346,267,148	\$ 2,465,230	\$ 348,732,378	\$ 2,164,106
Other Local Revenues	8,524,156	213,308	8,737,464	11,284
Total Operating Revenues	<u>\$ 354,791,304</u>	<u>\$ 2,678,538</u>	<u>\$ 357,469,842</u>	<u>\$ 2,175,390</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 208,290,273	\$ 0	\$ 208,290,273	\$ 0
Other General Administration	9,629,401	0	9,629,401	2,058,979
Fees and Professional Services	30,185,969	0	30,185,969	0
Supplies and Other Expenses	88,500,825	0	88,500,825	0
Waste Pickup	0	55,585	55,585	0
Convenience Centers	0	969,476	969,476	0
Landfill Operation and Maintenance	0	2,861,017	2,861,017	0
Depreciation and Amortization Expense	19,478,325	314,968	19,793,293	12,573
Total Operating Expenses	<u>\$ 356,084,793</u>	<u>\$ 4,201,046</u>	<u>\$ 360,285,839</u>	<u>\$ 2,071,552</u>
Operating Income (Loss)	<u>\$ (1,293,489)</u>	<u>\$ (1,522,508)</u>	<u>\$ (2,815,997)</u>	<u>\$ 103,838</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 2,032,041	\$ 2,032,041	\$ 0
State Grants	0	111,561	111,561	0
Contributions	2,574,622	0	2,574,622	0
Interest Income	2,690,936	0	2,690,936	0
Interest Expense	(488,288)	0	(488,288)	0
Equity in Joint Venture Losses	(163,047)	0	(163,047)	0
Other	3,717	0	3,717	0
Total Nonoperating Revenues (Expenses)	<u>\$ 4,617,940</u>	<u>\$ 2,143,602</u>	<u>\$ 6,761,542</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	\$ 3,324,451	\$ 621,094	\$ 3,945,545	\$ 103,838
Transfers In (Out)	0	1,000,000	1,000,000	0
Change in Net Position	<u>\$ 3,324,451</u>	<u>\$ 1,621,094</u>	<u>\$ 4,945,545</u>	<u>\$ 103,838</u>
Net Position, July 1, 2017	<u>223,364,377</u>	<u>5,331,212</u>	<u>228,695,589</u>	<u>903,658</u>
Net Position, June 30, 2018	<u>\$ 226,688,828</u>	<u>\$ 6,952,306</u>	<u>\$ 233,641,134</u>	<u>\$ 1,007,496</u>

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

Exhibit D-3

Maury County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		
	Maury Regional Hospital	Solid Waste Disposal	Total	Central Maintenance/ Garage
<u>Cash Flows from Operating Activities</u>				
Receipts from Customers and Users	\$ 343,710,377	\$ 2,456,239	\$ 346,166,616	\$ 2,177,201
Other Cash Receipts (Payments)	9,145,041	221,591	9,366,632	11,284
Payments to Suppliers	(131,398,678)	0	(131,398,678)	0
Payments to Employees	(207,793,082)	0	(207,793,082)	0
Central Maintenance Garage Activity - Uses	0	0	0	(2,046,792)
Waste Collection and Disposal Activity - Uses	0	(3,906,898)	(3,906,898)	0
Net Cash Provided By (Used In) Operating Activities	\$ 13,663,658	\$ (1,229,068)	\$ 12,434,590	\$ 141,693
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition of Capital Assets	\$ (29,865,877)	\$ (181,491)	\$ (30,047,368)	\$ (41,445)
Proceeds from Sale of Equipment	468,118	0	468,118	0
Proceeds from issuance of long-term debt	877,871	0	877,871	0
Principal Payments on Long-term Debt	(3,813,998)	0	(3,813,998)	0
Interest Paid on Long-term Debt	(1,282,541)	0	(1,282,541)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	\$ (33,616,427)	\$ (181,491)	\$ (33,797,918)	\$ (41,445)
<u>Cash Flows from Noncapital Financing Activities</u>				
Contributions and Grants Received	\$ 2,574,622	\$ 111,561	\$ 2,686,183	\$ 0
Local Taxes	0	2,031,092	2,031,092	0
Transfers from Other Funds	0	1,000,000	1,000,000	0
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 2,574,622	\$ 3,142,653	\$ 5,717,275	\$ 0
<u>Cash Flows from Investing Activities</u>				
Investment Income	\$ 1,282,465	\$ 0	\$ 1,282,465	\$ 0
Proceeds from Maturities of Certificates of Deposit	652,425	0	652,425	0
Purchase of Certificates of Deposit	(654,074)	0	(654,074)	0
Purchase of Investments	(979,500)	0	(979,500)	0
Investment in Joint Venture	(877,872)	0	(877,872)	0
Issuance of Notes Receivable	(924,379)	0	(924,379)	0
Net Cash Provided By (Used In) Investing Activities	\$ (1,500,935)	\$ 0	\$ (1,500,935)	\$ 0
Net Increase (Decrease) in Cash	\$ (18,879,082)	\$ 1,732,094	\$ (17,146,988)	\$ 100,248
Cash, July 1, 2017	54,151,609	3,470,884	57,622,493	711,977
Cash, June 30, 2018	\$ 35,272,527	\$ 5,202,978	\$ 40,475,505	\$ 812,225

(Continued)

Exhibit D-3

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

	Business-type Activities			Governmental Activities - Internal Service Fund
	Major Fund	Nonmajor Fund		Central Maintenance/ Garage
	Maury Regional Hospital	Solid Waste Disposal	Total	
<u>Reconciliation of Net Operating Income (Loss)</u> to Net Cash Provided By (Used In) Operating Activities				
Operating Income (Loss)	\$ (1,293,489)	\$ (1,522,508)	\$ (2,815,997)	\$ 103,838
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation and Amortization Expense	19,478,325	314,968	19,793,293	12,573
Provision for Uncollectible Accounts	29,880,578	0	29,880,578	0
Amortization of Deferred Pension Adjustments	633,857	18,129	651,986	9,008
(Increase) Decrease in Accounts Receivable	(33,926,808)	(8,991)	(33,935,799)	13,095
(Increase) Decrease in Net Pension Asset	0	(24,918)	(24,918)	(12,538)
(Increase) Decrease in Due from Other Governments	0	8,283	8,283	0
(Increase) Decrease in Due from Affiliates	62,864	0	62,864	0
(Increase) Decrease in Inventories	(218,535)	0	(218,535)	0
(Increase) Decrease in Prepaid Items	(508,523)	0	(508,523)	0
(Increase) Decrease in Other Assets	620,885	0	620,885	0
Increase (Decrease) in Accounts Payable	(589,620)	1,518	(588,102)	16,908
Increase (Decrease) in Accrued Payroll	(43,844)	0	(43,844)	0
Increase (Decrease) in Payroll Deductions Payable	0	8,786	8,786	4,319
Increase (Decrease) in Postclosure Care Costs	0	(31,253)	(31,253)	0
Increase (Decrease) in Due to State of Tennessee	0	44	44	32
Increase (Decrease) in Other Long-term Liabilities	(1,111,161)	0	(1,111,161)	0
Increase (Decrease) in Accrued Leave	679,129	6,874	686,003	(5,542)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 13,663,658</u>	<u>\$ (1,229,068)</u>	<u>\$ 12,434,590</u>	<u>\$ 141,693</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>				
Cash Per Net Position	\$ 35,272,527	\$ 200	\$ 35,272,727	\$ 0
Equity in Pooled Cash and Investments Per Net Position	0	5,202,778	5,202,778	812,225
Cash, June 30, 2018	<u>\$ 35,272,527</u>	<u>\$ 5,202,978</u>	<u>\$ 40,475,505</u>	<u>\$ 812,225</u>

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

Exhibit E

Maury County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,566,992
Accounts Receivable	644
Due from Other Governments	<u>2,276,561</u>
Total Assets	<u>\$ 4,844,197</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,276,561
Due to Litigants, Heirs, and Others	<u>2,567,636</u>
Total Liabilities	<u>\$ 4,844,197</u>

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

MAURY COUNTY, TENNESSEE
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MAURY COUNTY, TENNESSEE
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MAURY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Maury County is a public municipal corporation governed by an elected 22-member board. As required by GAAP, these financial statements present Maury County (the primary government) and its component units. Although required by GAAP, the financial statements of the Maury County Emergency Communications District and the Industrial Development Board of Maury County, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this 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 Maury County School Department operates the public school system in the county, and the voters of Maury County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

The Maury County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Maury County, and the Maury County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt

instruments, the district must obtain the county commission's approval. The financial statements of the Maury County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Industrial Development Board of Maury County promotes industrial development to provide additional job opportunities within Maury County. The Maury County Commission appoints the board members. The financial statements of the Industrial Development Board of Maury County were not material to the component units' opinion unit and therefore have been omitted from this report.

The Maury County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Maury County Board of Public Utilities Water System, the Maury County Emergency Communications District, and the Industrial Development Board of Maury County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

Industrial Development Board
of Maury County
816 South Garden Street
Columbia, TN 38401

B. Government-wide and Fund Financial Statements

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

from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Maury County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Maury County issues all debt for the discretely presented Maury County School Department. Net debt issues totaling \$65,692,879 were contributed by the county to the School Department during the year ended June 30, 2018.

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

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

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

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

Maury County reports three proprietary funds (one internal service fund and two enterprise funds).

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

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

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

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

Maury County reports the following major governmental funds:

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

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

Maury County reports the following major proprietary fund:

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

Additionally, Maury County reports the following fund types:

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

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

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

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

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

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

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

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by several of the county's funds. Maury County (excluding the Maury Regional Hospital) and the School Department have adopted a policy of reporting U.S.

Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Maury County for animal control spay/neuter vouchers. Other Current Liabilities of \$73,203 in the nonmajor governmental funds represent seized funds held in the county's Drug Fund that have not yet been awarded to the county.

3. Prepaid Items

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

4. Capital Assets

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Other Capital Assets	3 - 7
Infrastructure:	
Roads	5 - 15
Bridges	50
Intangibles	5 - 10

5. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government 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 amount on refunding, pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of net pension liability, pension changes in assumptions, employer contributions made to the pension plan after the measurement date, and OPEB contributions after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) 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 items are from the following sources: current property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of net pension liability, and OPEB changes in investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. **Compensated Absences**

Primary Government

The policy of Maury County (with the exception of the Maury Regional Hospital) permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Maury County does not have a policy to pay any amounts

when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Maury County School Department

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

7. Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

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

As of June 30, 2018, Maury County had \$162,408,931 in outstanding debt for capital purposes for the discretely presented Maury County School Department. This debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Prior-period Adjustments

Prior-period adjustments were required to decrease fund balance in the General Purpose School Fund by \$373,561 and increase fund balance in the School Federal Projects Fund by \$67,495. These adjustments resulted from management's failure to properly account for payroll liabilities in the prior year.

10. Restatement

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Maury County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. A restatement reducing the beginning net position of the discretely presented Maury County School Department by \$5,679,359, has been recognized to account for the transitional requirements.

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 Maury County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Maury 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 Maury County School Department

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.

F. Other Postemployment Benefit (OPEB) Plans

Discretely Presented Maury County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the

discretely presented Maury County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Maury County School Department

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

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

Primary Government

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

Discretely Presented Maury County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not

budgeted and the capital projects funds (except for the primary government's Other Capital Projects Fund), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2018, Maury County had outstanding encumbrances in the following fund:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 761,782

B. Expenditures Exceeded Appropriations

Budgeted expenditures exceeded estimated revenues and available fund balance by \$4,627,645 in the discretely presented School Department's General Purpose School Fund.

Also, expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the discretely presented School Department's General Purpose School Fund:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Discretely Presented School Department:	
General Purpose School Fund:	
Regular Instruction Program	\$ 467,317
Attendance	5,622
Other Student Support	44,909
Human Services/Personnel	99,642

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount

of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

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

Investment Balances. As of June 30, 2018, Maury County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Maury County and the discretely presented Maury County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
State Treasurer's Investment Pool	2 to 113	N/A	\$ 16,466,576

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

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

investment policy that would further limit its investment choices. As of June 30, 2018, Maury County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

Primary Government (Excluding Maury Regional Hospital)

Governmental Activities (Includes Internal Service Fund):

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 7,501,092	\$ 83,850	\$ 0	\$ 7,584,942
Intangibles	1,098,294	0	0	1,098,294
Construction in Progress	1,215,092	411,350	(1,535,068)	91,374
Total Capital Assets Not Depreciated	<u>\$ 9,814,478</u>	<u>\$ 495,200</u>	<u>\$ (1,535,068)</u>	<u>\$ 8,774,610</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 41,376,257	\$ 1,318,656	\$ 0	\$ 42,694,913
Infrastructure	94,485,664	4,826,130	0	99,311,794
Other Capital Assets	13,830,487	1,922,195	(939,888)	14,812,794
Total Capital Assets Depreciated	<u>\$ 149,692,408</u>	<u>\$ 8,066,981</u>	<u>\$ (939,888)</u>	<u>\$ 156,819,501</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 13,743,707	\$ 901,126	\$ 0	\$ 14,644,833
Infrastructure	50,666,692	5,242,100	0	55,908,792
Other Capital Assets	11,958,070	1,030,065	(826,201)	12,161,934
Total Accumulated Depreciation	<u>\$ 76,368,469</u>	<u>\$ 7,173,291</u>	<u>\$ (826,201)</u>	<u>\$ 82,715,559</u>
Total Capital Assets Depreciated, Net	<u>\$ 73,323,939</u>	<u>\$ 893,690</u>	<u>\$ (113,687)</u>	<u>\$ 74,103,942</u>
Governmental Activities Capital Assets, Net	<u>\$ 83,138,417</u>	<u>\$ 1,388,890</u>	<u>\$ (1,648,755)</u>	<u>\$ 82,878,552</u>

Business-type Activities (Excluding Maury Regional Hospital):

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 816,367	\$ 0	\$ 0	\$ 816,367
Total Capital Assets Not Depreciated	\$ 816,367	\$ 0	\$ 0	\$ 816,367
Capital Assets Depreciated:				
Buildings and Improvements	\$ 1,596,811	\$ 0	\$ 0	\$ 1,596,811
Other Capital Assets	3,555,466	181,491	(17,000)	3,719,957
Total Capital Assets Depreciated	\$ 5,152,277	\$ 181,491	\$ (17,000)	\$ 5,316,768
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,254,072	\$ 27,313	\$ 0	\$ 1,281,385
Other Capital Assets	2,705,782	287,655	(17,000)	2,976,437
Total Accumulated Depreciation	\$ 3,959,854	\$ 314,968	\$ (17,000)	\$ 4,257,822
Total Capital Assets Depreciated, Net	\$ 1,192,423	\$ (133,477)	\$ 0	\$ 1,058,946
Business-type Activities Capital Assets, Net	\$ 2,008,790	\$ (133,477)		\$ 1,875,313

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

Governmental Activities:

General Government	\$	655,274
Finance		53,112
Administration of Justice		35,764
Public Safety		615,414
Public Health and Welfare		11,353
Social, Cultural, and Recreational Services		178,225
Agriculture and Natural Resources		4,089
Other Operations		11,372
Highways		5,608,688
Total Depreciation Expense - Governmental Activities	\$	7,173,291

Business-type Activities:

Solid Waste Disposal	\$	314,968
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Discretely Presented Maury County School Department**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 5,848,445	\$ 0	\$ 0	\$ 5,848,445
Construction in Progress	50,815,959	26,138,091	(61,337,542)	15,616,508
Total Capital Assets Not Depreciated	\$ 56,664,404	\$ 26,138,091	\$ (61,337,542)	\$ 21,464,953
Capital Assets Depreciated:				
Buildings and Improvements	\$ 175,719,140	\$ 63,778,699	\$ 0	\$ 239,497,839
Other Capital Assets	22,338,585	1,095,644	(322,289)	23,111,940
Total Capital Assets Depreciated	\$ 198,057,725	\$ 64,874,343	\$ (322,289)	\$ 262,609,779
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 75,218,163	\$ 4,653,550	\$ 0	\$ 79,871,713
Other Capital Assets	15,698,811	2,054,953	(322,289)	17,431,475
Total Accumulated Depreciation	\$ 90,916,974	\$ 6,708,503	\$ (322,289)	\$ 97,303,188
Total Capital Assets Depreciated, Net	\$ 107,140,751	\$ 58,165,840	\$ 0	\$ 165,306,591
Governmental Activities Capital Assets, Net	\$ 163,805,155	\$ 84,303,931	\$ (61,337,542)	\$ 186,771,544

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

Governmental Activities:

Instruction	\$ 4,883,334
Support Services	1,615,396
Operation of Non-instructional Services	<u>209,773</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,708,503</u>

C. Construction Commitments

At June 30, 2018, the discretely presented Maury County School Department had uncompleted construction contracts in the Education Capital Projects Fund of approximately \$52,590,347 for construction of Battle Creek Elementary and Middle Schools, and approximately \$509,743 for system-wide renovations and improvements. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 442,352

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
Governmental Activities	School Department:	
	Governmental Activities	\$ 1,280,810

This balance resulted from the issuance of capital leases by the primary government for computers and related equipment that is being repaid by the School Department.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds	Solid Waste Fund (Enterprise)
General Fund	\$ 0	\$ 299,312	\$ 0	\$ 0
General Debt Service Fund	0	0	360,000	0
Nonmajor Governmental Funds	144,052	0	0	1,000,000
Total	\$ 144,052	\$ 299,312	\$ 360,000	\$ 1,000,000

Discretely Presented Maury County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Nonmajor Governmental Fund
General Purpose School	\$ 0	\$ 598
Nonmajor governmental funds	124,801	0

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

E. Capital Leases

On February 3, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$309,653 plus interest of 5.258 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On March 1, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$309,653

plus interest of 5.342 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On March 1, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$200,655 plus interest of 5.342 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On March 13, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$1,476,262 plus interest of 5.342 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

On June 6, 2017, Maury County entered into a 3-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$369,065 plus interest of 5.279 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Computers	\$ 2,665,288
Less: Accumulated Depreciation	<u>(946,847)</u>
Total Book Value	<u>\$ 1,718,441</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Year Ending June 30	Governmental Funds
2019	\$ 797,611
2020	520,910
2021	65,603
Total Minimum Lease Payments	\$ 1,384,124
Less: Amount Representing Interest	(103,314)
Present Value of Minimum Lease Payments	<u>\$ 1,280,810</u>

F. Long-term Obligations

Primary Government (Excluding Maury Regional Hospital)

General Obligation Bonds, Notes, and Other Loans

Maury County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 25 years for bonds, four years for notes, and 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, 2018, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	2 to 5%	4-1-42	\$ 139,565,000	\$ 135,845,000
General Obligation Bonds - Refunding	1 to 4	4-1-28	38,470,000	25,915,000
Capital Outlay Notes	1.5 to 1.687	2-1-21	715,993	540,508
Other Loans	1 to 4.85	9-15-27	5,077,585	3,198,063

In a prior year, Maury County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the

authority loaned the county \$4,408,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$3,526 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments.

During the year, Maury County entered into a loan agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. This agreement provided for the council to make \$2,945,088 available for loan to Maury County to increase energy efficiency in the Maury County school system. As of June 30, 2018, Maury County has borrowed \$669,585 of the authorized amount of the loan. The interest rate on the loan is one percent.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2018, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 7,075,000	\$ 6,179,439	\$ 13,254,439
2020	8,260,000	5,900,588	14,160,588
2021	7,770,000	5,516,739	13,286,739
2022	7,985,000	5,128,238	13,113,238
2023	8,265,000	4,728,989	12,993,989
2024-2028	42,360,000	17,865,151	60,225,151
2029-2033	35,185,000	10,628,138	45,813,138
2034-2038	30,160,000	4,842,249	35,002,249
2039-2042	14,700,000	1,211,798	15,911,798
Total	<u>\$ 161,760,000</u>	<u>\$ 62,001,329</u>	<u>\$ 223,761,329</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 209,582	\$ 8,697	\$ 218,279
2020	210,926	5,413	216,339
2021	120,000	2,024	122,024
Total	<u>\$ 540,508</u>	<u>\$ 16,134</u>	<u>\$ 556,642</u>

Year Ending June 30	Other Loans				
	Principal	Interest	(1) Other Fees	Total	
2019	\$ 391,128	\$ 227,896	\$ 3,526	\$ 622,550	
2020	508,374	240,922	3,526	752,822	
2021	510,720	238,576	3,526	752,822	
2022	359,571	222,157	3,526	585,254	
2023	275,052	213,700	3,526	492,278	
2024-2028	1,153,218	856,417	14,692	2,024,327	
Total	\$ 3,198,063	\$ 1,999,668	\$ 32,322	\$ 5,230,053	

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

There is \$19,306,894 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,998, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, capital leases, and unamortized debt premiums, totaled \$2,201, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-18
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
#1 Schools Computer Lease	\$ 137,663
#2 Schools Computer Lease	137,624
#3 Schools Computer Lease	89,180
#4 Schools Computer Lease	656,117
#5 Schools Computer Lease	<u>260,226</u>
Total	<u>\$ 1,280,810</u>

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2018, was as follows:

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2017	\$ 106,115,000	\$ 268,766	\$ 1,879,501
Additions	62,050,000	360,000	0
Reductions	(6,405,000)	(88,258)	(598,691)
Balance, June 30, 2018	<u>\$ 161,760,000</u>	<u>\$ 540,508</u>	<u>\$ 1,280,810</u>
Balance Due Within One Year	<u>\$ 7,075,000</u>	<u>\$ 209,582</u>	<u>\$ 727,785</u>

	Other Loans	Compensated Absences
Balance, July 1, 2017	\$ 2,803,530	\$ 1,411,764
Additions	669,585	1,316,681
Reductions	(275,052)	(1,233,696)
Balance, June 30, 2018	<u>\$ 3,198,063</u>	<u>\$ 1,494,749</u>
Balance Due Within One Year	<u>\$ 391,128</u>	<u>\$ 1,494,749</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 168,274,130
Less: Due Within One Year	(9,898,244)
Add: Unamortized Premium on Debt	<u>11,397,264</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 169,773,150</u>

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

Maury County Solid Waste Disposal Fund (Enterprise Fund)**Changes in Long-term Obligations**

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2018, was as follows:

Business-type Activities:

	Postclosure Care Costs	Compensated Absences
Balance, July 1, 2017	\$ 372,959	\$ 46,179
Additions	6,043	48,478
Reductions	(37,296)	(41,604)
Balance, June 30, 2018	<u>\$ 341,706</u>	<u>\$ 53,053</u>
Balance Due Within One Year	<u>\$ 37,057</u>	<u>\$ 47,868</u>

Analysis of Noncurrent Liabilities Presented on Exhibit D-1:

Total Noncurrent Liabilities, June 30, 2018	\$ 394,759
Less: Due Within One Year	<u>(84,925)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit D-1	<u>\$ 309,834</u>

Discretely Presented Maury County School Department**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Maury County School Department for the year ended June 30, 2018, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 2,821,365	\$ 22,183,244
Additions	909,853	2,651,755
Reductions	(824,118)	(2,951,104)
Balance, June 30, 2018	<u>\$ 2,907,100</u>	<u>\$ 21,883,895</u>
Balance Due Within One Year	<u>\$ 824,119</u>	<u>\$ 0</u>

*OPEB Balance at July 1, 2017, was restated. See Note I.D.10.

Governmental Activities:

	Net Pension Liability - Legacy Plan**
Balance, July 1, 2017	\$ 7,351,246
Additions	3,978,539
Reductions	<u>(11,696,786)</u>
Balance, June 30, 2018	<u>\$ (367,001)</u>
Balance Due Within One Year	<u>\$ 0</u>

** - At June 30, 2018, the Teacher Legacy Pension Plan had a Net Pension Asset balance.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 24,790,995
Less: Due Within One Year	<u>(824,119)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 23,966,876</u>

Compensated absences will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds. Other postemployment benefits will be paid from the General Purpose School Fund.

G. On-Behalf Payments – Discretely Presented Maury County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Maury County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2018, were \$399,527. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Maury County (excluding the Maury Regional Hospital) is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and

casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

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

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

The discretely presented Maury County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

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

Douglas Lukonen was appointed to the position of Director of Accounts and Budgets on September 5, 2017.

E. Landfill Closure/Postclosure Care Costs

Maury County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill.

The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Maury County closed its sanitary landfill in 1997. The \$341,706 reported as postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Maury County Regional Airport Authority is a joint venture in which the county and the cities of Columbia and Mount Pleasant participate. The authority is governed by a three-member board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2018, Maury County contributed \$40,000 to the authority.

The Twenty-Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-Second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. 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, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Maury County did not contribute any funds to the DTF for the year ended June 30, 2018. The DTF Director is a full-time employee of the Maury County Sheriff's Department.

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

Administrative Offices:

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

Office of District Attorney General
Twenty-Second Judicial District Drug Task Force
P.O. Box 852
Lawrenceburg, TN 38464

G. Jointly Governed Organization

The Tennessee Southern Railroad Authority (TSRA) was created by the county, in conjunction with Giles and Lawrence counties. The TSRA's board includes the county mayors and a representative appointed by the respective county commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2018.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Maury County, non-certified employees of the discretely presented Maury County School Department, and employees of the discretely presented Maury County Water System 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 61.65 percent, the non-certified employees of the discretely presented School Department comprised 35.88 percent, and the discretely presented Maury County Water System comprised 2.47 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	354
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	741
Active Employees	970
Total	<u><u>2,065</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Maury 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, 2018, the employer contribution for Maury County was \$1,380,751 based on a rate of 4.15 percent of covered

payroll. By law, employer contributions are required to be paid. The TCRS may intercept Maury County's state shared taxes if required employer contributions are not remitted. The employer's Actuarial Determined Contribution (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)

Maury County's net pension liability (asset) was measured as of June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes in Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decrease in investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified mortality assumptions.

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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69	% 31
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 Maury 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 (Asset) (a)-(b)
Balance, July 1, 2016	\$ 62,144,447	\$ 63,573,189	\$ (1,428,742)
Changes for the year:			
Service Cost	\$ 2,280,667	\$ 0	\$ 2,280,667
Interest	4,739,903	0	4,739,903
Change of Benefit Terms	72,922	0	72,922
Differences Between Expected and Actual Experience	(93,146)	0	(93,146)
Changes in Assumptions	1,626,633	0	1,626,633
Contributions-Employer	0	1,262,731	(1,262,731)
Contributions-Employees	0	1,366,601	(1,366,601)
Net Investment Income	0	7,210,480	(7,210,480)
Benefit Payments, Including Refunds of Employee Contributions	(2,452,805)	(2,452,805)	0
Administrative Expense	0	(81,177)	81,177
Other Changes	0	5,794	(5,794)
Net Changes	\$ 6,174,174	\$ 7,311,624	\$ (1,137,450)
Balance, June 30, 2017	\$ 68,318,621	\$ 70,884,813	\$ (2,566,192)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	61.65%	\$ 42,118,430	\$ 43,700,487	\$ (1,582,057)
Water System	2.47%	1,687,470	1,750,855	(63,385)
School Department	35.88%	24,512,721	25,433,471	(920,750)
Total		\$ 68,318,621	\$ 70,884,813	\$ (2,566,192)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Maury County calculated using the discount rate of 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Maury County	6.25%	7.25%	8.25%

Net Pension Liability	\$ 6,699,581	\$ (2,566,192)	\$ (10,232,991)
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Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2018, Maury County recognized pension expense of \$802,860.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Maury 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	\$ 204,113	\$ 950,244
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	16,367
Changes in Assumptions	1,301,306	
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	1,380,751	N/A
Total	\$ 2,886,170	\$ 966,611

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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	\$ 1,733,554	\$ 595,915
Water System	68,384	23,875
School Department	1,084,232	346,821
Total	<u>\$ 2,886,170</u>	<u>\$ 966,611</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
2019	\$ (227,632)
2020	694,799
2021	252,686
2022	(181,042)
2023	0
Thereafter	0

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

Discretely Presented Maury County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Maury County, non-certified employees of the discretely presented Maury County School Department, and the discretely presented Maury County Water System are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 61.65 percent, the non-certified employees of the discretely presented School Department comprise 35.88 percent, and the discretely presented Water System comprise 2.47 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Maury 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.

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, 2018, to the Teacher Retirement Plan were \$382,416, 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, 2018, the School Department reported an asset of \$277,088 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was 1.050226 percent. The proportion as of June 30, 2016, was 0.994448 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$125,247.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the 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
Difference Between Expected and Actual Experience	\$ 9,711	\$ 20,839
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	14,910
Changes in Assumptions	24,343	0
Changes in Proportion of Net Pension Liability (Asset)	1,886	6,176
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	382,416	N/A
Total	<u>\$ 418,356</u>	<u>\$ 41,925</u>

The School Department's employer contributions of \$382,416, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. 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
2019	\$ (1,758)
2020	(1,758)
2021	(2,612)
2022	(6,447)
2023	584
Thereafter	6,005

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent.

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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
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 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 55,282	\$ (277,088)	\$ (520,884)

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 Maury 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.

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 Maury County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$3,818,686, which is 9.08 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, 2018, the School Department reported an asset of \$367,001 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was 1.121697 percent. The proportion measured at June 30, 2016, was 1.176304 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$24,298.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the 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
Difference Between Expected and Actual Experience	\$ 221,254	\$ 7,576,836
Changes in Assumptions	3,108,281	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	55,710	0
Changes in Proportion of Net Pension Liability (Asset)	91,771	331,980
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	3,818,686	N/A
Total	<u>\$ 7,295,702</u>	<u>\$ 7,908,816</u>

The School Department's employer contributions of \$3,818,686 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. 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
2019	\$ (2,654,618)
2020	1,099,867
2021	(974,351)
2022	(1,902,700)
2023	0
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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
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 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 32,930,410 \$ (367,001) \$ (27,889,505)

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**

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

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

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$559,531 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

The discretely presented Maury County School Department participates in the state-administered Teacher Group Insurance Plan for healthcare benefits. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

The Maury County School Department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Maury County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department's total OPEB liability for the plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2017, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2107 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend of rate of 3.53% with .18% added to approximate the effect of the excise tax
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.56%, based on the daily rate of Fidelity's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Changes in Assumptions. The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

Closed Local Education (LEP) OPEB Plan

Plan Description. Employees of the Maury County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided – The Maury County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for

retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Maury County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	171
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	1,362
Total	<u><u>1,533</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$1,555,840 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Maury County	State of	Total OPEB
	School Department	TN	
	72.4856%	27.5144%	Liability
Balance July 1, 2016	\$ 22,183,244	\$ 8,420,413	\$ 30,603,657
Changes for the Year:			
Service Cost	\$ 1,283,372	\$ 487,148	\$ 1,770,520
Interest	665,955	252,786	918,741
Changes in			
Benefit Terms	0	0	0
Difference between			
Expected and Actuarial			
Experience	0	0	0
Changes in Assumption			
and Other Inputs	(928,789)	(352,554)	(1,281,343)
Benefit Payments	(1,319,887)	(501,008)	(1,820,895)
Net Changes	\$ (299,349)	\$ (113,628)	\$ (412,977)
Balance June 30, 2017	\$ 21,883,895	\$ 8,306,785	\$ 30,190,680

The Maury County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Maury County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$702,428 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Maury County School Department's proportionate share of the collective OPEB liability was 72.4856% and the State of Tennessee's share was 27.5144%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of \$2,552,948, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	829,982
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	1,555,840	0
Total	<u>\$ 1,555,840</u>	<u>\$ 829,982</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2019	\$ (98,807)
2020	(98,807)
2021	(98,807)
2022	(98,807)
2023	(98,807)
Thereafter	(335,945)

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1%	Current	1%
	Decrease	Discount	Increase
	2.56%	Rate	4.56%
		3.56%	

Proportionate Share of the Collective Total OPEB Liability	\$ 23,347,302	\$ 21,883,895	\$ 20,488,402
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1%	Current	1%
	Decrease	Rates	Increase
	6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 19,639,120	\$ 21,883,895	\$ 24,530,319
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J. Offices of Accounting and Budgeting and Human Resources

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

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

On May 21, 2018, Maury County adopted Chapter 47, Private Acts of 2018, which provides for a central system of accounting, budgeting, and purchasing covering all funds of the county. Maury County plans to fully implement the private act by July 1, 2019.

K. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes require that purchase orders be issued for all purchases and sealed bids be solicited on purchases exceeding \$25,000 for the Offices of County Mayor and Road Superintendent.

Office of Director of Schools

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

L. Subsequent Events

On August 31, 2018, Charlie Norman left the Office of County Mayor and was succeeded by Andy Ogles, and Steve Konz left the Office of Trustee and was succeeded by Randy McNeece.

On September 27, 2018, Maury County issued \$15,290,000 in general obligation bonds for constructing, improving, renovating, equipping, and repairing existing county schools.

On December 3, 2018, the county's General Debt Service Fund issued a \$2,000,000 tax anticipation note to the General Purpose School Fund for temporary operating funds.

Purchasing agent Buddy Harlan, retired on January 4, 2019, and was succeeded by Pattie Farris effective January 22, 2019.

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

A. Organization

Maury Regional Hospital is operated and maintained by Maury County, Tennessee, under authority of and in compliance with the provisions of Chapter 125 of the Tennessee Private Acts of 1996. The federal, state, and local governments participated in the cost of constructing and equipping the

hospital under the Hill-Burton Act. For financial reporting purposes, the hospital is considered an enterprise fund of Maury County, Tennessee.

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

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

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

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

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

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

Maury Regional Ambulatory Surgery Center (the Surgery Center) is a nonprofit corporation that provides medical care to non-emergent patients in the hospital's service area. The hospital is the sole member of the Surgery Center and funds its operating losses.

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

B. Summary of Significant Accounting Policies

Method of Accounting – The hospital utilizes the enterprise fund method of accounting. Revenues and expenses are recorded on the accrual basis using the economic resources measurement focus.

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

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

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

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

Investments and Assets Limited as to Use – Investments and assets limited as to use are reported at estimated fair value based on quoted market prices. Interest, dividends, and gains and losses (realized and unrealized) are included in investment income. The Board has designated certain assets as limited as to use for future capital improvements and therefore, such amounts are reported as long-term assets in the accompanying financial statements.

Property, Plant, and Equipment – Property, plant, and equipment are reported at cost or fair value at the date of gift, if donated. The hospital has established a capitalization threshold of \$1,000. Depreciation is calculated by the straight-line method to allocate the cost of the assets (other than land) over their estimated useful lives, which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements. Equipment held under capital lease obligations is amortized using the straight-line method over the shorter of the estimated useful life or the lease term. This amortization is included with depreciation expense and as part of accumulated depreciation in the combined financial statements. Interest costs incurred on applicable borrowings outstanding during the construction period of capital assets is capitalized as part of the cost of acquiring the asset and is amortized on the same basis as the related capital asset. Costs of maintenance and repairs are

charged to expense when incurred. The hospital periodically reviews property, plant, and equipment for indications of potential impairment. Management does not believe any impairment existed as of June 30, 2018.

Intangible Assets – Intangible assets are amortized over their estimated useful life and included in other assets in the combined financial statements.

Compensated Absences – The hospital's employees earn paid time off at varying rates depending on years of service. An accrual for paid time off is recorded in the period in which the employee earns the right to the compensation. Prior to July 1, 2015, employees also earned sick leave benefits based on varying rates depending on years of service and accumulated sick leave up to a specified maximum. Employees were not paid for accumulated sick leave if they left before retirement. However, employees who retired after the age of 60 could convert accumulated sick leave to termination payments. The estimated amount of sick leave, which will ultimately be payable as termination payments, totals approximately \$955,000 at June 30, 2018, and is reported as a noncurrent liability in the combined financial statements. The hospital's paid time off policy was amended effective July 1, 2015, to eliminate future sick pay accruals and freeze existing sick pay accrual amounts at their June 30, 2015, amounts. In addition, the accrual for compensated absences at June 30, 2015, was modified to utilize a "years of service" factor, which served to reduce the amount recorded. Due to uncertainties in this estimate, it is at least reasonably possible that management's estimate could change in 2019.

Pensions – Pension amounts (net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense, fiduciary net position of the hospital's pension plan (the Plan) and additions to or deductions from the Plan's fiduciary net position) have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position – Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. Unrestricted net position is the remaining assets that do not meet the definition of net investment in capital assets. There were no assets in a restricted position at June 30, 2018.

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

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

Contributions and Grants – Revenues from contributions and grants are recognized when all eligibility requirements are met. Contributions and grants may be restricted for specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions, if any, are reported after nonoperating revenue and expenses.

Income Taxes – The hospital meets the Internal Revenue Service definition of a governmental unit and is exempt from federal income taxes. MRMG, the Surgery Center and the Foundation are exempt from federal income taxes as 501(c)(3) organizations. At June 30, 2018, management does not believe the hospital holds any uncertain tax positions that would require financial statement recognition or disclosure.

Recently Issued Accounting Pronouncements – In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which requires balance sheet recognition of a liability and right-to-use asset for substantially all leases with a maximum possible term exceeding twelve months. The lease liability is measured at the present value of payments made during the lease term. In later periods, the lessee should amortize the discount of the lease liability and report it as an outflow of resources (interest expense) for the period. The lease asset is measured as the sum of the amount of the initial measurement of the lease liability, lease payments made to the lessor at/before the beginning of the lease term, and any initial direct costs. A lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset and reported as an amortization expense. The requirements of this statement are effective for reporting periods beginning after December 15, 2019; however, early adoption is permitted. Management is currently evaluating the impact of the adoption of the statement on the financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement will eliminate the capitalization of interest expense during the construction periods. The statement is effective for periods beginning after December 15, 2019, and will be applied prospectively.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interest* — an amendment of GASB Statement No. 14 and No. 61. The statement is effective for periods beginning after December 15, 2018, and delineates

circumstances under which a majority owned equity interest in a legally separate organization should be reported as an investment using the equity method or as a component unit. Management is evaluating the impact of this new standard.

C. Patient Service Revenue and Accounts Receivable

The hospital has agreements with various third-party payers that provide for payments to the hospital at amounts different from established rates. The difference between the rates charged and the estimated payments from third-party payers is recorded as a reduction of gross patient service charges. Revenue for patient service charges has been adjusted to the amounts estimated to be receivable under third-party payer arrangements. Amounts recorded under these contractual arrangements are subject to review and final determination by various program intermediaries. Management believes that adequate provision has been made for any adjustments, which may result from such reviews. However, due to uncertainties in the estimates, it is at least reasonably possible that management's estimates will change in 2019. Net patient service revenue for the year ended June 30, 2018, increased by approximately \$590,000 due to adjustments of estimates or final settlements of prior periods.

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

Medicare – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid primarily on a prospective basis. These rates vary according to a patient classification system that is based on clinical diagnosis, procedures utilized, and other factors. The Medicare program continues to reimburse certain other services based on a per diem or on a percentage of cost up to predetermined limits. The hospital also receives additional payments from the Medicare program for providing services to a disproportionate share of Medicaid (TennCare) and other low income patients and such amounts are not guaranteed in future periods. Approximately \$13,000,000 of net patient accounts receivable are due from the Medicare program at June 30, 2018.

TennCare – The State of Tennessee's Medicaid waiver program (TennCare) provides coverage through several managed care organizations. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per-diem amounts. Approximately \$2,800,000 of net patient accounts receivable are from payers under the TennCare program at June 30, 2018. During 2018, the hospital received additional distributions under the TennCare Essential Access, federal matching, and other programs totaling approximately \$970,000. Future distributions under these programs are not guaranteed. Such amounts are subject to potential recoupment.

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

Charity Care – The hospital provides care without charge to patients who meet certain criteria under its charity care policy. Because the hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue. The estimated direct and indirect costs of providing these services totaled approximately \$5,220,000 in 2018. Such costs are determined using a ratio of cost to charges analysis with indirect cost allocated under a reasonable and systematic approach.

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue is as follows at June 30, 2018:

Patient Service Charges	\$ 1,171,440,896
Less: Estimated Contractual Adjustments	(774,450,596)
Less: Provision for Bad Debts	(29,880,578)
Less: Charity Care	<u>(20,842,574)</u>
Total	<u><u>\$ 346,267,148</u></u>

D. Cash, Cash Equivalents, Certificates of Deposit, Investments, and Assets Limited As to Use

The carrying amount of deposits and investments included in the hospital's combined statements of net position is as follows:

Bank Deposits	\$ 38,100,202
Investments	<u>58,084,051</u>
Total	<u><u>\$ 96,184,253</u></u>

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

Cash and Cash Equivalents	\$ 35,272,527
Certificates of Deposit	327,037
Investments	2,529,189
Assets Limited As to Use	<u>58,055,500</u>
Total	<u><u>\$ 96,184,253</u></u>

The hospital holds deposits only in banks participating in the State of Tennessee Collateral Pool and in banks that provide collateral for all deposits,

or banks that are members of the Federal Deposit Insurance Corporation (FDIC).

Additionally, the hospital's deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

At June 30, 2018, the hospital's bank balances for deposits totaled \$38,667,890, a majority of which was insured by the FDIC or by the bank's participation in the State of Tennessee's collateral pool. Remaining deposits totaling \$517,608 are collateralized by securities held by the financial institution and pledged as collateral for the hospital's deposits.

The estimated fair values and maturities for investments, all of which were held in the hospital's name by a custodial bank that is an agent of the hospital, are as follows at June 30, 2018:

Investment Type	Maturity	Amount
Mutual Funds - Fixed Income	N/A	\$ 19,177,932
Mutual Funds - Equity	N/A	25,468,984
Government Agency Bonds	Less than 1 year	248,025
Government Agency Bonds	1 to 5 years	4,041,786
Corporate Bonds	Less than 1 year	997,251
Corporate Bonds	1 to 5 years	8,150,073
Total		<u>\$ 58,084,051</u>

The hospital was formed under the provisions of the private acts. Therefore, available funds are invested in accordance with a formal investment policy that is approved by the board.

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

Credit Risk – The hospital's investment policy restricts investments in corporate bonds to those with a credit rating of at least BBB and AA, respectively. Mutual fund's underlying investments must meet the same credit

ratings as other investments. The hospital's mutual fund investments are not rated. The credit rating of the hospital's corporate and municipal bonds is as follows at June 30, 2018:

Rating	Carrying Amount
AAA	\$ 246,058
AA	5,486,275
A	2,875,186
BBB	3,870,086
N/R	959,530
Total	<u>\$ 13,437,135</u>

Concentration of Credit Risk – The hospital's investment policy limits investments in corporate bonds to 60 percent of total investments with no security issuer exceeding five percent of total investments and municipal bonds to 25 percent of total investments with no security issuer exceeding five percent of total investments. There is no limit on investments in U.S. treasury securities, government agency bonds, or notes. Mutual funds containing corporate bonds should not exceed 50 percent of total investments, and a single mutual fund should not exceed 25 percent of total investments. Equity investments cannot exceed 40 percent of total investments. An investment in the equity of a single corporation and a single equity mutual fund should not exceed five percent and 15 percent, respectively, of total investments. At June 30, 2018, the hospital holds an investment in a single mutual fund containing corporate bonds that represents 20 percent of total investments. Additionally, the hospital holds five different equity mutual funds that each exceed 5 percent of total investments.

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

E. Property, Plant, and Equipment

A summary of changes in property, plant, and equipment and related accumulated depreciation for the year ended June 30, 2018, is as follows:

	Balance 7-1-17	Additions/ Transfers	Retirements	Balance 6-30-18
Capital Assets Depreciated:				
Land Improvements	\$ 6,045,661	\$ 0	\$ 0	\$ 6,045,661
Buildings	201,178,604	2,813,480	0	203,992,084
Equipment	196,978,285	8,886,016	(57,538)	205,806,763
Total Capital Assets Depreciated	\$ 404,202,550	\$ 11,699,496	\$ (57,538)	\$ 415,844,508
Less Accumulated Depreciation For:				
Land Improvements	\$ 4,728,527	\$ 157,747	\$ 0	\$ 4,886,274
Buildings	131,426,057	7,928,255	0	139,354,312
Equipment	155,264,930	10,769,236	(48,778)	165,985,388
Total Accumulated Depreciation	\$ 291,419,514	\$ 18,855,238	\$ (48,778)	\$ 310,225,974
Total Capital Assets Depreciated, Net	\$ 112,783,036	\$ (7,155,742)	\$ (8,760)	\$ 105,618,534
Capital Assets Not Depreciated:				
Land	\$ 7,656,672	\$ 0	\$ 0	\$ 7,656,672
Construction in Progress	15,366,640	18,166,381	0	33,533,021
Total Capital Assets Not Depreciated	\$ 23,023,312	\$ 18,166,381	\$ 0	\$ 41,189,693
Total Capital Assets, Net	\$ 135,806,348	\$ 11,010,639	\$ (8,760)	\$ 146,808,227

During 2018, the hospital capitalized interest expense on construction projects totaling approximately \$456,000. Construction in progress at June 30, 2018, consisted primarily of facility renovations and information system upgrades, and the total estimated costs required to complete construction in progress is approximately \$8,200,000.

F. Long-term Debt

Long-term debt consists of the following as of June 30, 2018:

Bonds Payable

Series 2015, Maury County General Obligation Refunding and Public Improvement Bonds issued on behalf of the hospital, with interest rates ranging from 2% to 5%, maturing over a 12 year period, with the final payment due April 1, 2027.	\$ 22,795,000
Series 2012B, Maury County General Obligation Bonds issued on behalf of the hospital, with interest rates at 2%, with the final payment due April 1, 2020.	675,000
Total Bonds Payable	<u>\$ 23,470,000</u>
Plus unamortized premiums	\$ 2,882,895
Total Bonds Payable, Net of Unamortized Premiums	<u>\$ 26,352,895</u>
<u>Other Long-term Debt</u>	
Capital lease obligations - see Note VI.I.	\$ 174,181
Line of credit	877,871
Total Other Long-term Debt	<u>\$ 1,052,052</u>
Total debt	\$ 27,404,947
Less: current portion	<u>3,672,596</u>
Total long-term debt	<u><u>\$ 23,732,351</u></u>

The hospital's bonds payable are general obligation bonds of Maury County, Tennessee. The bonds were issued for the purpose of acquiring property and equipment or the retirement of previously outstanding bonds and notes and to pay issuance costs and are secured by unlimited ad valorem taxes on all taxable property within the county.

The Series 2015 Bonds were issued to finance the constructing, repairing, renovating, and equipping of the hospital in addition to prepaying the hospital's outstanding notes payable and the remaining portion of the Series 2006 Bonds.

The Series 2015 Bonds maturing on or after April 1, 2026, are subject to redemption prior to maturity at the option of the county on April 1, 2025, or thereafter, at a redemption price of par plus accrued interest.

The hospital's scheduled principal maturities on all long-term debt as of June 30, 2018, (excluding unamortized premiums) follows:

Year Ending June 30	Principal	Interest
2019	\$ 3,520,000	\$ 1,073,750
2020	3,715,000	907,800
2021	3,545,000	732,250
2022	2,105,000	555,000
2023	2,210,000	449,750
2024-2028	8,375,000	746,850
Total	<u>\$ 23,470,000</u>	<u>\$ 4,465,400</u>

During 2018, the hospital entered into a construction line of credit with a financial institution to finance capital contributions to a joint venture project for the construction of a behavior health hospital. The total amount available under this construction loan is \$15,000,000 and the balance drawn will be repaid monthly over a period of ten years. The outstanding balance bears interest at a rate of 3.7 percent, payable monthly during the draw period.

A schedule of changes in long-term debt for the year ended June 30, 2018, is as follows:

	Balance 7-1-17	Additions/ Amortization	Payments/ Maturities	Balance 6-30-18	Amounts Due Within One Year
Bonds payable	\$ 26,750,000	\$ 0	\$ (3,280,000)	\$ 23,470,000	\$ 3,520,000
Unamortized premiums	3,225,828	(342,933)	0	2,882,895	0
Other long-term debt	708,179	877,871	(533,998)	1,052,052	152,596
Total	<u>\$ 30,684,007</u>	<u>\$ 534,938</u>	<u>\$ (3,813,998)</u>	<u>\$ 27,404,947</u>	<u>\$ 3,672,596</u>

G. Pension Plan

Plan Description. The hospital sponsors and is the plan administrator of the Maury Regional Hospital Retirement Plan (the Plan), a single-employer public retirement system (PERS), accounted for as a separate entity from the hospital. The purpose of the plan is to provide retirement, death, and certain other benefits to employees as specified in the plan. Although it has not expressed any intention to do so, the hospital has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions set forth in ERISA. The plan's financial report may be obtained by contacting Human Resources at (931) 381-1111, extension 1089.

The plan was amended effective May 1, 1997, to stop accrual of benefit service on April 30, 1997, for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) plan on

May 1, 1997, 1998, or 2001. Employees hired after May 1, 1997, are not eligible to participate in the plan.

Benefits Provided. In addition to normal retirement benefits, the plan also provides for early retirement and death benefits. Retirement benefits are calculated as a percent of the employee's highest average compensation during 60 consecutive months of the last 120 months of employment. Employees earn full retirement benefits once an employee has reached the age of 65. Early retirement benefits are available once an employee has reached age 55 and five years of service at a reduced rate based on age. Death benefits equal the actuarial equivalent value of the employee's vested accrued benefit as of the date of death. An employee who terminates service for other reasons after five years of credited service will receive retirement benefits at the normal retirement date.

Employees Covered by Benefit Terms. At April 30, the following employees were included in the plan:

Active Employees - Accruing Benefits	50
Active Employees - Frozen Benefits	257
Inactive Employees with Deferred Benefits	255
Disabled	5
Inactive Employees Currently Receiving Benefits	555
Total	<u>1,122</u>

Contributions. The hospital funds the plan as contributions are approved by the Board of Trustees based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned during the year with an additional amount to finance any unfunded accrued liability.

Net Pension Liability. The hospital's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of April 30, 2018. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as of April 30:

Inflation	2.5%
Salary Increases	4% to 7.5%
Investment Rate of Return	7.5%
Discount Rate	7.5%

Mortality rates were based on the IRS 2018 Static Mortality Table with mortality projected after year 2000 under Projection Scale AA to 15 years beyond the valuation date of non-annuitants and seven years beyond the

valuation date for annuitants. The actuarial valuation method used was entry age normal method.

The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows as of April 30:

Asset Class	Target Allocations	Long-term Expected Real Rate of Return	
Large Cap Equities	45.00%	8.65	%
Small Cap Equities	6.00%	10.30	
International Equities	10.00%	9.15	
Emerging Market Equities	4.00%	11.75	
Real Estate	5.00%	8.20	
Fixed Income	30.00%	1.00	

The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees assuming the actuarially determined contributions are made each year, although not required by the funding policy. Therefore, the discount rate for determining the total pension liability is equal to the long-term expected rate of return on pension plan investments.

Changes in the Net Pension Liability. Changes in the hospital's net pension liability are as follows for the year ended June 30, 2018:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, June 30, 2017	\$ 49,009,691	\$ 42,737,480	\$ 6,272,211
Changes for the year:			
Service Cost	\$ 406,466	\$ 0	\$ 406,466
Interest	3,575,784	0	3,575,784
Liability Gains or Losses	(601,725)	0	(601,725)
Assumption Changes	2,154,686	0	2,154,686
Benefit Payments	(3,478,064)	(3,478,064)	0
Administrative Expenses	0	(206,155)	206,155
Investment Income (Loss)	0	4,184,396	(4,184,396)
Employer Contributions	0	945,000	(945,000)
Balance, June 30, 2018	\$ 51,066,838	\$ 44,182,657	\$ 6,884,181

The plan's fiduciary net position as a percentage of the total pension liability was approximately 87% as of June 30, 2018.

The following presents the net pension liability (asset) of the hospital calculated using a 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 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 11,680,216	\$ 6,884,181	\$ 2,719,376

Pension Expense and Deferred Outflows and Deferred Inflows of Resources: For the year ended June 30, 2018, the hospital recognized pension expense of \$1,587,648. At June 30, 2018, the hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 300,862
Changes in Assumptions	1,077,342	0
Differences Between Projected and Actual Earnings	0	80,522
Total	<u>\$ 1,077,342</u>	<u>\$ 381,384</u>

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
2019	\$ 1,195,743
2020	403,221
2021	(683,433)
2022	(219,573)

H. Other Retirement Plans

The hospital sponsors and administers a defined contribution plan, which includes a 403(b) feature and an employer matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed Internal Revenue Service limits. The hospital's contribution in 2018 consisted of a matching contribution equal to 100 percent of the first three percent of annual compensation and an additional matching contribution of 125 percent of the employees' contribution from four to five percent of annual compensation if the employee had five or more years of service. The hospital's total contribution for the year ended June 30, 2018, was approximately \$4,160,000. Hospital employees' total contributions for the year ended June 30, 2018, were approximately \$7,425,000.

I. Leases

Capital Leases – The hospital leases medical equipment under various capital lease agreements with interest rates ranging from 3.7 percent to 4.5 percent. A summary of the leased equipment, which is included in property, plant, and equipment, at June 30, 2018, is as follows:

Equipment Acquired Under Capital Leases	\$ 662,577
Less: Accumulated Depreciation	<u>(494,482)</u>
Total	<u>\$ 168,095</u>

The following is a schedule of the future minimum lease payments required under capital leases as of June 30, 2018:

Year Ending June 30	Amount
2019	\$ 156,291
2020	<u>21,751</u>
Total Minimum Lease Payments	\$ 178,042
Less: Amount Representing Interest	<u>(3,861)</u>
Present Value of Minimum Lease Payments	<u>\$ 174,181</u>

Operating Leases – The hospital also rents office space and equipment under various non-cancelable operating lease agreements with varying terms. Rent expense under operating lease agreements totaled approximately \$3,880,000 for the year ended June 30, 2018.

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

Year Ending June 30	Amount
2019	\$ 2,503,676
2020	2,390,550
2021	1,727,505
2022	1,484,925
2023	1,502,631
2024-2028	4,040,333
2029-2033	1,358,676
2034-2038	1,358,676
2039-2043	<u>1,109,586</u>
Total	<u>\$ 17,476,558</u>

Leases with Physicians – The hospital leases office space in its medical office buildings to physicians under non-cancelable operating leases with varying terms. Rental income under these lease agreements totaled approximately \$1,580,000 for the year ended June 30, 2018. Future minimum lease

commitments to the hospital for all significant non-cancelable operating leases to physicians are as follows:

Year Ending June 30	Amount
2019	\$ 511,885
2020	339,410
2021	221,558
2022	179,512
2023	<u>136,745</u>
Total	<u><u>\$ 1,389,110</u></u>

J. Leased Healthcare Facilities

Effective July 1, 2014, the hospital entered into a five-year lease under a lease arrangement with Wayne County for the operation of several Wayne County healthcare facilities, including the county hospital, ambulance service, and medical office buildings. The lease also extends to all equipment, improvements, fixtures, and related personal property. The annual lease expense is \$50,000 each year and an annual capital improvement commitment of \$150,000. The lease provides for two five-year renewal options, which occur automatically unless the hospital provides notice of its intent to terminate the lease at least 180 days in advance.

K. Other Long-term Liabilities

Other long-term liabilities, and the related activity, consists of the following:

	Balance July 1, 2017	Compensation Earned	Payments/ Adjustments	Balance June 30, 2018
Employee benefits	\$ 1,510,200	\$ 0	\$ (360,000)	\$ 1,150,200
Deferred compensation	583,323	461,274	(504,869)	539,728
Reserve for claim audits	4,529,573	0	(707,566)	3,822,007
	<u>\$ 6,623,096</u>	<u>\$ 461,274</u>	<u>\$ (1,572,435)</u>	<u>\$ 5,511,935</u>

L. Commitments and Contingencies

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

Malpractice Liability Claims – The hospital is subject to claims and suits arising in the ordinary course of business from services provided to patients. Losses against the hospital are limited by the Tennessee Governmental Tort Liability Act to \$300,000 for injury or death per person and \$700,000 per occurrence. However, claims against healthcare practitioners are not subject to these limits. The hospital maintains professional liability insurance on a claims made basis with limits of \$1,000,000 per occurrence with a retention of \$250,000 per claim and a \$3,000,000 annual aggregate with a \$750,000 annual aggregate retention. The hospital has estimated and recorded a liability for reported claims totaling approximately \$1,060,000 at June 30, 2018. In management's opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will have a material adverse effect on the hospital's results of operations or financial condition. The hospital has not estimated any liability for incurred but not reported claims.

Workers' Compensation Claims – The hospital is covered for workers' compensation claims through an insurance policy with a per claim and policy limit of \$500,000. Management has recorded an accrual for the estimated liability related to claims reported as of June 30, 2018. The hospital has not estimated any liability for incurred but not reported claims.

Healthcare Benefits – The hospital maintains a partially self-insured healthcare plan to provide reimbursement for covered expenses incurred as a result of illness or injury to covered employees and dependents. Stop-loss insurance is purchased for annual claims per individual exceeding \$300,000 with an additional aggregating specific amount of \$100,000. The hospital has estimated and recorded a liability for healthcare claims incurred but not yet reported totaling approximately \$2,620,000 at June 30, 2018. Prior to July 1, 2015, employees that retired after attaining age 60 and completing 20 years of service received continued coverage under the hospital's health benefit program until they attain age 65 or become eligible for Medicare benefits. The hospital's policy for healthcare benefits for retired employees was amended effective July 1, 2015, to eliminate future accruals and payments of healthcare benefits for employees not yet retired as of June 30, 2015. The estimated amount of retirement health benefits payable totaled approximately \$195,000 at June 30, 2018, and is reported as a noncurrent liability in the combined financial statements. Due to uncertainties in the estimate, it is at least reasonably possible that management's estimate could change in 2019.

Healthcare Industry – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse and under the provisions of the Health Insurance Portability and Accountability Act of 1996, patient records privacy and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and

regulations by healthcare providers, such as the Medicare Recovery Audit Contractor Program. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Management believes that any amounts payable related to audits through the Medicare Recovery Audit Contractor program, or similar initiatives, have been estimated and recorded as a noncurrent liability in the combined financial statements; and therefore, any additional impact on the combined financial statements will not be significant. However, due to the uncertainties involved, management's estimate could change in the near future.

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

M. Fair Value Measurement

The hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the value inputs used to measure the fair value of the asset. *Level 1* inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets; *Level 2* inputs are other observable inputs; and *Level 3* inputs are unobservable.

Assets Measured at Fair Value on a Recurring Basis as of June 30, 2018

	Carrying Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments in Mutual Funds - Fixed Income	\$ 19,177,932	\$ 19,177,932	\$ 0	\$ 0
Investments in Mutual Funds - Equity	25,468,984	25,468,984	0	0
Investments in Governmental Agency Bonds	4,289,811	0	4,289,811	0
Investments in Corporate and Municipal Bonds	9,147,324	0	9,147,324	0
	<u>\$ 58,084,051</u>	<u>\$ 44,646,916</u>	<u>\$ 13,437,135</u>	<u>\$ 0</u>

The fair value of investments in U.S. government agency bonds, municipal bonds and corporate bonds is estimated based on matrix pricing of similar assets or market corroborated pricing.

N. Blended Component Unit Information

Condensed financial information of the hospital's blended component units is as follows:

Statement of Net Position

For the Year Ended June 30, 2018

	Hospital	MRMG	Surgery Center	Foundation
Assets				
Current Assets	\$ 83,171,271	\$ 4,111,778	\$ 173,540	\$ 2,272,910
Due (to)				
from Affiliates	3,511,497	123,257	(3,188,711)	0
Property, Plant, and Equipment	142,328,239	1,211,011	3,268,977	0
Other Assets	72,193,157	669,282	316,898	0
Total Assets	\$ 301,204,164	\$ 6,115,328	\$ 570,704	\$ 2,272,910
Deferred Outflows of Resources				
Deferred Pension				
Adjustments	\$ 1,077,342	\$ 0	\$ 0	\$ 0
Deferred Amounts from				
Debt Refunding	120,128	0	0	0
Combined Assets and Deferred Outflows of Resources	\$ 302,401,634	\$ 6,115,328	\$ 570,704	\$ 2,272,910
Liabilities				
Current liabilities	\$ 33,146,427	\$ 4,681,663	\$ (6,229)	\$ (117)
Long-term debt	23,732,351	0	0	0
Other liabilities	12,396,116	0	0	0
Total Liabilities	\$ 69,274,894	\$ 4,681,663	\$ (6,229)	\$ (117)
Deferred Inflows of Resources				
Deferred Pension				
Adjustments	\$ 381,384	\$ 0	\$ 0	\$ 0
Combined Liabilities and Deferred Inflows of Resources	\$ 69,656,278	\$ 4,681,663	\$ (6,229)	\$ (117)
Net Position				
Net investment				
in capital assets	\$ 114,923,292	\$ 1,211,011	\$ 3,268,977	\$ -
Unrestricted	117,822,064	222,654	(2,692,044)	2,273,027
	\$ 232,745,356	\$ 1,433,665	\$ 576,933	\$ 2,273,027
Total Net Position	\$ 302,401,634	\$ 6,115,328	\$ 570,704	\$ 2,272,910

Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2018

	Hospital	MRMG	Surgery Center	Foundation
Operating Revenue				
Net Patient Service				
Revenue	\$ 313,552,004	\$ 31,877,196	\$ 837,948	\$ 0
Other Operating				
Revenue	15,701,236	6,879,391	0	0
Total Operating				
Revenue	\$ 329,253,240	\$ 38,756,587	\$ 837,948	\$ 0
Operating Expenses	(301,711,579)	(46,589,422)	(1,696,612)	(943,512)
Depreciation and				
Amortization	(17,966,862)	(1,071,271)	(440,192)	0
Income (Loss)	\$ 9,574,799	\$ (8,904,106)	\$ (1,298,856)	\$ (943,512)
Nonoperating Revenue				
(Expenses)	4,495,959	(11,493)	0	1,062,995
Equity in Affiliate Losses	(10,449,480)	0	0	0
Interest Expense	(416,304)	(1,094)	(70,890)	0
Excess of Revenue				
Over Expenses	\$ 3,204,974	\$ (8,916,693)	\$ (1,369,746)	\$ 119,483
Capital Contributions				
and Transfers	0	10,731,801	1,911,811	0
Change in Net				
Position	\$ 3,204,974	\$ 1,815,108	\$ 542,065	\$ 119,483
Net Position, 7-1-17	229,540,382	(381,443)	34,868	2,153,544
Net Position, 6-30-18	\$ 232,745,356	\$ 1,433,665	\$ 576,933	\$ 2,273,027

Statements of Cash Flows
For the Year Ended June 30, 2018

	Hospital	MRMG	Surgery Center	Foundation
Cash Flows from				
Operating Activities	\$ 13,741,772	\$ 1,157,481	\$ (147,945)	\$ (1,087,650)
Cash Flows from				
Noncapital Financing				
Activities	1,680,657	0	0	893,965
Cash Flows from				
Capital and Related				
Financing Activities	(33,201,496)	(414,931)	0	0
Cash Flows from				
Investing Activities	(929,130)	(740,835)	0	169,030
Increase in Cash and				
Cash Equivalents	\$ (18,708,197)	\$ 1,715	\$ (147,945)	\$ (24,655)
Cash and Cash				
Equivalents, 7-1-17	53,891,603	50,354	151,468	58,184
Cash and Cash				
Equivalents, 6-30-18	\$ 35,183,406	\$ 52,069	\$ 3,523	\$ 33,529

O. Subsequent Events

Subsequent to June 30, 2018, the hospital sold 75.5 percent of the outstanding membership units of the Surgery Center for \$2,369,945. Prior to the sale, substantially all assets and liabilities related to working capital were transferred to MRMG. Under the terms of the related operating agreement, the hospital is not required to make any further capital contributions.

The hospital evaluated all events or transactions that occurred after June 30, 2018, through October 23, 2018, the date the hospital's financial statements were available to be issued. Management did not note any subsequent events, other than noted above, that required recognition or disclosure in the combined financial statements.

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

A. Summary of Significant Accounting Policies

1. Organization

The Maury County Board of Public Utilities Water System is a discrete component unit of Maury County, Tennessee. The system is governed by a board of directors appointed by the county mayor and ratified by commissioners of Maury County. In addition, the Maury County Commissioners approve the annual budget of the system. The system is operated as an enterprise fund with self-balancing accounting records. The system does not receive any operating revenues from Maury County.

2. Basis of Accounting

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

3. Change in Percentage used for Pension Accounting (Change in Estimate)

The system is included in the Tennessee Consolidated Retirement System as part of the Maury County plan. The system is calculated as a percentage of the total Maury County plan. The percentage is provided by the auditors of the state of Tennessee. The percentage was 2.47 percent for the year ended June 30, 2018, which was a change in estimate from 2.18 percent for the year ended June 30, 2017. The change in accounting estimate is reported as an expense in the current year financial statements.

4. **Pension**

Plan Description:

Employees of the system are provided a defined benefit pension plan through the Public Employee Retirement Plan, a multiple-employer pension plan administered by the TCRS.

Benefits Provided:

Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit.

5. **Net Pension Liability (Asset)**

The system's net pension liability (asset) was measured as of June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy. The actuarial assumptions used in the June 30, 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 rates of return are developed for each major asset class. 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 %

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 the system 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 (asset).

6. Utility Plant, Property and Equipment

The utility plant, property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated

useful lives of the respective assets. Items costing over \$500 are depreciated. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income. Depreciation expense for the year ended June 30, 2018, was \$787,304.

7. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2018. Restricted assets are not treated as part of the system's cash and cash equivalents.

8. Classification of Revenue

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

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

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

9. Use of Estimates

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

10. Inventory

The system's inventory of supplies is stated at the lower of cost or market using the first-in, first-out method. The costs of inventory items are recognized as expenses in the enterprise fund when used.

11. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, it is the system's policy to first apply restricted resources.

B. Accounts Receivable

Customer receivables are composed of the following aged categories:

	<u>Amount</u>
Current Billings	\$ 271,694
30 Days Past Due	4,148
60 Days Past Due	1,230
90 Days Past Due	<u>0</u>
Total	<u><u>\$ 277,072</u></u>

Bad debts are determined and written-off only by direct action of the system's board. For the year ended June 30, 2018, \$14,027 was written-off.

C. Deposits and Investments

Deposits

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

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2018, all deposits were insured or collateralized.

Investments

State statutes authorize the system to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool. Investments consist of certificates of deposit with financial institutions with original maturities of over three months and not over one year. The system's policy is to hold these investments to maturity; therefore, there is no interest rate risk that will adversely affect the fair value of the investments.

D. Restricted Assets

The restricted assets represent investment of customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2018, included \$31,550 for meter deposits of current customers.

E. Utility Plant, Property, and Equipment

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

<u>Assets</u>	<u>Years</u>
Water Grid and Improvements	50 - 100
Water Mains	40
Water Towers and Stations	40
Water Meters	10 - 40
Casting and Valves	20 - 50
Other	40
Trucks	5
Small Tools and Equipment	3 - 10
Office Furniture and Equipment	5 - 10

F. Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

	Balance 7-1-17	Additions	Retirements	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 589,205	\$ 0	\$ 0	\$ 589,205
Construction in Progress	194,753	346,027	(461,928)	78,852
Total Capital Assets Not Depreciated	\$ 783,958	\$ 346,027	\$ (461,928)	\$ 668,057
Capital Assets Depreciated:				
Building	\$ 1,988,736	\$ 0	\$ 0	\$ 1,988,736
Water Grid and Improvements	31,338,677	549,293	0	31,887,970
Equipment and Fixtures	1,214,319	256,310	(215,819)	1,254,810
Total Capital Assets Depreciated	\$ 34,541,732	\$ 805,603	\$ (215,819)	\$ 35,131,516
Less Accumulated Depreciation For:				
Building	\$ 246,563	\$ 50,223	\$ 0	\$ 296,786
Water Grid and Improvements	8,896,277	622,382	0	9,518,659
Equipment and Fixtures	928,391	112,562	(213,685)	827,268
Total Accumulated Depreciation	\$ 10,071,231	\$ 785,167	\$ (213,685)	\$ 10,642,713
Total Capital Assets Depreciated, Net	\$ 24,470,501	\$ 20,436	\$ (2,134)	\$ 24,488,803
Business-type Activities Capital Assets, Net	\$ 25,254,459	\$ 366,463	\$ (464,062)	\$ 25,156,860

G. Accrued Leave

Accumulated annual leave at June 30, 2018, totaled \$21,083. It is the system's policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks annual leave for personnel with one to five years continuous service, three weeks for six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

H. Risk Management

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

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

I. Long-term Debt

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

Bonds payable consist of the following at June 30, 2018:

Bonds Payable

Series 2006, State Revolving Loan Fund: DWSRF 2005-065: The principal will be amortized over 20 years with monthly payments of \$21,623 and an interest rate of 2.42%.

\$ 2,148,457

Series 2008, State Revolving Loan Fund: DWSRF 2007-072: The principal will be amortized over 20 years with monthly payments of \$8,679 and an interest rate of 2.42%.

937,848

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

2,512,008

Total Bonds Payable

\$ 5,598,313

Less current portion

(340,875)

Total Long-term Bonds Payable

\$ 5,257,438

Business-type Activities - Bonds Payable

Balance 7-1-17	Reductions	Balance 6-30-18	Due Within One Year
\$ 5,930,209	\$ (331,896)	\$ 5,598,313	\$ 340,875

The principal and interest requirements for outstanding bonds as of June 30, 2018, are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$ 340,875	\$ 174,130	\$ 515,005
2020	350,062	164,942	515,004
2021	359,528	155,476	515,004
2022	369,251	145,753	515,004
2023	379,248	135,757	515,005
2024-2028	1,860,359	520,027	2,380,386
2029-2033	417,209	357,105	774,314
2034-2038	491,258	265,642	756,900
2039-2043	603,551	153,349	756,900
2044-2046	426,972	27,659	454,631
Total	\$ 5,598,313	\$ 2,099,840	\$ 7,698,153

J. Pension

The system participates in the Tennessee Consolidated Retirement System, under the Maury County, Tennessee plan. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service.

Employees contribute five percent of earnable compensation to the plan. The system is required to contribute at an actuarially determined rate; the rate of the fiscal year ended June 30, 2018, was 4.62 percent of annual covered payroll. Pension expense was \$19,830 for the year ended June 30, 2018.

K. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the system reported a pension asset of \$63,385 for its proportionate share of the net pension asset. The net pension asset was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial value as of that date. The system's proportion of the net pension asset was based on the system's share of contributions to the pension plan relative to the contributions of all participants. At the measurement date of June 30, 2018, the system's proportion was 2.47 percent. The proportion measured as of June 30, 2017 was 2.18 percent.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the system reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,042	\$ 23,471
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	32,142	404
Contributions subsequent to the measurement date of June 30, 2017	31,201	0
Total	<u>\$ 68,385</u>	<u>\$ 23,875</u>

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
2019	\$ (5,623)
2020	17,162
2021	6,241
2022	4,472
2023	0
Thereafter	0

Payable to the Pension Plan. The system did not have a payable relating to required contribution to the plan at June 30, 2018.

Pension Expense. The system reported pension expense of \$19,830 for the year ended June 30, 2018.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 1,534,968	\$ 1,570,258	\$ (35,290)
Changes for the year:			
Service Cost	\$ 56,332	\$ 0	\$ 56,332
Interest	117,076	0	117,076
Change in benefit terms	1,801	0	1,801
Differences Between Expected and Actual Experience	(2,301)	0	(2,301)
Change in assumptions	40,178	0	40,178
Contributions-Employer	0	31,189	(31,189)
Contributions-Employees	0	33,755	(33,755)
Net Investment Income	0	178,099	(178,099)
Benefit Payments, Including Refunds of Employee Contributions	(60,584)	(60,584)	0
Administrative Expense	0	(2,005)	2,005
Other Changes	0	143	(143)
Net Changes	\$ 152,502	\$ 180,597	\$ (28,095)
Balance, June 30, 2017	\$ 1,687,470	\$ 1,750,855	\$ (63,385)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.
The following presents the net pension liability (asset) of the system calculated using the discount rate of 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 165,480	\$ (63,385)	\$ (252,755)

L. Subsequent Events

Subsequent events have been evaluated through the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Maury 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	2017
Total Pension Liability				
Service Cost	\$ 2,144,201	\$ 2,089,934	\$ 2,204,144	\$ 2,280,667
Interest	3,882,590	4,154,887	4,501,605	4,739,903
Changes in Benefit Terms	0	0	0	72,922
Differences Between Actual and Expected Experience	(517,136)	408,227	(1,172,245)	(93,146)
Changes in Assumptions	0	0	0	1,626,633
Benefit Payments, Including Refunds of Employee Contributions	(1,773,430)	(1,876,071)	(2,412,635)	(2,452,805)
Net Change in Total Pension Liability	\$ 3,736,225	\$ 4,776,977	\$ 3,120,869	\$ 6,174,174
Total Pension Liability, Beginning	50,510,376	54,246,601	59,023,578	62,144,447
Total Pension Liability, Ending (a)	\$ 54,246,601	\$ 59,023,578	\$ 62,144,447	\$ 68,318,621
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,619,633	\$ 1,188,886	\$ 1,214,772	\$ 1,262,731
Contributions - Employee	1,251,509	1,288,204	1,314,713	1,366,601
Net Investment Income	8,403,420	1,840,671	1,642,233	7,210,480
Benefit Payments, Including Refunds of Employee Contributions	(1,773,430)	(1,876,071)	(2,412,635)	(2,452,805)
Administrative Expense	(34,737)	(46,288)	(66,377)	(81,177)
Other	0	0	0	5,794
Net Change in Plan Fiduciary Net Position	\$ 9,466,395	\$ 2,395,402	\$ 1,692,706	\$ 7,311,624
Plan Fiduciary Net Position, Beginning	50,018,686	59,485,081	61,880,483	63,573,189
Plan Fiduciary Net Position, Ending (b)	\$ 59,485,081	\$ 61,880,483	\$ 63,573,189	\$ 70,884,813
Net Pension Liability (Asset), Ending (a - b)	\$ (5,238,480)	\$ (2,856,905)	\$ (1,428,742)	\$ (2,566,192)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.66%	104.84%	102.30%	103.76%
Covered Payroll	\$ 25,033,043	\$ 25,736,255	\$ 26,294,779	\$ 27,331,770
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(20.93)%	(11.1)%	(5.43)%	(9.39)%

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

Note: data presented is primary government, non-certified employees of the discretely presented School Department, and the discretely presented Maury County Water System.

Exhibit F-2

Maury 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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,619,633	\$ 1,188,886	\$ 1,214,772	\$ 1,214,822	\$ 1,380,751
Less Contributions in Relation to the Actuarially Determined Contribution	(1,619,633)	(1,188,886)	(1,214,772)	(1,214,822)	(1,380,751)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,033,043	\$ 25,736,255	\$ 26,294,779	\$ 27,331,770	\$ 29,886,214
Contributions as a Percentage of Covered Payroll	6.47%	4.62%	4.62%	4.62%	4.15%

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

Note: data presented is primary government, non-certified employees of the discretely presented School Department, and the discretely presented Maury County Water System.

Exhibit F-3

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

	2015	2016	2017	2018
Contractually Required Contribution	\$ 90,615	\$ 175,025	\$ 275,722	\$ 382,416
Less Contributions in Relation to the Contractually Required Contribution	(90,615)	(175,025)	(275,722)	(382,416)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,265,347	\$ 4,375,630	\$ 6,855,637	\$ 9,560,381
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 4,049,189	\$ 3,965,792	\$ 3,838,582	\$ 3,584,491	\$ 3,818,686
Less Contributions in Relation to the					
Contractually Required Contribution	(4,049,189)	(3,965,792)	(3,838,582)	(3,584,491)	(3,818,686)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 45,598,973	\$ 43,870,096	\$ 42,462,443	\$ 39,688,827	\$ 42,055,947
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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

Exhibit F-5

Maury County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Pension Plan of TCRS
Discretely Presented Maury County School Department
For the Fiscal Year Ended June 30 *

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	1.090316%	0.994448%	1.050226%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (43,863)	\$ (103,525)	\$ (277,088)
Covered Payroll	\$ 2,265,347	\$ 4,375,630	\$ 6,855,637
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.04)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

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

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

Exhibit F-6

Maury County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Maury County School Department
For the Fiscal Year Ended June 30 *

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	1.161760%	1.171881%	1.176304%	1.121697%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (188,781)	\$ 480,042	\$ 7,351,246	\$ (367,001)
Covered Payroll	\$ 45,598,978	\$ 43,870,096	\$ 42,462,443	\$ 39,688,827
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.92)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

* 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-7

Maury County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Maury County School Department
For the Fiscal Year Ended June 30

	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 1,770,520
Interest	918,741
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(1,281,343)
Benefit Payments	<u>(1,820,895)</u>
Net Change in Total OPEB Liability	\$ <u>(412,977)</u>
Total OPEB Liability, Beginning	<u>30,603,657</u>
 Total OPEB Liability, Ending	 <u><u>\$ 30,190,680</u></u>
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 8,306,785
Employer Proportionate Share of the Total OPEB Liability	21,883,895
 Covered Employee Payroll	 \$ 63,921,086
Net OPEB Liability as a Percentage of Covered Employee Payroll	0.342357997

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

MAURY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
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
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Capital Projects Funds

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

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

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

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

Exhibit G-1

Maury County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds					Capital Projects Funds
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 70,596	\$ 0	\$ 70,596	\$ 0
Equity in Pooled Cash and Investments	489,690	3,674,637	0	2,788,696	6,953,023	196,016
Accounts Receivable	4,406	1,896	90,946	4,394	101,642	0
Due from Other Governments	0	0	0	567,247	567,247	0
Property Taxes Receivable	0	0	0	2,952,414	2,952,414	0
Allowance for Uncollectible Property Taxes	0	0	0	(64,602)	(64,602)	0
Total Assets	<u>\$ 494,096</u>	<u>\$ 3,676,533</u>	<u>\$ 161,542</u>	<u>\$ 6,248,149</u>	<u>\$ 10,580,320</u>	<u>\$ 196,016</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 58,376	\$ 58,376	\$ 0
Payroll Deductions Payable	0	0	0	79,732	79,732	0
Due to Litigants, Heirs, and Others	0	0	211	0	211	0
Other Current Liabilities	73,203	0	0	0	73,203	0
Total Liabilities	<u>\$ 73,203</u>	<u>\$ 0</u>	<u>\$ 211</u>	<u>\$ 138,108</u>	<u>\$ 211,522</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 2,814,451	\$ 2,814,451	\$ 0
Deferred Delinquent Property Taxes	0	0	0	63,889	63,889	0
Other Deferred/Unavailable Revenue	0	0	0	262,006	262,006	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,140,346</u>	<u>\$ 3,140,346</u>	<u>\$ 0</u>

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Capital Projects Funds
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 0	\$ 3,635,519	\$ 0	\$ 0	\$ 3,635,519	\$ 0
Restricted for Public Safety	420,893	0	0	0	420,893	0
Restricted for Social, Cultural, and Recreational Services	0	41,014	0	0	41,014	0
Restricted for Highways/Public Works	0	0	0	2,969,695	2,969,695	0
Restricted for Capital Outlay	0	0	0	0	0	196,016
Committed:						
Committed for General Government	0	0	161,331	0	161,331	0
Total Fund Balances	\$ 420,893	\$ 3,676,533	\$ 161,331	\$ 2,969,695	\$ 7,228,452	\$ 196,016
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 494,096	\$ 3,676,533	\$ 161,542	\$ 6,248,149	\$ 10,580,320	\$ 196,016

(Continued)

Exhibit G-1

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

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
Payroll Deductions Payable
Due to Litigants, Heirs, and Others
Other Current Liabilities
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
Highway Capital Projects	Other Capital Projects	Total	
\$ 0	\$ 0	\$ 0	\$ 70,596
536,407	1,256,813	1,989,236	8,942,259
0	2,385	2,385	104,027
93,042	0	93,042	660,289
0	2,083,740	2,083,740	5,036,154
0	(42,294)	(42,294)	(106,896)
<u>\$ 629,449</u>	<u>\$ 3,300,644</u>	<u>\$ 4,126,109</u>	<u>\$ 14,706,429</u>
\$ 0	\$ 3,576	\$ 3,576	\$ 61,952
0	0	0	79,732
0	0	0	211
0	0	0	73,203
<u>\$ 0</u>	<u>\$ 3,576</u>	<u>\$ 3,576</u>	<u>\$ 215,098</u>
\$ 0	\$ 1,997,207	\$ 1,997,207	\$ 4,811,658
0	38,527	38,527	102,416
0	0	0	262,006
<u>\$ 0</u>	<u>\$ 2,035,734</u>	<u>\$ 2,035,734</u>	<u>\$ 5,176,080</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for General Government

Restricted for Public Safety

Restricted for Social, Cultural, and Recreational Services

Restricted for Highways/Public Works

Restricted for Capital Outlay

Committed:

Committed for General Government

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Capital Projects Funds (Cont.)			Total
Highway Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 3,635,519
0	0	0	420,893
0	0	0	41,014
629,449	0	629,449	3,599,144
0	1,261,334	1,457,350	1,457,350
0	0	0	161,331
<u>\$ 629,449</u>	<u>\$ 1,261,334</u>	<u>\$ 2,086,799</u>	<u>\$ 9,315,251</u>
<u>\$ 629,449</u>	<u>\$ 3,300,644</u>	<u>\$ 4,126,109</u>	<u>\$ 14,706,429</u>

Exhibit G-2

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds					Capital Projects Funds
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 1,748,295	\$ 0	\$ 3,159,777	\$ 4,908,072	\$ 0
Fines, Forfeitures, and Penalties	162,005	0	0	0	162,005	0
Other Local Revenues	0	0	0	62,042	62,042	0
State of Tennessee	0	0	0	3,752,486	3,752,486	0
Federal Government	0	0	0	0	0	0
Total Revenues	\$ 162,005	\$ 1,748,295	\$ 0	\$ 6,974,305	\$ 8,884,605	\$ 0
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 26,663	\$ 0	\$ 26,663	\$ 0
Administration of Justice	0	0	18,795	0	18,795	0
Public Safety	96,336	0	0	0	96,336	0
Social, Cultural, and Recreational Services	0	0	0	0	0	0
Other Operations	0	0	0	0	0	0
Highways	0	0	0	6,726,782	6,726,782	0
Capital Projects	0	221,003	0	79,599	300,602	82,324
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 96,336	\$ 221,003	\$ 45,458	\$ 6,806,381	\$ 7,169,178	\$ 82,324
Excess (Deficiency) of Revenues Over Expenditures	\$ 65,669	\$ 1,527,292	\$ (45,458)	\$ 167,924	\$ 1,715,427	\$ (82,324)

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Capital Projects Funds
	Drug Control	Adequate Facilities/ Development Tax	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 14,884	\$ 14,884	\$ 0
Transfers In	0	0	0	0	0	0
Transfers Out	0	(1,000,000)	0	0	(1,000,000)	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (1,000,000)</u>	<u>\$ 0</u>	<u>\$ 14,884</u>	<u>\$ (985,116)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 65,669	\$ 527,292	\$ (45,458)	\$ 182,808	\$ 730,311	\$ (82,324)
Fund Balance, July 1, 2017	<u>355,224</u>	<u>3,149,241</u>	<u>206,789</u>	<u>2,786,887</u>	<u>6,498,141</u>	<u>278,340</u>
Fund Balance, June 30, 2018	<u>\$ 420,893</u>	<u>\$ 3,676,533</u>	<u>\$ 161,331</u>	<u>\$ 2,969,695</u>	<u>\$ 7,228,452</u>	<u>\$ 196,016</u>

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	Highway Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 1,114,215	\$ 1,824,161	\$ 2,938,376	\$ 7,846,448
Fines, Forfeitures, and Penalties	0	0	0	162,005
Other Local Revenues	0	71	71	62,113
State of Tennessee	0	0	0	3,752,486
Federal Government	120,904	0	120,904	120,904
Total Revenues	\$ 1,235,119	\$ 1,824,232	\$ 3,059,351	\$ 11,943,956
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 209,279	\$ 209,279	\$ 235,942
Administration of Justice	0	0	0	18,795
Public Safety	0	341,245	341,245	437,581
Social, Cultural, and Recreational Services	0	240,758	240,758	240,758
Other Operations	11,204	36,422	47,626	47,626
Highways	0	0	0	6,726,782
Capital Projects	1,663,966	301,483	2,047,773	2,348,375
Capital Projects - Donated	0	505,452	505,452	505,452
Total Expenditures	\$ 1,675,170	\$ 1,634,639	\$ 3,392,133	\$ 10,561,311
Excess (Deficiency) of Revenues Over Expenditures	\$ (440,051)	\$ 189,593	\$ (332,782)	\$ 1,382,645

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	Highway Capital Projects	Other Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 14,884
Transfers In	0	360,000	360,000	360,000
Transfers Out	(144,052)	0	(144,052)	(1,144,052)
Total Other Financing Sources (Uses)	<u>\$ (144,052)</u>	<u>\$ 360,000</u>	<u>\$ 215,948</u>	<u>\$ (769,168)</u>
Net Change in Fund Balances	\$ (584,103)	\$ 549,593	\$ (116,834)	\$ 613,477
Fund Balance, July 1, 2017	<u>1,213,552</u>	<u>711,741</u>	<u>2,203,633</u>	<u>8,701,774</u>
Fund Balance, June 30, 2018	<u>\$ 629,449</u>	<u>\$ 1,261,334</u>	<u>\$ 2,086,799</u>	<u>\$ 9,315,251</u>

Exhibit G-3

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 162,005	\$ 103,000	\$ 103,000	\$ 59,005
Federal Government	0	8,000	8,000	(8,000)
Total Revenues	<u>\$ 162,005</u>	<u>\$ 111,000</u>	<u>\$ 111,000</u>	<u>\$ 51,005</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 96,336	\$ 150,877	\$ 150,877	\$ 54,541
Total Expenditures	<u>\$ 96,336</u>	<u>\$ 150,877</u>	<u>\$ 150,877</u>	<u>\$ 54,541</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 65,669</u>	<u>\$ (39,877)</u>	<u>\$ (39,877)</u>	<u>\$ 105,546</u>
Net Change in Fund Balance	\$ 65,669	\$ (39,877)	\$ (39,877)	\$ 105,546
Fund Balance, July 1, 2017	<u>355,224</u>	<u>355,224</u>	<u>355,224</u>	<u>0</u>
Fund Balance, June 30, 2018	<u><u>\$ 420,893</u></u>	<u><u>\$ 315,347</u></u>	<u><u>\$ 315,347</u></u>	<u><u>\$ 105,546</u></u>

Exhibit G-4

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Adequate Facilities/ Development Tax Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,748,295	\$ 0	\$ 1,748,295	\$ 1,000,000	\$ 1,000,000	\$ 748,295
State of Tennessee	0	0	0	500,000	500,000	(500,000)
Total Revenues	\$ 1,748,295	\$ 0	\$ 1,748,295	\$ 1,500,000	\$ 1,500,000	\$ 248,295
<u>Expenditures</u>						
<u>Capital Projects</u>						
General Administration Projects	\$ 183,174	\$ (122,956)	\$ 60,218	\$ 1,000,000	\$ 1,000,000	\$ 939,782
Public Safety Projects	37,829	(37,829)	0	0	0	0
Total Expenditures	\$ 221,003	\$ (160,785)	\$ 60,218	\$ 1,000,000	\$ 1,000,000	\$ 939,782
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,527,292	\$ 160,785	\$ 1,688,077	\$ 500,000	\$ 500,000	\$ 1,188,077
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (1,000,000)	\$ 0	\$ (1,000,000)	\$ 0	\$ (1,000,000)	\$ 0
Total Other Financing Sources	\$ (1,000,000)	\$ 0	\$ (1,000,000)	\$ 0	\$ (1,000,000)	\$ 0
Net Change in Fund Balance	\$ 527,292	\$ 160,785	\$ 688,077	\$ 500,000	\$ (500,000)	\$ 1,188,077
Fund Balance, July 1, 2017	3,149,241	(160,785)	2,988,456	3,149,241	3,149,241	(160,785)
Fund Balance, June 30, 2018	\$ 3,676,533	\$ 0	\$ 3,676,533	\$ 3,649,241	\$ 2,649,241	\$ 1,027,292

Exhibit G-5

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,159,777	\$ 0	\$ 3,159,777	\$ 3,072,326	\$ 3,072,326	\$ 87,451
Other Local Revenues	62,042	0	62,042	16,000	76,339	(14,297)
State of Tennessee	3,752,486	0	3,752,486	4,003,034	4,213,937	(461,451)
Total Revenues	<u>\$ 6,974,305</u>	<u>\$ 0</u>	<u>\$ 6,974,305</u>	<u>\$ 7,091,360</u>	<u>\$ 7,362,602</u>	<u>\$ (388,297)</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 260,912	\$ 0	\$ 260,912	\$ 257,008	\$ 267,510	\$ 6,598
Highway and Bridge Maintenance	3,380,736	(30,504)	3,350,232	3,631,659	3,630,394	280,162
Operation and Maintenance of Equipment	752,665	(16,554)	736,111	942,040	947,493	211,382
Other Charges	448,754	(35,500)	413,254	435,821	440,327	27,073
Capital Outlay	1,883,715	(647,115)	1,236,600	1,502,375	2,073,262	836,662
<u>Capital Projects</u>						
Highway and Street Capital Projects	79,599	0	79,599	130,000	130,000	50,401
Total Expenditures	<u>\$ 6,806,381</u>	<u>\$ (729,673)</u>	<u>\$ 6,076,708</u>	<u>\$ 6,898,903</u>	<u>\$ 7,488,986</u>	<u>\$ 1,412,278</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 167,924</u>	<u>\$ 729,673</u>	<u>\$ 897,597</u>	<u>\$ 192,457</u>	<u>\$ (126,384)</u>	<u>\$ 1,023,981</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 14,884	\$ 0	\$ 14,884	\$ 0	\$ 5,576	\$ 9,308
Total Other Financing Sources	<u>\$ 14,884</u>	<u>\$ 0</u>	<u>\$ 14,884</u>	<u>\$ 0</u>	<u>\$ 5,576</u>	<u>\$ 9,308</u>
Net Change in Fund Balance	\$ 182,808	\$ 729,673	\$ 912,481	\$ 192,457	\$ (120,808)	\$ 1,033,289
Fund Balance, July 1, 2017	<u>2,786,887</u>	<u>(729,673)</u>	<u>2,057,214</u>	<u>2,786,887</u>	<u>2,786,887</u>	<u>(729,673)</u>
Fund Balance, June 30, 2018	<u><u>\$ 2,969,695</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,969,695</u></u>	<u><u>\$ 2,979,344</u></u>	<u><u>\$ 2,666,079</u></u>	<u><u>\$ 303,616</u></u>

Exhibit G-6

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,824,161	\$ 0	\$ 1,824,161	\$ 1,741,610	\$ 1,741,610	\$ 82,551
Other Local Revenues	71	0	71	8,000	8,000	(7,929)
Total Revenues	<u>\$ 1,824,232</u>	<u>\$ 0</u>	<u>\$ 1,824,232</u>	<u>\$ 1,749,610</u>	<u>\$ 1,749,610</u>	<u>\$ 74,622</u>
<u>Expenditures</u>						
<u>Finance</u>						
Data Processing	\$ 209,279	\$ 0	\$ 209,279	\$ 137,500	\$ 210,500	\$ 1,221
<u>Public Safety</u>						
Sheriff's Department	260,830	(260,830)	0	368,000	379,109	379,109
Jail	80,415	(6,657)	73,758	0	80,415	6,657
<u>Social, Cultural, and Recreational Services</u>						
Libraries	13,610	0	13,610	300,000	300,000	286,390
Parks and Fair Boards	227,148	0	227,148	272,000	592,000	364,852
<u>Other Operations</u>						
Other Charges	191	0	191	700	700	509
Miscellaneous	36,231	0	36,231	25,000	36,343	112
<u>Capital Projects</u>						
Public Safety Projects	301,483	0	301,483	0	301,783	300
<u>Capital Projects - Donated</u>						
Capital Projects Donated to School Department	505,452	(43,030)	462,422	473,800	473,800	11,378
Total Expenditures	<u>\$ 1,634,639</u>	<u>\$ (310,517)</u>	<u>\$ 1,324,122</u>	<u>\$ 1,577,000</u>	<u>\$ 2,374,650</u>	<u>\$ 1,050,528</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>\$ 189,593</u>	<u>\$ 310,517</u>	<u>\$ 500,110</u>	<u>\$ 172,610</u>	<u>\$ (625,040)</u>	<u>\$ 1,125,150</u>

(Continued)

Exhibit G-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,451	\$ (10,451)
Transfers In	360,000	0	360,000	0	360,000	0
Total Other Financing Sources	\$ 360,000	\$ 0	\$ 360,000	\$ 0	\$ 370,451	\$ (10,451)
Net Change in Fund Balance	\$ 549,593	\$ 310,517	\$ 860,110	\$ 172,610	\$ (254,589)	\$ 1,114,699
Fund Balance, July 1, 2017	711,741	(310,517)	401,224	711,741	711,741	(310,517)
Fund Balance, June 30, 2018	\$ 1,261,334	\$ 0	\$ 1,261,334	\$ 884,351	\$ 457,152	\$ 804,182

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 17,605,893	\$ 16,484,113	\$ 16,484,113	\$ 1,121,780
Other Local Revenues	1,415,074	600,000	612,764	802,310
State of Tennessee	1,189,732	950,000	950,000	239,732
Federal Government	388	0	0	388
Other Governments and Citizens Groups	1,048,641	0	687,147	361,494
Total Revenues	<u>\$ 21,259,728</u>	<u>\$ 18,034,113</u>	<u>\$ 18,734,024</u>	<u>\$ 2,525,704</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 3,100,475	\$ 1,267,808	\$ 3,100,475	\$ 0
Education	4,266,526	5,500,502	4,279,234	12,708
<u>Interest on Debt</u>				
General Government	332,747	459,297	332,747	0
Education	5,144,263	3,913,763	5,163,747	19,484
<u>Other Debt Service</u>				
General Government	364,787	233,000	365,133	346
Education	65,734,170	0	65,734,170	0
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	669,585	0	670,679	1,094
Total Expenditures	<u>\$ 79,612,553</u>	<u>\$ 11,374,370</u>	<u>\$ 79,646,185</u>	<u>\$ 33,632</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (58,352,825)</u>	<u>\$ 6,659,743</u>	<u>\$ (60,912,161)</u>	<u>\$ 2,559,336</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 62,050,000	\$ 0	\$ 62,050,000	\$ 0
Notes Issued	360,000	0	360,000	0
Premiums on Debt Sold	3,680,644	0	3,680,644	0
Other Loans Issued	669,585	0	670,679	(1,094)
Transfers In	299,312	0	299,108	204
Transfers Out	(360,000)	0	(360,000)	0
Total Other Financing Sources	<u>\$ 66,699,541</u>	<u>\$ 0</u>	<u>\$ 66,700,431</u>	<u>\$ (890)</u>
Net Change in Fund Balance	\$ 8,346,716	\$ 6,659,743	\$ 5,788,270	\$ 2,558,446
Fund Balance, July 1, 2017	<u>10,960,178</u>	<u>10,960,178</u>	<u>10,960,178</u>	<u>0</u>
Fund Balance, June 30, 2018	<u>\$ 19,306,894</u>	<u>\$ 17,619,921</u>	<u>\$ 16,748,448</u>	<u>\$ 2,558,446</u>

Fiduciary Funds

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

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

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

Exhibit I-1

Maury County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,566,992	\$ 2,566,992
Accounts Receivable	0	644	644
Due from Other Governments	2,276,561	0	2,276,561
Total Assets	<u>\$ 2,276,561</u>	<u>\$ 2,567,636</u>	<u>\$ 4,844,197</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 2,276,561	\$ 0	\$ 2,276,561
Due to Litigants, Heirs, and Others	0	2,567,636	2,567,636
Total Liabilities	<u>\$ 2,276,561</u>	<u>\$ 2,567,636</u>	<u>\$ 4,844,197</u>

Exhibit I-2

Maury County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 14,514,598	\$ 14,514,598	\$ 0
Due from Other Governments	2,523,507	2,276,561	2,523,507	2,276,561
Total Assets	\$ 2,523,507	\$ 16,791,159	\$ 17,038,105	\$ 2,276,561
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,523,507	\$ 16,791,159	\$ 17,038,105	\$ 2,276,561
Total Liabilities	\$ 2,523,507	\$ 16,791,159	\$ 17,038,105	\$ 2,276,561
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,360,418	\$ 23,440,305	\$ 23,233,731	\$ 2,566,992
Accounts Receivable	580	644	580	644
Total Assets	\$ 2,360,998	\$ 23,440,949	\$ 23,234,311	\$ 2,567,636
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,360,998	\$ 23,440,949	\$ 23,234,311	\$ 2,567,636
Total Liabilities	\$ 2,360,998	\$ 23,440,949	\$ 23,234,311	\$ 2,567,636
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,360,418	\$ 23,440,305	\$ 23,233,731	\$ 2,566,992
Equity in Pooled Cash and Investments	0	14,514,598	14,514,598	0
Accounts Receivable	580	644	580	644
Due from Other Governments	2,523,507	2,276,561	2,523,507	2,276,561
Total Assets	\$ 4,884,505	\$ 40,232,108	\$ 40,272,416	\$ 4,844,197
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,523,507	\$ 16,791,159	\$ 17,038,105	\$ 2,276,561
Due to Litigants, Heirs, and Others	2,360,998	23,440,949	23,234,311	2,567,636
Total Liabilities	\$ 4,884,505	\$ 40,232,108	\$ 40,272,416	\$ 4,844,197

Maury County School Department

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

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

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

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

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

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

Exhibit J-1

Maury County, Tennessee
Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

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	\$ 41,453,970	\$ 178,257	\$ 7,812,944	\$ 189,527	\$ (33,273,242)
Support Services	68,004,841	262,313	242,143	67,009,124	(491,261)
Operation of Non-instructional Services	7,605,854	1,463,361	5,616,120	0	(526,373)
Total Governmental Activities	\$ 117,064,665	\$ 1,903,931	\$ 13,671,207	\$ 67,198,651	\$ (34,290,876)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 21,763,426
Local Option Sales Tax					16,446,039
Mixed Drink Tax					158,748
Interstate Telecommunications Tax					55,117
Grants and Contributions Not Restricted to Specific Programs					58,063,788
Unrestricted Investment Earnings					11,760
Miscellaneous					61,688
Total General Revenues					\$ 96,560,566
Change in Net Position					\$ 62,269,690
Net Position, July 1, 2017					175,435,010
Prior-period Adjustment - See Note I.D.9.					(306,066)
Restatement - See Note I.D.10.					(5,679,359)
Net Position, June 30, 2018					\$ 231,719,275

Exhibit J-2

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department
June 30, 2018

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 769,971	\$ 0	\$ 3,500	\$ 773,471
Equity in Pooled Cash and Investments	5,163,953	61,845,456	2,958,380	69,967,789
Inventories	0	0	213,328	213,328
Accounts Receivable	91,793	0	4,731	96,524
Due from Other Governments	4,397,266	0	1,287,958	5,685,224
Due from Other Funds	442,352	0	0	442,352
Property Taxes Receivable	22,495,532	0	0	22,495,532
Allowance for Uncollectible Property Taxes	(476,917)	0	0	(476,917)
Prepaid Items	104,181	0	0	104,181
Total Assets	<u>\$ 32,988,131</u>	<u>\$ 61,845,456</u>	<u>\$ 4,467,897</u>	<u>\$ 99,301,484</u>
<u>LIABILITIES</u>				
Accrued Payroll	\$ 1,181	\$ 0	\$ 0	\$ 1,181
Payroll Deductions Payable	4,342,899	0	320,308	4,663,207
Contracts Payable	0	4,469,516	0	4,469,516
Due to Other Funds	0	0	442,352	442,352
Due to State of Tennessee	0	0	2,507	2,507
Total Liabilities	<u>\$ 4,344,080</u>	<u>\$ 4,469,516</u>	<u>\$ 765,167</u>	<u>\$ 9,578,763</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 21,494,610	\$ 0	\$ 0	\$ 21,494,610
Deferred Delinquent Property Taxes	456,347	0	0	456,347
Other Deferred/Unavailable Revenue	1,224,630	0	0	1,224,630
Total Deferred Inflows of Resources	<u>\$ 23,175,587</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,175,587</u>

(Continued)

Exhibit J-2

Maury County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Maury County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 213,328	\$ 213,328
Prepaid Items	104,181	0	0	104,181
Restricted:				
Restricted for Education	0	57,375,940	3,070,297	60,446,237
Committed:				
Committed for Education	1,040,956	0	419,105	1,460,061
Unassigned	4,323,327	0	0	4,323,327
Total Fund Balances	<u>\$ 5,468,464</u>	<u>\$ 57,375,940</u>	<u>\$ 3,702,730</u>	<u>\$ 66,547,134</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 32,988,131</u>	<u>\$ 61,845,456</u>	<u>\$ 4,467,897</u>	<u>\$ 99,301,484</u>

Exhibit J-3

Maury County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Maury County School Department
June 30, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	66,547,134
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,848,445	
Add: construction in progress		15,616,508	
Add: building and improvements net of accumulated depreciation		159,626,126	
Add: other capital assets net of accumulated depreciation		<u>5,680,465</u>	186,771,544
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability	\$	(21,883,895)	
Less: compensated absences payable		(2,907,100)	
Less: contributions due on primary government debt for capital leases		<u>(1,280,810)</u>	(26,071,805)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$	8,798,290	
Less: deferred inflows of resources related to pensions		(8,297,562)	
Add: deferred outflows of resources related to OPEB		1,555,840	
Less: deferred inflows of resources related to OPEB		<u>(829,982)</u>	1,226,586
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	920,750	
Add: net pension asset - teacher retirement plan		277,088	
Add: net pension asset - teacher legacy pension plan		<u>367,001</u>	1,564,839
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,680,977</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>231,719,275</u></u>

Exhibit J-4

Maury County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 38,677,109	\$ 0	\$ 0	\$ 38,677,109
Licenses and Permits	6,346	0	0	6,346
Charges for Current Services	229,218	0	1,468,463	1,697,681
Other Local Revenues	105,411	0	55,997	161,408
State of Tennessee	59,954,035	0	58,455	60,012,490
Federal Government	316,503	0	11,707,473	12,023,976
Other Governments and Citizens Groups	810,793	65,023,294	669,585	66,503,672
Total Revenues	<u>\$ 100,099,415</u>	<u>\$ 65,023,294</u>	<u>\$ 13,959,973</u>	<u>\$ 179,082,682</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 62,994,281	\$ 0	\$ 3,810,402	\$ 66,804,683
Support Services	36,252,412	0	2,499,884	38,752,296
Operation of Non-Instructional Services	1,382,747	0	6,677,008	8,059,755
Capital Outlay	1,180,182	0	672,643	1,852,825
Debt Service:				
Other Debt Service	1,048,641	0	0	1,048,641
Capital Projects	0	27,644,754	0	27,644,754
Total Expenditures	<u>\$ 102,858,263</u>	<u>\$ 27,644,754</u>	<u>\$ 13,659,937</u>	<u>\$ 144,162,954</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,758,848)</u>	<u>\$ 37,378,540</u>	<u>\$ 300,036</u>	<u>\$ 34,919,728</u>

(Continued)

Exhibit J-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<hr/>				
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 152,248	\$ 0	\$ 1,119	\$ 153,367
Transfers In	124,801	0	598	125,399
Transfers Out	(598)	0	(124,801)	(125,399)
Total Other Financing Sources (Uses)	<u>\$ 276,451</u>	<u>\$ 0</u>	<u>\$ (123,084)</u>	<u>\$ 153,367</u>
Net Change in Fund Balances	\$ (2,482,397)	\$ 37,378,540	\$ 176,952	\$ 35,073,095
Prior-period Adjustment	(373,561)	0	67,495	(306,066)
Fund Balance, July 1, 2017	<u>8,324,422</u>	<u>19,997,400</u>	<u>3,458,283</u>	<u>31,780,105</u>
Fund Balance, June 30, 2018	<u><u>\$ 5,468,464</u></u>	<u><u>\$ 57,375,940</u></u>	<u><u>\$ 3,702,730</u></u>	<u><u>\$ 66,547,134</u></u>

Exhibit J-5

Maury County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	35,073,095
(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	\$	29,169,440	
Less: current-year depreciation expense		(6,708,503)	22,460,937
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized			505,452
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2018	\$	1,680,977	
Less: deferred delinquent property taxes and other deferred June 30, 2017		(1,934,756)	(253,779)
(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			598,691
(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 asset - agent plan	\$	349,968	
Change in net pension asset - teacher retirement plan		173,563	
Change in net pension asset - teacher legacy pension plan		7,718,247	
Change in deferred outflows related to pensions		(5,127,991)	
Change in deferred inflows related to pensions		1,151,922	
Change in compensated absences payable		(85,735)	
Change in deferred outflows related to OPEB (net of restatement)		235,953	
Change in deferred inflows related to OPEB		(829,982)	
Change in OPEB liability (net of restatement)		299,349	3,885,294
Change in net position of governmental activities (Exhibit B)		\$	<u>62,269,690</u>

Exhibit J-6

Maury County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Maury County School Department
June 30, 2018

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Other Capital Projects -	
<u>ASSETS</u>					
Cash	\$ 0	\$ 3,500	\$ 3,500	\$ 0	\$ 3,500
Equity in Pooled Cash and Investments	311,293	2,627,982	2,939,275	19,105	2,958,380
Inventories	0	213,328	213,328	0	213,328
Accounts Receivable	2,124	2,607	4,731	0	4,731
Due from Other Governments	774,977	512,981	1,287,958	0	1,287,958
Total Assets	\$ 1,088,394	\$ 3,360,398	\$ 4,448,792	\$ 19,105	\$ 4,467,897
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 245,882	\$ 74,426	\$ 320,308	\$ 0	\$ 320,308
Due to Other Funds	442,352	0	442,352	0	442,352
Due to State of Tennessee	0	2,507	2,507	0	2,507
Total Liabilities	\$ 688,234	\$ 76,933	\$ 765,167	\$ 0	\$ 765,167
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 213,328	\$ 213,328	\$ 0	\$ 213,328
Restricted:					
Restricted for Education	160	3,070,137	3,070,297	0	3,070,297
Committed:					
Committed for Education	400,000	0	400,000	19,105	419,105
Total Fund Balances	\$ 400,160	\$ 3,283,465	\$ 3,683,625	\$ 19,105	\$ 3,702,730
Total Liabilities and Fund Balances	\$ 1,088,394	\$ 3,360,398	\$ 4,448,792	\$ 19,105	\$ 4,467,897

Exhibit J-7

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Other Capital Projects -	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,468,463	\$ 1,468,463	\$ 0	\$ 1,468,463
Other Local Revenues	0	55,997	55,997	0	55,997
State of Tennessee	0	58,455	58,455	0	58,455
Federal Government	6,278,606	5,428,867	11,707,473	0	11,707,473
Other Governments and Citizens Groups	0	0	0	669,585	669,585
Total Revenues	\$ 6,278,606	\$ 7,011,782	\$ 13,290,388	\$ 669,585	\$ 13,959,973
<u>Expenditures</u>					
Current:					
Instruction	\$ 3,810,402	\$ 0	\$ 3,810,402	\$ 0	\$ 3,810,402
Support Services	2,461,190	38,694	2,499,884	0	2,499,884
Operation of Non-Instructional Services	0	6,677,008	6,677,008	0	6,677,008
Capital Outlay	0	0	0	672,643	672,643
Total Expenditures	\$ 6,271,592	\$ 6,715,702	\$ 12,987,294	\$ 672,643	\$ 13,659,937
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,014	\$ 296,080	\$ 303,094	\$ (3,058)	\$ 300,036
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 1,119	\$ 0	\$ 1,119	\$ 0	\$ 1,119
Transfers In	598	0	598	0	598
Transfers Out	(71,805)	(52,996)	(124,801)	0	(124,801)
Total Other Financing Sources (Uses)	\$ (70,088)	\$ (52,996)	\$ (123,084)	\$ 0	\$ (123,084)

(Continued)

Exhibit J-7

Maury County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Maury County School Department (Cont.)

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Other Capital Projects -	
Net Change in Fund Balances	\$ (63,074)	\$ 243,084	\$ 180,010	\$ (3,058)	\$ 176,952
Prior-period Adjustment	67,495	0	67,495	0	67,495
Fund Balance, July 1, 2017	395,739	3,040,381	3,436,120	22,163	3,458,283
Fund Balance, June 30, 2018	\$ 400,160	\$ 3,283,465	\$ 3,683,625	\$ 19,105	\$ 3,702,730

Exhibit J-8

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
General Purpose School Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 38,677,109	\$ 36,869,078	\$ 36,869,078	\$ 1,808,031
Licenses and Permits	6,346	6,156	6,156	190
Charges for Current Services	229,218	334,591	433,901	(204,683)
Other Local Revenues	105,411	465,546	694,534	(589,123)
State of Tennessee	59,954,035	58,550,402	60,829,219	(875,184)
Federal Government	316,503	357,764	521,785	(205,282)
Other Governments and Citizens Groups	810,793	0	109,725	701,068
Total Revenues	\$ 100,099,415	\$ 96,583,537	\$ 99,464,398	\$ 635,017
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 48,656,600	\$ 45,885,692	\$ 48,189,283	\$ (467,317)
Alternative Instruction Program	629,544	646,535	635,420	5,876
Special Education Program	9,197,711	9,148,714	9,307,417	109,706
Career and Technical Education Program	4,144,614	3,963,151	4,453,905	309,291
Other	365,812	352,406	373,622	7,810
<u>Support Services</u>				
Attendance	811,521	681,492	805,899	(5,622)
Health Services	840,606	826,666	872,455	31,849
Other Student Support	2,135,517	1,921,663	2,090,608	(44,909)
Regular Instruction Program	4,069,611	4,524,588	4,226,288	156,677
Alternative Instruction Program	71,109	86,543	86,543	15,434
Special Education Program	1,121,065	1,257,469	1,127,238	6,173
Career and Technical Education Program	189,569	189,565	190,035	466
Technology	1,559,530	1,329,353	1,597,761	38,231
Other Programs	399,527	0	399,527	0
Board of Education	2,214,296	2,438,698	2,231,182	16,886
Director of Schools	376,605	380,765	384,297	7,692
Office of the Principal	7,119,659	6,904,383	7,292,254	172,595
Fiscal Services	1,079,612	609,602	1,167,306	87,694
Human Services/Personnel	576,773	323,131	477,131	(99,642)
Operation of Plant	5,999,356	6,023,444	6,081,500	82,144
Maintenance of Plant	2,487,178	2,590,594	2,677,855	190,677
Transportation	4,993,147	5,139,363	5,086,563	93,416
Central and Other	207,731	1,092,321	595,224	387,493
<u>Operation of Non-Instructional Services</u>				
Community Services	217,634	0	225,835	8,201
Early Childhood Education	1,165,113	2,050	1,205,997	40,884
<u>Capital Outlay</u>				
Regular Capital Outlay	1,180,182	0	1,506,402	326,220
<u>Other Debt Service</u>				
Education	1,048,641	361,494	1,048,641	0
Total Expenditures	\$ 102,858,263	\$ 96,679,682	\$ 104,336,188	\$ 1,477,925
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,758,848)	\$ (96,145)	\$ (4,871,790)	\$ 2,112,942

(Continued)

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 152,248	\$ 63,726	\$ 211,726	\$ (59,478)
Transfers In	124,801	32,419	1,028,558	(903,757)
Transfers Out	(598)	0	(996,139)	995,541
Total Other Financing Sources	<u>\$ 276,451</u>	<u>\$ 96,145</u>	<u>\$ 244,145</u>	<u>\$ 32,306</u>
Net Change in Fund Balance	\$ (2,482,397)	\$ 0	\$ (4,627,645)	\$ 2,145,248
Prior-period Adjustment	(373,561)	0	0	(373,561)
Fund Balance, July 1, 2017	<u>8,324,422</u>	<u>0</u>	<u>0</u>	<u>8,324,422</u>
Fund Balance, June 30, 2018	<u><u>\$ 5,468,464</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (4,627,645)</u></u>	<u><u>\$ 10,096,109</u></u>

Exhibit J-9

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
School Federal Projects Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,278,606	\$ 9,253,739	\$ 9,253,739	\$ (2,975,133)
Total Revenues	\$ 6,278,606	\$ 9,253,739	\$ 9,253,739	\$ (2,975,133)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,109,990	\$ 2,323,470	\$ 2,323,470	\$ 213,480
Special Education Program	1,528,987	3,006,453	3,006,453	1,477,466
Career and Technical Education Program	171,425	171,425	171,425	0
<u>Support Services</u>				
Health Services	211,644	289,590	289,590	77,946
Other Student Support	297,883	836,141	836,141	538,258
Regular Instruction Program	858,825	1,247,414	1,247,414	388,589
Special Education Program	517,780	570,324	570,324	52,544
Career and Technical Education Program	9,839	9,839	9,839	0
Transportation	565,219	625,567	625,567	60,348
Total Expenditures	\$ 6,271,592	\$ 9,080,223	\$ 9,080,223	\$ 2,808,631
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,014	\$ 173,516	\$ 173,516	\$ (166,502)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,119	\$ 0	\$ 0	\$ 1,119
Transfers In	598	0	0	598
Transfers Out	(71,805)	(173,516)	(173,516)	101,711
Total Other Financing Sources	\$ (70,088)	\$ (173,516)	\$ (173,516)	\$ 103,428
Net Change in Fund Balance	\$ (63,074)	\$ 0	\$ 0	\$ (63,074)
Prior-period Adjustment	67,495	0	0	67,495
Fund Balance, July 1, 2017	395,739	400,000	400,000	(4,261)
Fund Balance, June 30, 2018	\$ 400,160	\$ 400,000	\$ 400,000	\$ 160

Exhibit J-10

Maury County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Maury County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,468,463	\$ 1,685,000	\$ 1,685,000	\$ (216,537)
Other Local Revenues	55,997	38,000	38,000	17,997
State of Tennessee	58,455	59,000	59,000	(545)
Federal Government	5,428,867	5,598,374	5,598,374	(169,507)
Total Revenues	<u>\$ 7,011,782</u>	<u>\$ 7,380,374</u>	<u>\$ 7,380,374</u>	<u>\$ (368,592)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 38,694	\$ 54,430	\$ 54,430	\$ 15,736
<u>Operation of Non-Instructional Services</u>				
Food Service	6,677,008	7,411,789	8,536,789	1,859,781
Total Expenditures	<u>\$ 6,715,702</u>	<u>\$ 7,466,219</u>	<u>\$ 8,591,219</u>	<u>\$ 1,875,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 296,080</u>	<u>\$ (85,845)</u>	<u>\$ (1,210,845)</u>	<u>\$ 1,506,925</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (52,996)	\$ (53,000)	\$ (53,000)	\$ 4
Total Other Financing Sources	<u>\$ (52,996)</u>	<u>\$ (53,000)</u>	<u>\$ (53,000)</u>	<u>\$ 4</u>
Net Change in Fund Balance	\$ 243,084	\$ (138,845)	\$ (1,263,845)	\$ 1,506,929
Fund Balance, July 1, 2017	<u>3,040,381</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,240,381</u>
Fund Balance, June 30, 2018	<u>\$ 3,283,465</u>	<u>\$ 1,661,155</u>	<u>\$ 536,155</u>	<u>\$ 2,747,310</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Maury County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Bonds, and Capital Leases
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation School	\$ 355,993	1.5 %	4-20-16	4-1-20	\$ 268,766	\$ 0	\$ 88,258	\$ 180,508
General Obligation Jail	360,000	1.687	2-6-18	2-1-21	0	360,000	0	360,000
Total Notes Payable					<u>\$ 268,766</u>	<u>\$ 360,000</u>	<u>\$ 88,258</u>	<u>\$ 540,508</u>
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Qualified School Construction Bond (QSCB)	4,408,000	(1)	10-1-10	9-15-27	\$ 2,803,530	\$ 0	\$ 275,052	\$ 2,528,478
Energy Efficient Schools Initiative	(2) 669,585	1.0	1-30-18	12-31-21	0	669,585	0	669,585
Total Other Loans Payable					<u>\$ 2,803,530</u>	<u>\$ 669,585</u>	<u>\$ 275,052</u>	<u>\$ 3,198,063</u>
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Criminal Justice Center and School Construction	29,000,000	3.5 to 5	6-12-08	3-1-18	\$ 2,150,000	\$ 0	\$ 2,150,000	\$ 0
General Obligation Refunding	18,320,000	1 to 4	5-23-12	4-1-20	8,505,000	0	2,740,000	5,765,000
School and Public Improvement	12,250,000	2 to 5	10-14-14	10-14-30	10,345,000	0	915,000	9,430,000
School Improvement	43,965,000	2 to 5	6-1-15	4-1-36	43,865,000	0	100,000	43,765,000
General Obligation Refunding	20,150,000	2.05	12-22-15	4-1-28	20,150,000	0	0	20,150,000
General Obligation School	21,300,000	2.13	9-8-16	4-1-36	21,100,000	0	500,000	20,600,000
General Obligation School	62,050,000	3.03	10-19-17	4-1-42	0	62,050,000	0	62,050,000
Total Bonds Payable					<u>\$ 106,115,000</u>	<u>\$ 62,050,000</u>	<u>\$ 6,405,000</u>	<u>\$ 161,760,000</u>
CAPITAL LEASES								
<u>Contributions Due by the School Department from the General</u>								
<u>Purpose School fund to the General Debt Service Fund</u>								
#1 Schools Computer Lease	309,653	5.258	2-3-17	3-3-20	\$ 218,452	\$ 0	\$ 80,789	\$ 137,663
#2 Schools Computer Lease	309,653	5.342	3-1-17	4-1-20	218,351	0	80,727	137,624
#3 Schools Computer Lease	200,655	5.342	3-1-17	4-1-20	141,491	0	52,311	89,180
#4 Schools Computer Lease	1,476,262	5.342	3-13-17	4-13-20	1,040,981	0	384,864	656,117
#5 Schools Computer Lease	369,065	5.279	6-6-17	7-6-20	260,226	0	0	260,226
Total Capital Leases					<u>\$ 1,879,501</u>	<u>\$ 0</u>	<u>\$ 598,691</u>	<u>\$ 1,280,810</u>

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

(2) Total amount approved was \$2,945,088 of which \$2,275,503 remains available for draws as of June 30, 2018.

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

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 209,582	\$ 8,697	\$ 218,279
2020	210,926	5,413	216,339
2021	120,000	2,024	122,024
Total	<u>\$ 540,508</u>	<u>\$ 16,134</u>	<u>\$ 556,642</u>

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2019	\$ 391,128	\$ 227,896	\$ 3,526	\$ 622,550
2020	508,374	240,922	3,526	752,822
2021	510,720	238,576	3,526	752,822
2022	359,571	222,157	3,526	585,254
2023	275,052	213,700	3,526	492,278
2024	275,052	213,700	3,526	492,278
2025	275,052	213,700	3,526	492,278
2026	275,052	213,700	3,526	492,278
2027	302,128	213,700	3,526	519,354
2028	25,934	1,617	588	28,139
Total	<u>\$ 3,198,063</u>	<u>\$ 1,999,668</u>	<u>\$ 32,322</u>	<u>\$ 5,230,053</u>

(Continued)

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 7,075,000	\$ 6,179,439	\$ 13,254,439
2020	8,260,000	5,900,588	14,160,588
2021	7,770,000	5,516,739	13,286,739
2022	7,985,000	5,128,238	13,113,238
2023	8,265,000	4,728,989	12,993,989
2024	8,555,000	4,315,738	12,870,738
2025	8,840,000	3,900,239	12,740,239
2026	8,135,000	3,502,375	11,637,375
2027	8,320,000	3,215,776	11,535,776
2028	8,510,000	2,931,025	11,441,025
2029	6,765,000	2,612,326	9,377,326
2030	7,040,000	2,342,725	9,382,725
2031	6,905,000	2,115,026	9,020,026
2032	7,130,000	1,889,018	9,019,018
2033	7,345,000	1,669,044	9,014,044
2034	7,575,000	1,442,281	9,017,281
2035	7,825,000	1,190,313	9,015,313
2036	8,070,000	942,500	9,012,500
2037	3,295,000	685,063	3,980,063
2038	3,395,000	582,093	3,977,093
2039	3,500,000	476,000	3,976,000
2040	3,615,000	364,000	3,979,000
2041	3,730,000	246,513	3,976,513
2042	3,855,000	125,287	3,980,287
Total	\$ 161,760,000	\$ 62,001,329	\$ 223,761,329

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 727,785	\$ 69,826	\$ 797,611
2020	490,788	30,122	520,910
2021	62,237	3,366	65,603
Total	\$ 1,280,810	\$ 103,314	\$ 1,384,124

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

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

Exhibit K-3

Maury County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General Fund	General Debt Service	Service debt	\$ 299,312
General Debt Service	General Capital Projects	Jail Renovation	360,000
Adequate Facilities/Development Tax	Solid Waste Disposal	Construction of new transfer station	1,000,000
Highway Capital Projects	General Fund	Operations	<u>144,052</u>
Total Transfers Primary Government			<u>\$ 1,803,364</u>
<u>DISCRETELY PRESENTED MAURY COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Operations	\$ 598
School Federal Projects	General Purpose School	Indirect Costs	71,805
Central Cafeteria	General Purpose School	Operations	<u>52,996</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 125,399</u>

Maury County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 107,443	\$ 100,000	RLI Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	98,897	100,000	"
Director of Schools	State Board of Education and Local Board of Education	180,000 (1)	(6)	
Trustee	Section 8-24-102, <i>TCA</i>	89,904	3,660,000	Cincinnati Insurance Company
Assessor of Property:	Section 8-24-102, <i>TCA</i>	89,904	50,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	89,904	100,000	"
Circuit and General Sessions Courts Clerk:	Section 8-24-102, <i>TCA</i>	89,904	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	89,904 (2)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	89,904	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	98,897 (3)	100,000	"
Interim Director of Accounts and Budgets:	Chapter 233, Private Acts of 1963,			
Buddy Harlan (7-1-17 through 9-4-17)	as amended	19,618	100,000	"
Director of Accounts and Budgets:	Chapter 233, Private Acts of 1963,			
Douglas Lukonen (9-5-17 through 6-30-18)	as amended	74,423	100,000	"
Director of Human Resources	Chapter 91, Private Acts of 2004	79,929 (4)	(7)	
Purchasing Agent	County Commission	52,374 (5)	100,000	"
<u>Other Bonds</u>				
Public Employee Dishonesty			400,000	Local Government Insurance Pool
School Employee Blanket Bond			400,000	Public Risk Insurers

- (1) Does not include \$1,000 Career Ladder CEO Supplement, 100 percent of the premiums for family health and dental insurance (\$19,037), or 100 percent of the premiums for \$100,000 life insurance policy (\$60).
(2) Does not include \$18,795 in special commissioner fees.
(3) Does not include \$3,204 for serving as workhouse superintendent and \$600 for a law enforcement training supplement.
(4) Does not include \$800 longevity pay.
(5) Does not include \$1,000 longevity pay.
(6) Covered under the school's blanket bond.
(7) Covered under the county's blanket bond.

Exhibit K-5

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2018

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,750,281	\$ 0	\$ 0	\$ 2,909,990	\$ 15,648,035	\$ 0
Current Property Tax - Tax Increment Financing	35,855	0	0	0	0	0
Trustee's Collections - Prior Year	277,670	0	0	62,920	213,903	0
Trustee's Collections - Bankruptcy	4,556	0	0	1,076	3,863	0
Circuit Clerk/Clerk and Master Collections - Prior Years	114,169	0	0	35,233	179,891	0
Interest and Penalty	50,509	0	0	12,441	47,022	0
Pickup Taxes	47,181	0	0	15,684	84,240	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	12,757	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	451,982	0
Payments in-Lieu-of Taxes - Other	3,296,459	0	0	0	297,422	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	721,748	0	0	0	0	0
Hotel/Motel Tax	858,039	0	0	0	0	0
Wheel Tax	1,114,215	0	0	0	0	1,114,215
Litigation Tax - General	613,447	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	609,107	0
Litigation Tax - Courthouse Security	69	0	0	0	0	0
Business Tax	1,344,116	0	0	0	0	0
Mineral Severance Tax	0	0	0	122,433	0	0
Adequate Facilities/Development Tax	0	0	1,748,295	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	57,671	0
Wholesale Beer Tax	332,871	0	0	0	0	0
Interstate Telecommunications Tax	84,387	0	0	0	0	0
Total Local Taxes	\$ 17,645,572	\$ 0	\$ 1,748,295	\$ 3,159,777	\$ 17,605,893	\$ 1,114,215

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 202,625	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	2,659	0	0	0	0	0
Building Permits	272,753	0	0	0	0	0
Other Permits	10,766	0	0	0	0	0
Total Licenses and Permits	\$ 488,803	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 24,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	26,774	0	0	0	0	0
Drug Control Fines	0	36,525	0	0	0	0
Drug Court Fees	6,635	0	0	0	0	0
Jail Fees	12,682	0	0	0	0	0
DUI Treatment Fines	6,626	0	0	0	0	0
Data Entry Fee - Circuit Court	3,775	0	0	0	0	0
Courtroom Security Fee	138	0	0	0	0	0
Victims Assistance Assessments	18,206	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	2,612	0	0	0	0	0
Victims Assistance Assessments	18,206	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	57,741	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	83,576	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Game and Fish Fines	\$ 2,018	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	0	8,675	0	0	0	0
Drug Court Fees	20,193	0	0	0	0	0
Jail Fees	42,895	0	0	0	0	0
DUI Treatment Fines	25,067	0	0	0	0	0
Data Entry Fee - General Sessions Court	51,311	0	0	0	0	0
Courtroom Security Fee	38	0	0	0	0	0
Victims Assistance Assessments	18,206	0	0	0	0	0
<u>Juvenile Court</u>						
Data Entry Fee - Juvenile Court	3,741	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	6,264	0	0	0	0	0
Data Entry Fee - Chancery Court	13,945	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	43,602	0	0	0	0
Other Fines, Forfeitures, and Penalties	40,945	73,203	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 486,124	\$ 162,005	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	47,393	0	0	0	0	0
Service Charges	778	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	43,800	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Recreation Fees	\$ 25,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Copy Fees	1,791	0	0	0	0	0
Library Fees	16,297	0	0	0	0	0
Greenbelt Late Application Fee	800	0	0	0	0	0
Telephone Commissions	172,979	0	0	0	0	0
Vending Machine Collections	134	0	0	0	0	0
Tourism Fees	538	0	0	0	0	0
Data Processing Fee - Register	38,114	0	0	0	0	0
Data Processing Fee - Sheriff	7,936	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,050	0	0	0	0	0
Data Processing Fee - County Clerk	10,332	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	745	0	0	0	0	0
Total Charges for Current Services	\$ 374,862	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,415,074	\$ 0
Lease/Rentals	137,326	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	2,753	0	0
Commissary Sales	75,767	0	0	0	0	0
Sale of Recycled Materials	0	0	0	4,118	0	0
Sale of Animals/Livestock	78,784	0	0	0	0	0
Miscellaneous Refunds	16,792	0	0	3,968	0	0
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	204,723	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Sale of Equipment	\$ 30,915	\$ 0	\$ 0	\$ 51,203	\$ 0	\$ 0
Sale of Property	8,182	0	0	0	0	0
Damages Recovered from Individuals	2,001	0	0	0	0	0
Contributions and Gifts	25,050	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	291,459	0	0	0	0	0
Total Other Local Revenues	<u>\$ 870,999</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 62,042</u>	<u>\$ 1,415,074</u>	<u>\$ 0</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 1,079,540	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	247,289	0	0	0	0	0
General Sessions Court Clerk	836,763	0	0	0	0	0
Clerk and Master	311,882	0	0	0	0	0
Juvenile Court Clerk	78,731	0	0	0	0	0
Register	612,295	0	0	0	0	0
Sheriff	58,116	0	0	0	0	0
Trustee	1,714,103	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 4,938,719</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	48,600	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	\$ 753,718	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	763,404	0	0
<u>Other State Revenues</u>						
Income Tax	129,873	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	16,497	0	0	0	0	0
Alcoholic Beverage Tax	147,549	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	1,189,732	0
Contracted Prisoner Boarding	1,923,975	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,930,669	0	0
Petroleum Special Tax	0	0	0	58,413	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	13,447	0	0	0	0	0
Other State Revenues	2,569	0	0	0	0	0
Total State of Tennessee	\$ 3,078,231	\$ 0	\$ 0	\$ 3,752,486	\$ 1,189,732	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 58,350	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	75,501	0	0	0	0	0
Other Federal through State	50,798	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	199,651	0	0	0	0	0
Other Direct Federal Revenue	11,400	0	0	0	388	120,904
Total Federal Government	\$ 395,700	\$ 0	\$ 0	\$ 0	\$ 388	\$ 120,904

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	General	Drug Control	Adequate Facilities/ Development Tax	Highway / Public Works	General Debt Service	Highway Capital Projects
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 5,797	\$ 0	\$ 0	\$ 0	\$ 1,048,641	\$ 0
<u>Citizens Groups</u>						
Donations	20,886	0	0	0	0	0
<u>Other</u>						
Other	58,113	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 84,796</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,048,641</u>	<u>\$ 0</u>
Total	<u>\$ 28,363,806</u>	<u>\$ 162,005</u>	<u>\$ 1,748,295</u>	<u>\$ 6,974,305</u>	<u>\$ 21,259,728</u>	<u>\$ 1,235,119</u>

(Continued)

Exhibit K-5

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$	1,756,694	\$	29,065,000
Current Property Tax - Tax Increment Financing		0		35,855
Trustee's Collections - Prior Year		30,493		584,986
Trustee's Collections - Bankruptcy		529		10,024
Circuit Clerk/Clerk and Master Collections - Prior Years		20,663		349,956
Interest and Penalty		6,324		116,296
Pickup Taxes		9,458		156,563
Payments in-Lieu-of Taxes - T.V.A.		0		12,757
Payments in-Lieu-of Taxes - Local Utilities		0		451,982
Payments in-Lieu-of Taxes - Other		0		3,593,881
<u>County Local Option Taxes</u>				
Local Option Sales Tax		0		721,748
Hotel/Motel Tax		0		858,039
Wheel Tax		0		2,228,430
Litigation Tax - General		0		613,447
Litigation Tax - Jail, Workhouse, or Courthouse		0		609,107
Litigation Tax - Courthouse Security		0		69
Business Tax		0		1,344,116
Mineral Severance Tax		0		122,433
Adequate Facilities/Development Tax		0		1,748,295
<u>Statutory Local Taxes</u>				
Bank Excise Tax		0		57,671
Wholesale Beer Tax		0		332,871
Interstate Telecommunications Tax		0		84,387
Total Local Taxes	\$	1,824,161	\$	43,097,913

(Continued)

Exhibit K-5

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$	0	\$	202,625
<u>Permits</u>				
Beer Permits		0		2,659
Building Permits		0		272,753
Other Permits		0		10,766
Total Licenses and Permits	\$	0	\$	488,803
<hr/>				
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$	0	\$	24,482
Officers Costs		0		26,774
Drug Control Fines		0		36,525
Drug Court Fees		0		6,635
Jail Fees		0		12,682
DUI Treatment Fines		0		6,626
Data Entry Fee - Circuit Court		0		3,775
Courtroom Security Fee		0		138
Victims Assistance Assessments		0		18,206
<u>Criminal Court</u>				
DUI Treatment Fines		0		2,612
Victims Assistance Assessments		0		18,206
<u>General Sessions Court</u>				
Fines		0		57,741
Fines for Littering		0		48
Officers Costs		0		83,576

(Continued)

Exhibit K-5

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

	Capital Projects Fund		Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Game and Fish Fines	\$	0	\$	2,018
Drug Control Fines		0		8,675
Drug Court Fees		0		20,193
Jail Fees		0		42,895
DUI Treatment Fines		0		25,067
Data Entry Fee - General Sessions Court		0		51,311
Courtroom Security Fee		0		38
Victims Assistance Assessments		0		18,206
<u>Juvenile Court</u>				
Data Entry Fee - Juvenile Court		0		3,741
<u>Chancery Court</u>				
Officers Costs		0		6,264
Data Entry Fee - Chancery Court		0		13,945
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		43,602
Other Fines, Forfeitures, and Penalties		0		114,148
Total Fines, Forfeitures, and Penalties	\$	0	\$	648,129
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Other Employee Benefit Charges/Contributions	\$	0	\$	320
Work Release Charges for Board		0		47,393
Service Charges		0		778
<u>Fees</u>				
Subdivision Lot Fees		0		43,800

(Continued)

Exhibit K-5

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Recreation Fees	\$	0	\$	25,855
Copy Fees		0		1,791
Library Fees		0		16,297
Greenbelt Late Application Fee		0		800
Telephone Commissions		0		172,979
Vending Machine Collections		0		134
Tourism Fees		0		538
Data Processing Fee - Register		0		38,114
Data Processing Fee - Sheriff		0		7,936
Sexual Offender Registration Fee - Sheriff		0		7,050
Data Processing Fee - County Clerk		0		10,332
Vehicle Insurance Coverage and Reinstatement Fees		0		745
Total Charges for Current Services	\$	0	\$	374,862
<hr/>				
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$	0	\$	1,415,074
Lease/Rentals		0		137,326
Sale of Materials and Supplies		0		2,753
Commissary Sales		0		75,767
Sale of Recycled Materials		0		4,118
Sale of Animals/Livestock		0		78,784
Miscellaneous Refunds		0		20,760
<u>Nonrecurring Items</u>				
Revenue from Joint Ventures		0		204,723

(Continued)

Exhibit K-5

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

	Capital Projects Fund		Other Capital Projects	Total
<hr/>				
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items (Cont.)</u>				
Sale of Equipment	\$	71	\$	82,189
Sale of Property		0		8,182
Damages Recovered from Individuals		0		2,001
Contributions and Gifts		0		25,050
<u>Other Local Revenues</u>				
Other Local Revenues		0		291,459
Total Other Local Revenues	\$	71	\$	2,348,186
<hr/>				
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	1,079,540
Circuit Court Clerk		0		247,289
General Sessions Court Clerk		0		836,763
Clerk and Master		0		311,882
Juvenile Court Clerk		0		78,731
Register		0		612,295
Sheriff		0		58,116
Trustee		0		1,714,103
Total Fees Received From County Officials	\$	0	\$	4,938,719
<hr/>				
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		48,600

(Continued)

Exhibit K-5

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

	Capital Projects Fund	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>			
<u>Health and Welfare Grants</u>			
Other Health and Welfare Grants	\$ 0	\$	753,718
<u>Public Works Grants</u>			
State Aid Program	0		763,404
<u>Other State Revenues</u>			
Income Tax	0		129,873
Beer Tax	0		17,839
Vehicle Certificate of Title Fees	0		16,497
Alcoholic Beverage Tax	0		147,549
State Revenue Sharing - T.V.A.	0		1,189,732
Contracted Prisoner Boarding	0		1,923,975
Gasoline and Motor Fuel Tax	0		2,930,669
Petroleum Special Tax	0		58,413
Registrar's Salary Supplement	0		15,164
Other State Grants	0		13,447
Other State Revenues	0		2,569
Total State of Tennessee	\$ 0	\$	8,020,449
<u>Federal Government</u>			
<u>Federal Through State</u>			
Homeland Security Grants	\$ 0	\$	58,350
Law Enforcement Grants	0		75,501
Other Federal through State	0		50,798
<u>Direct Federal Revenue</u>			
Tax Credit Bond Rebate	0		199,651
Other Direct Federal Revenue	0		132,692
Total Federal Government	\$ 0	\$	516,992

(Continued)

Exhibit K-5

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

	<u>Capital Projects Fund</u>	
	Other Capital Projects	Total
<hr/>		
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 1,054,438
<u>Citizens Groups</u>		
Donations	0	20,886
<u>Other</u>		
Other	0	58,113
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 1,133,437</u>
Total	<u>\$ 1,824,232</u>	<u>\$ 61,567,490</u>

Exhibit K-6

Maury County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 20,656,859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,656,859
Current Property Tax - Tax Increment Financing	235,773	0	0	0	0	235,773
Trustee's Collections - Prior Year	432,602	0	0	0	0	432,602
Trustee's Collections - Bankruptcy	8,408	0	0	0	0	8,408
Circuit Clerk/Clerk and Master Collections - Prior Years	241,040	0	0	0	0	241,040
Interest and Penalty	95,888	0	0	0	0	95,888
Pickup Taxes	112,029	0	0	0	0	112,029
<u>County Local Option Taxes</u>						
Local Option Sales Tax	16,680,645	0	0	0	0	16,680,645
Mixed Drink Tax	158,748	0	0	0	0	158,748
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	55,117	0	0	0	0	55,117
Total Local Taxes	\$ 38,677,109	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,677,109
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 6,346	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,346
Total Licenses and Permits	\$ 6,346	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,346
<u>Charges for Current Services</u>						
<u>Fees</u>						
Vending Machine Collections	\$ 261	\$ 0	\$ 0	\$ 0	\$ 0	\$ 261
<u>Education Charges</u>						
Tuition - Regular Day Students	12,210	0	0	0	0	12,210

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 801,307	\$ 0	\$ 0	\$ 801,307
Lunch Payments - Adults	0	0	169,111	0	0	169,111
Income from Breakfast	0	0	99,526	0	0	99,526
A la Carte Sales	0	0	393,156	0	0	393,156
Receipts from Individual Schools	216,747	0	0	0	0	216,747
Other Charges for Services	0	0	5,363	0	0	5,363
Total Charges for Current Services	\$ 229,218	\$ 0	\$ 1,468,463	\$ 0	\$ 0	\$ 1,697,681
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 11,760	\$ 0	\$ 0	\$ 11,760
Lease/Rentals	19,358	0	0	0	0	19,358
Sale of Materials and Supplies	26,208	0	0	0	0	26,208
Miscellaneous Refunds	978	0	44,237	0	0	45,215
<u>Nonrecurring Items</u>						
Sale of Equipment	16,080	0	0	0	0	16,080
Damages Recovered from Individuals	4,690	0	0	0	0	4,690
Contributions and Gifts	37,704	0	0	0	0	37,704
<u>Other Local Revenues</u>						
Other Local Revenues	393	0	0	0	0	393
Total Other Local Revenues	\$ 105,411	\$ 0	\$ 55,997	\$ 0	\$ 0	\$ 161,408

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 399,527	\$ 0	\$ 0	\$ 0	\$ 0	\$ 399,527
<u>State Education Funds</u>						
Basic Education Program	58,015,048	0	0	0	0	58,015,048
Early Childhood Education	892,121	0	0	0	0	892,121
School Food Service	0	0	58,455	0	0	58,455
Other State Education Funds	242,143	0	0	0	0	242,143
Career Ladder Program	215,669	0	0	0	0	215,669
Vocational Equipment	189,527	0	0	0	0	189,527
Total State of Tennessee	\$ 59,954,035	\$ 0	\$ 58,455	\$ 0	\$ 0	\$ 60,012,490
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,638,397	\$ 0	\$ 0	\$ 3,638,397
USDA - Commodities	0	0	442,684	0	0	442,684
Breakfast	0	0	1,347,786	0	0	1,347,786
Vocational Education - Basic Grants to States	0	250,262	0	0	0	250,262
Title I Grants to Local Education Agencies	0	2,860,183	0	0	0	2,860,183
Special Education - Grants to States	27,021	2,691,038	0	0	0	2,718,059
Special Education Preschool Grants	0	80,493	0	0	0	80,493
English Language Acquisition Grants	0	32,051	0	0	0	32,051
Safe and Drug-free Schools - State Grants	128,798	0	0	0	0	128,798
Eisenhower Professional Development State Grants	0	274,817	0	0	0	274,817
Other Federal through State	0	89,762	0	0	0	89,762

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	\$ 160,684	\$ 0	\$ 0	\$ 0	\$ 0	\$ 160,684
Total Federal Government	\$ 316,503	\$ 6,278,606	\$ 5,428,867	\$ 0	\$ 0	\$ 12,023,976
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 810,793	\$ 0	\$ 0	\$ 65,023,294	\$ 669,585	\$ 66,503,672
Total Other Governments and Citizens Groups	\$ 810,793	\$ 0	\$ 0	\$ 65,023,294	\$ 669,585	\$ 66,503,672
Total	\$ 100,099,415	\$ 6,278,606	\$ 7,011,782	\$ 65,023,294	\$ 669,585	\$ 179,082,682

Exhibit K-7

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2018

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	72,480	
Social Security		4,494	
Pensions		1,745	
Employer Medicare		1,051	
Dues and Memberships		2,100	
Legal Notices, Recording, and Court Costs		5,324	
Postal Charges		8	
Rentals		8,000	
Other Contracted Services		600	
Office Supplies		296	
Other Supplies and Materials		200	
Total County Commission			\$ 96,298

Board of Equalization

Legal Notices, Recording, and Court Costs	\$	78	
Total Board of Equalization			78

Other Boards and Committees

Legal Services	\$	210	
Legal Notices, Recording, and Court Costs		785	
Postal Charges		228	
Office Supplies		370	
Other Supplies and Materials		5,105	
Total Other Boards and Committees			6,698

County Mayor/Executive

County Official/Administrative Officer	\$	107,443	
Assistant(s)		49,667	
Clerical Personnel		39,547	
Longevity Pay		950	
Overtime Pay		9,928	
Social Security		12,609	
Pensions		9,588	
Life Insurance		166	
Medical Insurance		22,752	
Dental Insurance		764	
Disability Insurance		413	
Unemployment Compensation		84	
Employer Medicare		2,949	
Communication		485	
Dues and Memberships		2,214	
Maintenance Agreements		479	
Postal Charges		7	
Printing, Stationery, and Forms		975	
Travel		1,046	
Office Supplies		921	
Periodicals		203	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)County Mayor/Executive (Cont.)

In Service/Staff Development	\$	60	
Furniture and Fixtures		1,098	
Office Equipment		87	
Total County Mayor/Executive			\$ 264,435

Personnel Office

County Official/Administrative Officer	\$	79,929	
Clerical Personnel		103,320	
Longevity Pay		1,250	
Overtime Pay		239	
Social Security		11,043	
Pensions		8,535	
Life Insurance		221	
Medical Insurance		29,789	
Dental Insurance		1,018	
Disability Insurance		359	
Unemployment Compensation		168	
Employer Medicare		2,583	
Communication		807	
Dues and Memberships		309	
Legal Notices, Recording, and Court Costs		1,269	
Maintenance Agreements		840	
Postal Charges		245	
Travel		236	
Other Contracted Services		561	
Office Supplies		777	
Periodicals		147	
In Service/Staff Development		444	
Total Personnel Office			244,089

County Attorney

County Official/Administrative Officer	\$	88,550	
Longevity Pay		450	
Social Security		5,007	
Pensions		4,112	
Life Insurance		55	
Medical Insurance		12,386	
Dental Insurance		255	
Disability Insurance		183	
Unemployment Compensation		42	
Employer Medicare		1,171	
Electricity		438	
Office Supplies		1,750	
Other Supplies and Materials		730	
Indirect Cost		2,403	
Total County Attorney			117,532

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	80,919	
Clerical Personnel		77,182	
Longevity Pay		950	
Election Commission		2,940	
Social Security		9,735	
Pensions		7,348	
Life Insurance		212	
Medical Insurance		28,378	
Dental Insurance		948	
Disability Insurance		339	
Unemployment Compensation		170	
Employer Medicare		2,277	
Communication		282	
Data Processing Services		5,545	
Dues and Memberships		289	
Legal Notices, Recording, and Court Costs		422	
Maintenance Agreements		13,483	
Maintenance and Repair Services - Buildings		1,011	
Maintenance and Repair Services - Equipment		5,000	
Pest Control		230	
Postal Charges		4,702	
Printing, Stationery, and Forms		2,102	
Travel		1,267	
Data Processing Supplies		217	
Electricity		4,705	
Natural Gas		2,977	
Office Supplies		452	
Periodicals		170	
Premiums on Corporate Surety Bonds		50	
In Service/Staff Development		380	
Total Election Commission			\$ 254,682

Register of Deeds

County Official/Administrative Officer	\$	89,904
Clerical Personnel		141,833
Longevity Pay		2,600
Overtime Pay		9
Social Security		14,178
Pensions		10,827
Life Insurance		266
Medical Insurance		34,241
Dental Insurance		1,273
Disability Insurance		499
Unemployment Compensation		168
Employer Medicare		3,316
Data Processing Services		16,870
Dues and Memberships		797

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Maintenance Agreements	\$	4,741	
Postal Charges		582	
Data Processing Supplies		1,574	
Office Supplies		3,429	
Data Processing Equipment		926	
Furniture and Fixtures		407	
Total Register of Deeds			\$ 328,440

Development

County Official/Administrative Officer	\$	48,160	
Assistant(s)		49,366	
Secretary(ies)		44,957	
Clerical Personnel		36,822	
Longevity Pay		2,800	
Overtime Pay		87	
Other Salaries and Wages		98,510	
Social Security		17,048	
Pensions		12,968	
Life Insurance		345	
Medical Insurance		44,043	
Dental Insurance		1,618	
Disability Insurance		567	
Unemployment Compensation		361	
Employer Medicare		3,987	
Communication		2,358	
Consultants		62,684	
Dues and Memberships		674	
Legal Notices, Recording, and Court Costs		4,480	
Maintenance Agreements		2,794	
Maintenance and Repair Services - Vehicles		3,020	
Postal Charges		1,032	
Printing, Stationery, and Forms		956	
Travel		65	
Other Contracted Services		8,513	
Gasoline		4,873	
Office Supplies		1,213	
Periodicals		1,210	
In Service/Staff Development		3,993	
Other Charges		40	
Furniture and Fixtures		370	
Total Development			459,914

County Buildings

Supervisor/Director	\$	56,870	
Custodial Personnel		84,753	
Longevity Pay		4,450	
Overtime Pay		5,831	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Other Salaries and Wages	\$	159,145	
Social Security		18,904	
Pensions		13,578	
Life Insurance		419	
Medical Insurance		53,155	
Dental Insurance		1,803	
Disability Insurance		599	
Unemployment Compensation		478	
Employer Medicare		4,421	
Communication		9,312	
Engineering Services		65,827	
Laundry Service		3,921	
Licenses		710	
Maintenance Agreements		74,097	
Maintenance and Repair Services - Buildings		101,848	
Maintenance and Repair Services - Equipment		2,819	
Maintenance and Repair Services - Vehicles		803	
Pest Control		3,111	
Disposal Fees		8,191	
Other Contracted Services		3,603	
Custodial Supplies		10,007	
Electricity		140,533	
Gasoline		6,050	
Natural Gas		18,924	
Boiler Insurance		10,234	
Building and Contents Insurance		87,986	
Total County Buildings			\$ 952,382

Other General Administration

Audit Services	\$	29,954	
Consultants		450	
Data Processing Services		115,047	
Dues and Memberships		22,953	
Maintenance Agreements		3,577	
Maintenance and Repair Services - Vehicles		289	
Other Contracted Services		5,212	
Gasoline		1,658	
Natural Gas		73	
Judgments		13,398	
Liability Insurance		193,815	
Premiums on Corporate Surety Bonds		17	
Vehicle and Equipment Insurance		92,758	
Workers' Compensation Insurance		491,957	
In Service/Staff Development		1,362	
Other Charges		5,196	
Total Other General Administration			977,716

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

County Official/Administrative Officer	\$	65,525	
Assistant(s)		59,627	
Part-time Personnel		2,736	
Longevity Pay		1,350	
Social Security		7,960	
Pensions		5,535	
Life Insurance		156	
Medical Insurance		11,799	
Dental Insurance		467	
Disability Insurance		234	
Unemployment Compensation		184	
Employer Medicare		1,862	
Communication		282	
Janitorial Services		2,550	
Maintenance Agreements		2,598	
Postal Charges		175	
Travel		300	
Custodial Supplies		295	
Library Books/Media		1,948	
Office Supplies		12,871	
Periodicals		203	
Furniture and Fixtures		1,358	
Office Equipment		7,395	
Total Preservation of Records			\$ 187,410

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	94,041	
Assistant(s)		61,713	
Accountants/Bookkeepers		130,257	
Clerical Personnel		107,793	
Longevity Pay		2,050	
Overtime Pay		923	
Social Security		24,927	
Pensions		18,798	
Life Insurance		400	
Medical Insurance		48,319	
Dental Insurance		1,854	
Disability Insurance		757	
Unemployment Compensation		432	
Employer Medicare		5,830	
Communication		1,059	
Data Processing Services		555	
Dues and Memberships		75	
Legal Notices, Recording, and Court Costs		183	
Maintenance Agreements		1,164	
Postal Charges		2,293	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Printing, Stationery, and Forms	\$	48	
Travel		1,415	
Other Contracted Services		692	
Custodial Supplies		53	
Office Supplies		2,526	
Premiums on Corporate Surety Bonds		197	
In Service/Staff Development		4,004	
Furniture and Fixtures		460	
Office Equipment		3,353	
Total Accounting and Budgeting			\$ 516,171

Purchasing

County Official/Administrative Officer	\$	52,374	
Accountants/Bookkeepers		104,610	
Longevity Pay		2,850	
Social Security		9,858	
Pensions		7,384	
Life Insurance		152	
Medical Insurance		18,369	
Dental Insurance		700	
Disability Insurance		382	
Unemployment Compensation		126	
Employer Medicare		2,305	
Communication		1,078	
Data Processing Services		146	
Dues and Memberships		376	
Maintenance Agreements		525	
Postal Charges		457	
Travel		72	
Office Supplies		448	
Other Charges		2,673	
Office Equipment		114	
Total Purchasing			204,999

Property Assessor's Office

County Official/Administrative Officer	\$	89,904	
Clerical Personnel		152,085	
Longevity Pay		4,100	
Other Salaries and Wages		196,081	
In-service Training		1,170	
Social Security		26,332	
Pensions		20,398	
Life Insurance		583	
Medical Insurance		77,640	
Dental Insurance		2,682	
Disability Insurance		799	
Unemployment Compensation		477	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Employer Medicare	\$	6,158	
Audit Services		19,689	
Communication		1,106	
Data Processing Services		25,151	
Dues and Memberships		2,660	
Maintenance Agreements		1,823	
Maintenance and Repair Services - Vehicles		292	
Postal Charges		2,051	
Printing, Stationery, and Forms		487	
Travel		405	
Other Contracted Services		990	
Data Processing Supplies		3,371	
Gasoline		2,457	
Office Supplies		2,516	
Periodicals		167	
Software		3,000	
In Service/Staff Development		385	
Other Charges		37	
Data Processing Equipment		2,000	
Office Equipment		13,515	
Total Property Assessor's Office			\$ 660,511

Reappraisal Program

Clerical Personnel	\$	37,103	
Longevity Pay		1,850	
Other Salaries and Wages		102,372	
Social Security		8,698	
Pensions		6,529	
Life Insurance		198	
Medical Insurance		23,866	
Dental Insurance		912	
Disability Insurance		445	
Unemployment Compensation		193	
Employer Medicare		2,034	
Communication		63	
Maintenance Agreements		529	
Maintenance and Repair Services - Vehicles		845	
Postal Charges		23,439	
Printing, Stationery, and Forms		168	
Travel		94	
Gasoline		479	
In Service/Staff Development		275	
Total Reappraisal Program			210,092

County Trustee's Office

County Official/Administrative Officer	\$	89,904
Clerical Personnel		139,813

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Temporary Personnel	\$	13,135	
Longevity Pay		2,050	
Overtime Pay		986	
Social Security		14,302	
Pensions		10,753	
Life Insurance		257	
Medical Insurance		41,821	
Dental Insurance		1,273	
Disability Insurance		455	
Unemployment Compensation		247	
Employer Medicare		3,345	
Data Processing Services		4,069	
Dues and Memberships		812	
Legal Notices, Recording, and Court Costs		70	
Maintenance Agreements		529	
Postal Charges		1,961	
Travel		1,052	
Other Contracted Services		15,081	
Office Supplies		1,563	
In Service/Staff Development		625	
Total County Trustee's Office			\$ 344,103

County Clerk's Office

County Official/Administrative Officer	\$	89,904	
Longevity Pay		8,250	
Other Salaries and Wages		514,747	
Social Security		36,887	
Pensions		28,316	
Life Insurance		772	
Medical Insurance		102,112	
Dental Insurance		3,648	
Disability Insurance		1,335	
Unemployment Compensation		607	
Employer Medicare		8,627	
Data Processing Services		18,912	
Dues and Memberships		1,076	
Maintenance Agreements		4,715	
Maintenance and Repair Services - Equipment		1,000	
Postal Charges		30,860	
Printing, Stationery, and Forms		688	
Travel		1,351	
Data Processing Supplies		15,764	
Office Supplies		5,359	
Periodicals		225	
In Service/Staff Development		207	
Data Processing Equipment		776	
Furniture and Fixtures		2,287	
Total County Clerk's Office			878,425

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

County Official/Administrative Officer	\$	92,579	
Data Processing Personnel		139,597	
Longevity Pay		2,350	
Social Security		14,424	
Pensions		10,835	
Life Insurance		166	
Medical Insurance		19,936	
Dental Insurance		764	
Disability Insurance		481	
Unemployment Compensation		126	
Employer Medicare		3,373	
Communication		29,931	
Data Processing Services		2,538	
Maintenance Agreements		2,995	
Postal Charges		8	
Internet Connectivity		45,645	
Data Processing Supplies		5,582	
Office Supplies		22	
Software		42,953	
In Service/Staff Development		455	
Other Charges		338	
Data Processing Equipment		30,193	
Total Data Processing			\$ 445,291

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	89,904
Clerical Personnel		636,163
Part-time Personnel		37,504
Longevity Pay		7,750
Jury and Witness Expense		31,220
Other Per Diem and Fees		10,500
Social Security		48,343
Pensions		31,823
Life Insurance		959
Medical Insurance		106,212
Dental Insurance		4,245
Disability Insurance		1,561
Unemployment Compensation		937
Employer Medicare		11,306
Data Processing Services		71,693
Dues and Memberships		782
Legal Notices, Recording, and Court Costs		644
Maintenance and Repair Services - Office Equipment		110
Postal Charges		12,742
Printing, Stationery, and Forms		12,444
Rentals		165

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

Travel	\$	365	
Office Supplies		8,968	
Periodicals		501	
In Service/Staff Development		175	
Other Charges		14,516	
Furniture and Fixtures		1,131	
Total Circuit Court			\$ 1,142,663

General Sessions Court

Judge(s)	\$	519,255	
Clerical Personnel		116,735	
Temporary Personnel		2,293	
Part-time Personnel		113,263	
Longevity Pay		1,150	
Overtime Pay		1,979	
Other Salaries and Wages		108,567	
Social Security		46,691	
Pensions		34,466	
Life Insurance		455	
Medical Insurance		57,544	
Dental Insurance		1,882	
Disability Insurance		1,444	
Unemployment Compensation		628	
Employer Medicare		12,438	
Communication		8,214	
Dues and Memberships		945	
Licenses		1,200	
Maintenance Agreements		1,601	
Pest Control		391	
Travel		1,369	
Electricity		6,841	
Office Supplies		4,411	
Periodicals		546	
In Service/Staff Development		980	
Other Charges		15,370	
Furniture and Fixtures		882	
Office Equipment		1,476	
Total General Sessions Court			1,063,016

Chancery Court

County Official/Administrative Officer	\$	89,904	
Longevity Pay		2,700	
Overtime Pay		117	
Other Salaries and Wages		229,432	
Social Security		19,722	
Pensions		14,884	
Life Insurance		368	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Medical Insurance	\$	41,714	
Dental Insurance		1,697	
Disability Insurance		679	
Unemployment Compensation		341	
Employer Medicare		4,612	
Accounting Services		150	
Data Processing Services		18,961	
Dues and Memberships		1,182	
Maintenance Agreements		2,103	
Postal Charges		1,800	
Other Contracted Services		3,243	
Office Supplies		2,642	
Periodicals		899	
In Service/Staff Development		675	
Other Charges		360	
Office Equipment		738	
Total Chancery Court			\$ 438,923

Courtroom Security

Communication	\$	18,251	
In Service/Staff Development		1,100	
Data Processing Equipment		32,351	
Total Courtroom Security			51,702

Victim Assistance Programs

Other Salaries and Wages	\$	38,206	
Social Security		2,357	
Pensions		1,764	
Life Insurance		89	
Medical Insurance		4,555	
Dental Insurance		127	
Disability Insurance		13	
Unemployment Compensation		72	
Employer Medicare		551	
Contributions		61,064	
Total Victim Assistance Programs			108,798

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	98,897	
Deputy(ies)		2,292,212	
Investigator(s)		595,740	
Captain(s)		167,379	
Lieutenant(s)		249,200	
Sergeant(s)		616,398	
Dispatchers/Radio Operators		253,277	
Clerical Personnel		189,825	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Part-time Personnel	\$	15,756	
Longevity Pay		49,450	
Overtime Pay		161,894	
In-service Training		46,800	
Social Security		284,299	
Pensions		212,468	
Life Insurance		5,150	
Medical Insurance		674,640	
Dental Insurance		23,502	
Disability Insurance		9,256	
Unemployment Compensation		4,265	
Employer Medicare		66,489	
Communication		56,119	
Data Processing Services		13,304	
Dues and Memberships		2,500	
Evaluation and Testing		2,500	
Maintenance Agreements		19,399	
Maintenance and Repair Services - Equipment		636	
Maintenance and Repair Services - Vehicles		36,395	
Postal Charges		2,277	
Printing, Stationery, and Forms		2,308	
Travel		24,272	
Veterinary Services		633	
Other Contracted Services		2,413	
Animal Food and Supplies		240	
Data Processing Supplies		10,046	
Diesel Fuel		99	
Food Supplies		14	
Gasoline		185,969	
Law Enforcement Supplies		28,343	
Lubricants		4,143	
Office Supplies		8,502	
Tires and Tubes		20,854	
Uniforms		49,405	
Vehicle Parts		66,746	
Refunds		300	
Workers' Compensation Insurance		9,790	
In Service/Staff Development		27,600	
Other Charges		186	
Communication Equipment		12,986	
Data Processing Equipment		3,240	
Furniture and Fixtures		950	
Law Enforcement Equipment		47,082	
Total Sheriff's Department	\$		6,656,148

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	1,750	
Total Administration of the Sexual Offender Registry			1,750

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

County Official/Administrative Officer	\$ 3,204
Sergeant(s)	222,132
Maintenance Personnel	78,575
Longevity Pay	15,950
Overtime Pay	174,979
Other Salaries and Wages	2,062,232
In-service Training	1,800
Social Security	155,293
Pensions	114,777
Life Insurance	3,350
Medical Insurance	425,690
Dental Insurance	15,231
Disability Insurance	4,949
Unemployment Compensation	3,497
Employer Medicare	36,319
Communication	5,636
Contracts with Government Agencies	497,604
Maintenance Agreements	24,909
Maintenance and Repair Services - Buildings	74,008
Maintenance and Repair Services - Equipment	1,832
Maintenance and Repair Services - Vehicles	6,043
Medical and Dental Services	517,830
Pest Control	2,397
Postal Charges	2,315
Printing, Stationery, and Forms	1,312
Travel	2,620
Disposal Fees	10,026
Custodial Supplies	34,049
Diesel Fuel	2,678
Drugs and Medical Supplies	256,468
Electricity	257,310
Food Preparation Supplies	175
Food Supplies	442,245
Gasoline	30,386
Law Enforcement Supplies	4,099
Lubricants	1,106
Natural Gas	46,159
Prisoners Clothing	18,470
Tires and Tubes	1,026
Uniforms	13,280
Vehicle Parts	12,195
Other Supplies and Materials	477
In Service/Staff Development	800
Other Charges	102
Communication Equipment	2,998
Food Service Equipment	875
Heating and Air Conditioning Equipment	29,285

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Law Enforcement Equipment	\$	9,038	
Office Equipment		40	
Total Jail			\$ 5,627,771

Juvenile Services

Assistant(s)	\$	36,426	
Probation Officer(s)		57,566	
Youth Service Officer(s)		48,722	
Longevity Pay		950	
Overtime Pay		907	
Social Security		8,698	
Pensions		6,679	
Life Insurance		202	
Medical Insurance		26,611	
Dental Insurance		924	
Disability Insurance		302	
Unemployment Compensation		210	
Employer Medicare		2,034	
Communication		1,827	
Consultants		7,450	
Dues and Memberships		120	
Travel		4,076	
Drugs and Medical Supplies		435	
Instructional Supplies and Materials		6,952	
Office Supplies		1,223	
Software		7,350	
In Service/Staff Development		450	
Other Charges		86	
Furniture and Fixtures		648	
Office Equipment		501	
Total Juvenile Services			221,349

Civil Defense

Contributions	\$	283,450	
Building and Contents Insurance		972	
Vehicle and Equipment Insurance		26,129	
Total Civil Defense			310,551

Other Emergency Management

County Official/Administrative Officer	\$	47,246	
Clerical Personnel		76,464	
Longevity Pay		600	
Overtime Pay		3,042	
Social Security		7,859	
Pensions		5,884	
Life Insurance		147	
Medical Insurance		8,736	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Dental Insurance	\$	424	
Disability Insurance		243	
Unemployment Compensation		174	
Employer Medicare		1,838	
Communication		5,837	
Consultants		500	
Legal Notices, Recording, and Court Costs		52	
Licenses		28	
Maintenance Agreements		4,006	
Maintenance and Repair Services - Equipment		1,909	
Maintenance and Repair Services - Vehicles		5,437	
Postal Charges		38	
Printing, Stationery, and Forms		301	
Travel		2,769	
Disposal Fees		261	
Other Contracted Services		31,445	
Diesel Fuel		200	
Electricity		15,800	
Gasoline		6,643	
Office Supplies		2,144	
Small Tools		1,627	
Tires and Tubes		233	
Uniforms		2,068	
Other Supplies and Materials		11,760	
Vehicle and Equipment Insurance		15,024	
In Service/Staff Development		1,735	
Other Charges		34,022	
Other Equipment		95,141	
Total Other Emergency Management			\$ 391,637

Public Safety Grants Program

Uniforms	\$	10,640	
Total Public Safety Grants Program			10,640

Public Health and WelfareLocal Health Center

Medical Personnel	\$	369,460	
Clerical Personnel		147,214	
Part-time Personnel		44,230	
Longevity Pay		2,350	
Social Security		34,097	
Pensions		23,699	
Life Insurance		828	
Medical Insurance		91,724	
Dental Insurance		3,579	
Disability Insurance		1,001	
Unemployment Compensation		1,259	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Employer Medicare	\$	7,974	
Advertising		171	
Communication		9,892	
Dues and Memberships		230	
Evaluation and Testing		1,405	
Janitorial Services		29,232	
Licenses		158	
Maintenance Agreements		8,588	
Maintenance and Repair Services - Buildings		6,466	
Maintenance and Repair Services - Equipment		2,055	
Medical and Dental Services		851	
Pest Control		561	
Travel		10,936	
Crushed Stone		10,000	
Custodial Supplies		1,429	
Data Processing Supplies		289	
Electricity		44,280	
Food Preparation Supplies		79	
Instructional Supplies and Materials		25,145	
Natural Gas		8,263	
Office Supplies		3,400	
Periodicals		229	
Other Supplies and Materials		224	
Liability Insurance		1,783	
Workers' Compensation Insurance		6,743	
In Service/Staff Development		115	
Building Improvements		25,244	
Food Service Equipment		327	
Furniture and Fixtures		3,643	
Other Capital Outlay		3,834	
Total Local Health Center			\$ 932,987

Rabies and Animal Control

County Official/Administrative Officer	\$	52,958
Part-time Personnel		38,725
Longevity Pay		2,200
Overtime Pay		682
Other Salaries and Wages		236,708
Social Security		20,431
Pensions		11,525
Life Insurance		474
Medical Insurance		57,768
Dental Insurance		2,206
Disability Insurance		552
Unemployment Compensation		685
Employer Medicare		4,778
Advertising		135

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Rabies and Animal Control (Cont.)

Communication	\$	288	
Data Processing Services		1,935	
Licenses		680	
Maintenance Agreements		3,305	
Maintenance and Repair Services - Buildings		523	
Maintenance and Repair Services - Equipment		60	
Maintenance and Repair Services - Vehicles		1,012	
Medical and Dental Services		452	
Postal Charges		124	
Printing, Stationery, and Forms		284	
Internet Connectivity		2,054	
Veterinary Services		26,459	
Disposal Fees		2,603	
Animal Food and Supplies		269	
Custodial Supplies		15,474	
Drugs and Medical Supplies		26,112	
Electricity		34,153	
Gasoline		7,521	
Law Enforcement Supplies		630	
Natural Gas		15,705	
Office Supplies		1,656	
Uniforms		532	
Other Supplies and Materials		7,698	
Building and Contents Insurance		486	
Refunds		979	
In Service/Staff Development		258	
Furniture and Fixtures		110	
Other Equipment		1,318	
Total Rabies and Animal Control			\$ 582,507

Appropriation to State

Contracts with Government Agencies	\$	67,996	
Total Appropriation to State			67,996

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

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

Libraries

County Official/Administrative Officer	\$	57,502	
Librarians		231,856	
Part-time Personnel		70,271	
Longevity Pay		3,500	
Overtime Pay		1,296	
Social Security		22,055	
Pensions		13,659	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Life Insurance	\$	470	
Medical Insurance		62,539	
Dental Insurance		2,267	
Disability Insurance		617	
Unemployment Compensation		716	
Employer Medicare		5,158	
Communication		2,454	
Dues and Memberships		433	
Janitorial Services		7,200	
Licenses		398	
Maintenance Agreements		18,091	
Maintenance and Repair Services - Buildings		5,368	
Pest Control		646	
Postal Charges		194	
Internet Connectivity		3,572	
Travel		810	
Other Contracted Services		862	
Custodial Supplies		2,771	
Electricity		26,924	
Library Books/Media		66,791	
Natural Gas		4,002	
Office Supplies		8,410	
Periodicals		12,183	
In Service/Staff Development		418	
Other Charges		4,550	
Furniture and Fixtures		5,342	
Office Equipment		7,465	
Total Libraries			\$ 650,790

Parks and Fair Boards

County Official/Administrative Officer	\$	83,930
Assistant(s)		90,239
Laborers		200,794
Clerical Personnel		25,958
Temporary Personnel		26,805
Longevity Pay		4,850
Overtime Pay		948
Social Security		26,771
Pensions		17,979
Life Insurance		543
Medical Insurance		63,294
Dental Insurance		2,494
Disability Insurance		758
Unemployment Compensation		628
Employer Medicare		6,261
Communication		2,064
Laundry Service		3,203

(Continued)

Exhibit K-7

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Parks and Fair Boards (Cont.)

Maintenance Agreements	\$	576	
Maintenance and Repair Services - Buildings		1,144	
Maintenance and Repair Services - Equipment		3,040	
Maintenance and Repair Services - Vehicles		3,444	
Pest Control		646	
Postal Charges		50	
Printing, Stationery, and Forms		1,138	
Rentals		419	
Travel		369	
Other Contracted Services		19,322	
Custodial Supplies		8,393	
Diesel Fuel		5,350	
Electricity		58,708	
Equipment Parts - Light		403	
Fertilizer, Lime, and Seed		8,377	
Gasoline		13,001	
Lubricants		908	
Natural Gas		7,595	
Office Supplies		313	
Uniforms		682	
Other Supplies and Materials		34,136	
In Service/Staff Development		956	
Other Charges		1,662	
Other Capital Outlay		44,396	
Total Parks and Fair Boards			\$ 772,547

Agriculture and Natural ResourcesAgricultural Extension Service

Board and Committee Members Fees	\$	300	
Social Security		19	
Employer Medicare		4	
Contracts with Government Agencies		125,209	
Dues and Memberships		300	
Maintenance Agreements		2,249	
Total Agricultural Extension Service			128,081

Forest Service

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

Soil Conservation

Other Salaries and Wages	\$	30,082	
Social Security		1,857	
Pensions		1,390	
Life Insurance		51	
Medical Insurance		6,123	
Dental Insurance		233	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Soil Conservation (Cont.)

Disability Insurance	\$	124	
Unemployment Compensation		90	
Employer Medicare		434	
Total Soil Conservation			\$ 40,384

Other OperationsTourism

County Official/Administrative Officer	\$	54,168	
Part-time Personnel		17,085	
Longevity Pay		850	
Other Salaries and Wages		55,505	
Social Security		7,762	
Pensions		5,058	
Life Insurance		124	
Medical Insurance		16,733	
Dental Insurance		582	
Disability Insurance		203	
Unemployment Compensation		259	
Employer Medicare		1,815	
Advertising		145,051	
Dues and Memberships		6,068	
Maintenance Agreements		370	
Maintenance and Repair Services - Buildings		6,548	
Printing, Stationery, and Forms		6,503	
Rentals		300	
Travel		479	
Other Contracted Services		34,528	
Electricity		2,266	
Gasoline		218	
Office Supplies		2,169	
Other Supplies and Materials		7,567	
In Service/Staff Development		218	
Other Charges		1,553	
Furniture and Fixtures		710	
Total Tourism			374,692

Industrial Development

Contributions	\$	225,000	
Other Contracted Services		500	
Electricity		843	
Total Industrial Development			226,343

Other Economic and Community Development

Other Contracted Services	\$	238	
Total Other Economic and Community Development			238

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Contributions	\$ 40,000	
Total Airport		\$ 40,000

Veterans' Services

County Official/Administrative Officer	\$ 46,729	
Clerical Personnel	33,691	
Longevity Pay	1,150	
Social Security	4,980	
Pensions	3,769	
Life Insurance	63	
Medical Insurance	12,793	
Dental Insurance	509	
Disability Insurance	163	
Unemployment Compensation	84	
Employer Medicare	1,165	
Maintenance Agreements	764	
Printing, Stationery, and Forms	35	
Travel	152	
Office Supplies	632	
Periodicals	399	
Total Veterans' Services		107,078

Contributions to Other Agencies

Contributions	\$ 102,893	
Total Contributions to Other Agencies		102,893

Employee Benefits

Medical and Dental Services	\$ 21,958	
Other Supplies and Materials	6,956	
Total Employee Benefits		28,914

Payments to Cities

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

Miscellaneous

Medical and Dental Services	\$ 116,034	
Other Contracted Services	52,527	
Trustee's Commission	285,075	
Tax Relief Program	141,904	
Total Miscellaneous		595,540

Total General Fund \$ 28,111,204

(Continued)

Exhibit K-7

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

Drug Control FundPublic SafetyDrug Enforcement

Communication	\$	7,339	
Contributions		532	
Confidential Drug Enforcement Payments		12,000	
Maintenance Agreements		10,220	
Maintenance and Repair Services - Vehicles		852	
Pest Control		357	
Printing, Stationery, and Forms		105	
Travel		4,120	
Other Contracted Services		300	
Diesel Fuel		371	
Electricity		2,800	
Gasoline		12,224	
Instructional Supplies and Materials		1,850	
Law Enforcement Supplies		157	
Lubricants		289	
Vehicle Parts		1,255	
Trustee's Commission		864	
In Service/Staff Development		2,405	
Other Charges		3,782	
Communication Equipment		300	
Law Enforcement Equipment		7,000	
Motor Vehicles		27,214	
Total Drug Enforcement			\$ 96,336
Total Drug Control Fund			\$ 96,336

Adequate Facilities/ Development Tax FundCapital ProjectsGeneral Administration Projects

Site Development	\$	50,365	
Other Construction		132,809	
Total General Administration Projects			\$ 183,174

Public Safety Projects

Building Construction	\$	37,829	
Total Public Safety Projects			37,829

Total Adequate Facilities/ Development Tax Fund 221,003

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Constitutional Officers' Operating Expenses	\$	26,663	
Total County Clerk's Office			\$ 26,663

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund (Cont.)Administration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$ 18,795	
Total Chancery Court		\$ 18,795

Total Constitutional Officers - Fees Fund \$ 45,458

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 98,897	
Purchasing Personnel	42,309	
Longevity Pay	1,550	
Overtime Pay	588	
Other Salaries and Wages	56,728	
Social Security	12,346	
Pensions	9,243	
Life Insurance	127	
Medical Insurance	19,490	
Dental Insurance	764	
Disability Insurance	423	
Unemployment Compensation	84	
Employer Medicare	2,887	
Communication	768	
Dues and Memberships	4,433	
Maintenance Agreements	1,100	
Postal Charges	147	
Printing, Stationery, and Forms	130	
Travel	528	
Other Contracted Services	275	
Office Supplies	2,999	
In Service/Staff Development	833	
Other Charges	35	
Office Equipment	4,228	
Total Administration		\$ 260,912

Highway and Bridge Maintenance

Foremen	\$ 76,388	
Mechanic(s)	230,301	
Equipment Operators - Heavy	346,772	
Equipment Operators - Light	371,425	
Truck Drivers	306,510	
Laborers	74,969	
Guards	61,743	
Temporary Personnel	41,969	
Longevity Pay	19,900	
Overtime Pay	28,496	
Other Salaries and Wages	144,780	
Social Security	103,672	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Pensions	\$	75,823	
Life Insurance		2,386	
Medical Insurance		305,281	
Dental Insurance		10,662	
Disability Insurance		3,525	
Unemployment Compensation		2,483	
Employer Medicare		24,246	
Engineering Services		16,013	
Rentals		937	
Travel		1,078	
Asphalt		511,411	
Concrete		19,876	
Crushed Stone		476,952	
Fertilizer, Lime, and Seed		470	
Other Road Materials		23,375	
Pipe		50,764	
Road Signs		26,198	
Salt		15,823	
Wood Products		5,123	
In Service/Staff Development		1,385	
Total Highway and Bridge Maintenance			\$ 3,380,736

Operation and Maintenance of Equipment

Communication	\$	5,372	
Freight Expenses		412	
Maintenance Agreements		317	
Maintenance and Repair Services - Buildings		3,913	
Maintenance and Repair Services - Equipment		10,690	
Maintenance and Repair Services - Vehicles		23,379	
Other Contracted Services		5,099	
Custodial Supplies		895	
Diesel Fuel		263,018	
Drugs and Medical Supplies		2,041	
Equipment and Machinery Parts		124,653	
Garage Supplies		5,652	
Gasoline		49,392	
Lubricants		27,157	
Small Tools		13,992	
Tires and Tubes		66,396	
Vehicle Parts		129,228	
Other Supplies and Materials		21,059	
Total Operation and Maintenance of Equipment			752,665

Other Charges

Laundry Service	\$	20,641	
Pest Control		459	
Disposal Fees		1,469	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges (Cont.)

Electricity	\$	13,309	
Natural Gas		2,399	
Uniforms		190	
Building and Contents Insurance		2,917	
Liability Insurance		40,976	
Trustee's Commission		90,908	
Vehicle and Equipment Insurance		35,927	
Workers' Compensation Insurance		198,187	
Other Charges		41,372	
Total Other Charges			\$ 448,754

Capital Outlay

Bridge Construction	\$	28,262	
Highway Construction		800,550	
Highway Equipment		1,054,903	
Total Capital Outlay			1,883,715

Capital ProjectsHighway and Street Capital Projects

Other Capital Outlay	\$	79,599	
Total Highway and Street Capital Projects			79,599

Total Highway/Public Works Fund \$ 6,806,381

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	3,100,475	
Total General Government			\$ 3,100,475

Education

Principal on Bonds	\$	3,304,525	
Principal on Notes		88,258	
Principal on Capital Leases		598,691	
Principal on Other Loans		275,052	
Total Education			4,266,526

Interest on DebtGeneral Government

Interest on Bonds	\$	332,747	
Total General Government			332,747

Education

Interest on Bonds	\$	4,838,076	
Interest on Notes		4,031	
Interest on Capital Leases		88,456	
Interest on Other Loans		213,700	
Total Education			5,144,263

(Continued)

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Bank Charges	\$ 2,980	
Trustee's Commission	361,807	
Total General Government		\$ 364,787

Education

Contributions	\$ 65,023,294	
Underwriter's Discount	553,950	
Other Debt Issuance Charges	153,400	
Other Debt Service	3,526	
Total Education		65,734,170

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 669,585	
Total Capital Projects Donated to School Department		669,585

Total General Debt Service Fund \$ 79,612,553

General Capital Projects Fund

Capital Projects

General Administration Projects

Building Improvements	\$ 82,324	
Total General Administration Projects		\$ 82,324

Total General Capital Projects Fund 82,324

Highway Capital Projects Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 11,204	
Total Miscellaneous		\$ 11,204

Capital Projects

Highway and Street Capital Projects

Other Contracted Services	\$ 763,951	
Asphalt	544,988	
Crushed Stone	304,610	
Other Charges	50,417	
Total Highway and Street Capital Projects		1,663,966

Total Highway Capital Projects Fund 1,675,170

Other Capital Projects Fund

Finance

Data Processing

Data Processing Equipment	\$ 209,279	
Total Data Processing		\$ 209,279

(Continued)

Exhibit K-7

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

Other Capital Projects Fund (Cont.)

Public Safety

Sheriff's Department

Motor Vehicles	\$ 260,830	
Total Sheriff's Department		\$ 260,830

Jail

Plant Operation Equipment	\$ 80,415	
Total Jail		80,415

Social, Cultural, and Recreational Services

Libraries

Other Capital Outlay	\$ 13,610	
Total Libraries		13,610

Parks and Fair Boards

Building Improvements	\$ 3,576	
Maintenance Equipment	223,572	
Total Parks and Fair Boards		227,148

Other Operations

Other Charges

Other Charges	\$ 191	
Total Other Charges		191

Miscellaneous

Trustee's Commission	\$ 36,231	
Total Miscellaneous		36,231

Capital Projects

Public Safety Projects

Architects	\$ 33,821	
Building Improvements	235,847	
Food Service Equipment	31,815	
Total Public Safety Projects		301,483

Capital Projects - Donated

Capital Projects Donated to School Department

Motor Vehicles	\$ 505,452	
Total Capital Projects Donated to School Department		505,452

Total Other Capital Projects Fund	\$ 1,634,639
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Total Governmental Funds - Primary Government	\$ 118,285,068
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Exhibit K-8

Maury County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Maury County School Department
For the Year Ended June 30, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Lieutenant(s)	\$	65	
Teachers		32,734,000	
Career Ladder Program		156,346	
Homebound Teachers		62,165	
Salary Supplements		777,529	
Educational Assistants		758,498	
Educational Incentive - Other County Employees		294,815	
Longevity Pay		12,011	
Other Salaries and Wages		55,889	
Certified Substitute Teachers		440,530	
Non-certified Substitute Teachers		69,504	
Social Security		2,069,980	
Pensions		2,984,027	
Life Insurance		46,122	
Medical Insurance		6,547,055	
Dental Insurance		205,510	
Disability Insurance		12,015	
Employer Medicare		486,050	
Other Contracted Services		37,375	
Instructional Supplies and Materials		628,888	
Textbooks - Bound		130,676	
Other Supplies and Materials		19,567	
Fee Waivers		57,358	
Other Charges		17,277	
Data Processing Equipment		9,692	
Regular Instruction Equipment		43,656	
Total Regular Instruction Program			\$ 48,656,600

Alternative Instruction Program

Teachers	\$	354,347	
Educational Assistants		74,343	
Longevity Pay		1,100	
Certified Substitute Teachers		13,749	
Non-certified Substitute Teachers		1,617	
Social Security		27,629	
Pensions		34,445	
Life Insurance		774	
Medical Insurance		107,909	
Dental Insurance		3,473	
Disability Insurance		253	
Employer Medicare		6,461	
Other Contracted Services		1,500	
Instructional Supplies and Materials		1,944	
Total Alternative Instruction Program			629,544

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program

Teachers	\$ 4,217,961	
Career Ladder Program	5,191	
Homebound Teachers	44,665	
Educational Assistants	1,027,118	
Speech Pathologist	634,455	
Longevity Pay	14,810	
Other Salaries and Wages	41,372	
Certified Substitute Teachers	3,839	
Non-certified Substitute Teachers	60,267	
Social Security	350,686	
Pensions	488,621	
Life Insurance	10,296	
Medical Insurance	1,478,315	
Dental Insurance	47,126	
Disability Insurance	1,238	
Employer Medicare	81,996	
Contracts with Private Agencies	268,021	
Maintenance and Repair Services - Equipment	935	
Other Contracted Services	54,589	
Instructional Supplies and Materials	209,080	
Other Supplies and Materials	45,453	
Special Education Equipment	111,677	
Total Special Education Program		\$ 9,197,711

Career and Technical Education Program

Teachers	\$ 2,523,909	
Career Ladder Program	3,291	
Other Salaries and Wages	14,000	
Certified Substitute Teachers	525	
Non-certified Substitute Teachers	14,882	
Social Security	160,799	
Pensions	236,551	
Life Insurance	3,066	
Medical Insurance	443,660	
Dental Insurance	14,140	
Disability Insurance	2,160	
Employer Medicare	37,628	
Maintenance and Repair Services - Equipment	6,247	
Other Contracted Services	289,103	
Instructional Supplies and Materials	73,567	
T&I Construction Materials	3,687	
Textbooks - Bound	7,400	
Other Supplies and Materials	5,199	
In Service/Staff Development	18,567	
Other Charges	15,649	
Vocational Instruction Equipment	270,584	
Total Career and Technical Education Program		4,144,614

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Other

Teachers	\$	267,863	
Social Security		15,705	
Pensions		24,210	
Life Insurance		318	
Medical Insurance		49,369	
Dental Insurance		1,417	
Disability Insurance		243	
Employer Medicare		3,673	
Communication		648	
Instructional Supplies and Materials		721	
Office Supplies		208	
Other Supplies and Materials		443	
Regular Instruction Equipment		994	
Total Other			\$ 365,812

Support ServicesAttendance

Supervisor/Director	\$	90,925	
Social Workers		36,987	
Clerical Personnel		122,932	
Longevity Pay		3,350	
Other Salaries and Wages		107,949	
Social Security		21,742	
Pensions		20,024	
Life Insurance		509	
Medical Insurance		73,745	
Dental Insurance		2,571	
Employer Medicare		5,085	
Communication		3,795	
Postal Charges		2,958	
Travel		1,928	
Other Contracted Services		299,261	
Other Supplies and Materials		11,144	
In Service/Staff Development		2,010	
Other Charges		3,014	
Attendance Equipment		1,592	
Total Attendance			811,521

Health Services

Supervisor/Director	\$	65,295	
Medical Personnel		504,006	
Secretary(ies)		3,741	
Clerical Personnel		24,285	
Longevity Pay		600	
Other Salaries and Wages		9,019	
Social Security		36,090	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services (Cont.)

Pensions	\$	28,714	
Life Insurance		818	
Medical Insurance		117,645	
Dental Insurance		3,794	
Employer Medicare		8,440	
Communication		2,863	
Travel		12,558	
Drugs and Medical Supplies		4,671	
Other Supplies and Materials		8,742	
In Service/Staff Development		2,132	
Other Charges		7,193	
Total Health Services			\$ 840,606

Other Student Support

Career Ladder Program	\$	172	
Guidance Personnel		1,535,632	
Longevity Pay		2,350	
Other Salaries and Wages		3,318	
Social Security		95,215	
Pensions		140,905	
Life Insurance		2,115	
Medical Insurance		288,496	
Dental Insurance		8,808	
Employer Medicare		22,831	
Evaluation and Testing		29,628	
Other Supplies and Materials		5,800	
In Service/Staff Development		247	
Total Other Student Support			2,135,517

Regular Instruction Program

Supervisor/Director	\$	306,105	
Career Ladder Program		11,789	
Librarians		1,104,228	
Secretary(ies)		36,919	
Clerical Personnel		36,919	
Longevity Pay		1,900	
Other Salaries and Wages		200,050	
Certified Substitute Teachers		136,522	
Non-certified Substitute Teachers		132	
Social Security		100,757	
Pensions		147,597	
Life Insurance		1,858	
Medical Insurance		284,495	
Dental Insurance		7,991	
Disability Insurance		527	
Employer Medicare		23,611	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Communication	\$	9,652	
Operating Lease Payments		22,522	
Postal Charges		174	
Travel		52,217	
Other Contracted Services		1,396,595	
Library Books/Media		40,832	
Periodicals		36,552	
Other Supplies and Materials		4,977	
In Service/Staff Development		66,547	
Other Charges		12,370	
Administration Equipment		3,000	
Other Equipment		22,773	
Total Regular Instruction Program			\$ 4,069,611

Alternative Instruction Program

Supervisor/Director	\$	19,392	
Guidance Personnel		30,735	
Clerical Personnel		1,774	
Longevity Pay		900	
Social Security		3,236	
Pensions		3,297	
Life Insurance		116	
Medical Insurance		10,521	
Dental Insurance		381	
Employer Medicare		757	
Total Alternative Instruction Program			71,109

Special Education Program

Supervisor/Director	\$	88,484	
Career Ladder Program		5,457	
Psychological Personnel		377,179	
Assessment Personnel		167,908	
Secretary(ies)		33,632	
Clerical Personnel		22,026	
Longevity Pay		1,000	
Other Salaries and Wages		110,048	
Social Security		47,934	
Pensions		68,249	
Life Insurance		997	
Medical Insurance		126,714	
Dental Insurance		3,786	
Disability Insurance		360	
Employer Medicare		11,210	
Communication		4,301	
Postal Charges		296	
Travel		33,107	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Special Education Program (Cont.)

Other Supplies and Materials	\$	9,008	
In Service/Staff Development		6,841	
Other Charges		2,528	
Total Special Education Program			\$ 1,121,065

Career and Technical Education Program

Supervisor/Director	\$	92,598	
Clerical Personnel		38,576	
Longevity Pay		550	
Social Security		8,180	
Pensions		10,529	
Life Insurance		125	
Medical Insurance		14,528	
Dental Insurance		548	
Disability Insurance		470	
Employer Medicare		1,913	
Communication		598	
Postal Charges		137	
Travel		14,000	
Other Supplies and Materials		1,847	
In Service/Staff Development		994	
Other Charges		1,001	
Other Equipment		2,975	
Total Career and Technical Education Program			189,569

Technology

Supervisor/Director	\$	81,200	
Longevity Pay		4,225	
Other Salaries and Wages		553,133	
Social Security		38,277	
Pensions		29,478	
Life Insurance		610	
Medical Insurance		92,741	
Dental Insurance		3,139	
Disability Insurance		654	
Employer Medicare		8,952	
Communication		276,859	
Maintenance and Repair Services - Equipment		17,628	
Postal Charges		174	
Internet Connectivity		68,420	
Travel		4,897	
Other Contracted Services		138,478	
Office Supplies		464	
Other Supplies and Materials		44,306	
In Service/Staff Development		2,957	
Administration Equipment		5,061	
Data Processing Equipment		187,877	
Total Technology			1,559,530

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Other Programs

On-behalf Payments to OPEB	\$	399,527	
Total Other Programs			\$ 399,527

Board of Education

Secretary to Board	\$	4,061	
Longevity Pay		100	
Board and Committee Members Fees		18,680	
Social Security		12,259	
Pensions		461	
Life Insurance		28	
Medical Insurance		698	
Dental Insurance		27	
Unemployment Compensation		38,299	
Employer Medicare		2,867	
Other Fringe Benefits		1,002,503	
Audit Services		20,000	
Dues and Memberships		9,904	
Legal Services		72,431	
Travel		4,552	
Liability Insurance		12,831	
Trustee's Commission		724,488	
Workers' Compensation Insurance		273,608	
In Service/Staff Development		15,316	
Other Charges		1,183	
Total Board of Education			2,214,296

Director of Schools

County Official/Administrative Officer	\$	180,000	
Career Ladder Program		1,000	
Secretary(ies)		36,550	
Longevity Pay		1,250	
Other Salaries and Wages		63,358	
Social Security		14,123	
Pensions		21,141	
Life Insurance		256	
Medical Insurance		31,968	
Dental Insurance		1,445	
Employer Medicare		4,105	
Communication		3,939	
Dues and Memberships		5,500	
Postal Charges		256	
Travel		4,043	
Other Contracted Services		3,205	
Other Supplies and Materials		326	
In Service/Staff Development		2,335	
Other Charges		1,805	
Total Director of Schools			376,605

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Office of the Principal

Principals	\$	1,875,373	
Career Ladder Program		1,708	
Assistant Principals		1,829,261	
Secretary(ies)		682,692	
Clerical Personnel		864,276	
Longevity Pay		31,379	
Social Security		320,301	
Pensions		405,224	
Life Insurance		6,829	
Medical Insurance		891,400	
Dental Insurance		29,041	
Disability Insurance		2,797	
Employer Medicare		74,909	
Communication		10,674	
Other Contracted Services		69,900	
Office Supplies		21,889	
Other Charges		2,006	
Total Office of the Principal			\$ 7,119,659

Fiscal Services

Supervisor/Director	\$	96,923	
Accountants/Bookkeepers		99,117	
Longevity Pay		900	
Social Security		11,787	
Pensions		9,142	
Life Insurance		237	
Medical Insurance		28,686	
Dental Insurance		882	
Employer Medicare		2,757	
Communication		1,080	
Maintenance and Repair Services - Equipment		59	
Postal Charges		5,051	
Travel		3,710	
Other Contracted Services		778,271	
Office Supplies		6,926	
In Service/Staff Development		30,445	
Other Charges		3,637	
Administration Equipment		2	
Total Fiscal Services			1,079,612

Human Services/Personnel

Supervisor/Director	\$	78,995	
Clerical Personnel		129,750	
Longevity Pay		1,050	
Social Security		12,600	
Pensions		8,541	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Life Insurance	\$	245	
Medical Insurance		33,071	
Dental Insurance		981	
Employer Medicare		2,947	
Advertising		1,362	
Communication		924	
Operating Lease Payments		3,177	
Postal Charges		466	
Travel		3,638	
Other Contracted Services		282,975	
Office Supplies		2,170	
In Service/Staff Development		1,948	
Other Charges		11,933	
Total Human Services/Personnel			\$ 576,773

Operation of Plant

Supervisor/Director	\$	175,218	
Longevity Pay		1,500	
Other Salaries and Wages		73,839	
Social Security		15,450	
Pensions		11,571	
Life Insurance		240	
Medical Insurance		44,332	
Dental Insurance		1,096	
Employer Medicare		3,613	
Communication		719	
Janitorial Services		2,054,220	
Postal Charges		109	
Travel		3,465	
Disposal Fees		96,519	
Other Contracted Services		364,673	
Electricity		2,367,451	
Natural Gas		265,558	
Water and Sewer		211,202	
Other Supplies and Materials		3,051	
Building and Contents Insurance		299,705	
In Service/Staff Development		1,126	
Other Charges		4,699	
Total Operation of Plant			5,999,356

Maintenance of Plant

Supervisor/Director	\$	61,577	
Secretary(ies)		33,632	
Maintenance Personnel		1,198,739	
Longevity Pay		13,775	
Social Security		79,338	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Maintenance of Plant (Cont.)

Pensions	\$	57,999	
Life Insurance		2,262	
Medical Insurance		272,431	
Dental Insurance		10,105	
Disability Insurance		676	
Employer Medicare		18,555	
Communication		12,664	
Laundry Service		12,524	
Maintenance and Repair Services - Buildings		276,241	
Maintenance and Repair Services - Equipment		80,813	
Maintenance and Repair Services - Vehicles		11,379	
Travel		10,393	
Other Contracted Services		24,124	
Other Supplies and Materials		236,942	
In Service/Staff Development		223	
Other Charges		2,815	
Maintenance Equipment		69,971	
Total Maintenance of Plant			\$ 2,487,178

Transportation

Supervisor/Director	\$	88,056	
Bus Drivers		1,887,453	
Clerical Personnel		144,933	
Longevity Pay		48,700	
Social Security		132,455	
Pensions		93,879	
Life Insurance		7,019	
Medical Insurance		911,818	
Dental Insurance		33,471	
Employer Medicare		30,995	
Communication		2,643	
Operating Lease Payments		1,300	
Maintenance and Repair Services - Vehicles		401,018	
Postal Charges		1	
Travel		567	
Other Contracted Services		81,154	
Diesel Fuel		573,414	
Tires and Tubes		150,379	
Vehicle Parts		281,352	
Other Supplies and Materials		1,936	
Vehicle and Equipment Insurance		86,678	
In Service/Staff Development		739	
Other Charges		28,352	
Transportation Equipment		4,835	
Total Transportation			4,993,147

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Central and Other

Supervisor/Director	\$	92,980	
Longevity Pay		275	
Other Salaries and Wages		19,292	
Social Security		7,524	
Pensions		5,652	
Life Insurance		123	
Medical Insurance		6,261	
Dental Insurance		320	
Disability Insurance		50	
Employer Medicare		1,760	
Postal Charges		1	
Other Contracted Services		24,000	
Office Supplies		1,170	
Administration Equipment		8,758	
Data Processing Equipment		6,565	
Other Equipment		33,000	
Total Central and Other			\$ 207,731

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	7,200	
Teachers		45,478	
Educational Assistants		22,855	
Other Salaries and Wages		91,500	
Social Security		7,153	
Pensions		6,218	
Employer Medicare		1,146	
Instructional Supplies and Materials		10,550	
In Service/Staff Development		18	
Other Charges		25,516	
Total Community Services			217,634

Early Childhood Education

Teachers	\$	497,328	
Educational Assistants		280,421	
Longevity Pay		4,350	
Social Security		47,342	
Pensions		55,013	
Life Insurance		1,666	
Medical Insurance		230,449	
Dental Insurance		7,911	
Disability Insurance		283	
Employer Medicare		11,072	
Travel		211	
Other Contracted Services		22,633	
Ice		2,439	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

Other Supplies and Materials	\$	175	
In Service/Staff Development		175	
Other Equipment		3,645	
Total Early Childhood Education			\$ 1,165,113

Capital OutlayRegular Capital Outlay

Instructional Supplies and Materials	\$	2,186	
Building Improvements		1,177,996	
Total Regular Capital Outlay			1,180,182

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	1,048,641	
Total Education			<u>1,048,641</u>

Total General Purpose School Fund

\$ 102,858,263

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	834,198	
Educational Assistants		244,518	
Longevity Pay		650	
Other Salaries and Wages		292,521	
Certified Substitute Teachers		920	
Non-certified Substitute Teachers		22,019	
Social Security		81,390	
Pensions		94,296	
Medical Insurance		193,757	
Dental Insurance		5,243	
Employer Medicare		19,230	
Other Fringe Benefits		106	
Instructional Supplies and Materials		151,075	
Other Supplies and Materials		18,097	
Other Charges		582	
Regular Instruction Equipment		151,388	
Total Regular Instruction Program			\$ 2,109,990

Special Education Program

Teachers	\$	111,072	
Educational Assistants		761,180	
Social Security		52,390	
Pensions		44,975	
Life Insurance		3,001	
Medical Insurance		445,607	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Dental Insurance	\$	15,281	
Employer Medicare		12,252	
Other Contracted Services		63,359	
Instructional Supplies and Materials		3,565	
Other Supplies and Materials		9,133	
Special Education Equipment		7,172	
Total Special Education Program			\$ 1,528,987

Career and Technical Education Program

Other Supplies and Materials	\$	11,000	
Vocational Instruction Equipment		160,425	
Total Career and Technical Education Program			171,425

Support ServicesHealth Services

Medical Personnel	\$	27,031	
Other Salaries and Wages		144,286	
Social Security		10,431	
Pensions		7,578	
Life Insurance		142	
Medical Insurance		19,233	
Dental Insurance		504	
Employer Medicare		2,439	
Total Health Services			211,644

Other Student Support

Other Salaries and Wages	\$	141,532	
Social Security		8,687	
Pensions		10,271	
Life Insurance		105	
Medical Insurance		13,875	
Dental Insurance		542	
Employer Medicare		2,011	
Travel		19,435	
Other Contracted Services		22,411	
Other Supplies and Materials		54,767	
In Service/Staff Development		19,500	
Other Equipment		4,747	
Total Other Student Support			297,883

Regular Instruction Program

Supervisor/Director	\$	104,000	
Secretary(ies)		30,829	
Longevity Pay		500	
Other Salaries and Wages		351,563	
In-service Training		6,756	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Social Security	\$	29,576	
Pensions		42,407	
Life Insurance		539	
Medical Insurance		85,303	
Dental Insurance		2,579	
Employer Medicare		6,870	
Other Fringe Benefits		412	
Operating Lease Payments		6,115	
Travel		1,558	
Library Books/Media		11,284	
Other Supplies and Materials		11,237	
In Service/Staff Development		167,098	
Other Equipment		199	
Total Regular Instruction Program			\$ 858,825

Special Education Program

Psychological Personnel	\$	133,883	
Assessment Personnel		127,635	
Clerical Personnel		30,970	
Other Salaries and Wages		70,639	
Social Security		22,514	
Pensions		31,458	
Life Insurance		331	
Medical Insurance		45,869	
Dental Insurance		1,625	
Employer Medicare		5,265	
Other Fringe Benefits		235	
Travel		11,491	
Other Supplies and Materials		9,649	
In Service/Staff Development		25,002	
Other Equipment		1,214	
Total Special Education Program			517,780

Career and Technical Education Program

Supervisor/Director	\$	8,424	
Social Security		509	
Pensions		411	
Employer Medicare		119	
In Service/Staff Development		376	
Total Career and Technical Education Program			9,839

Transportation

Bus Drivers	\$	1,300	
Other Salaries and Wages		338,977	
Social Security		21,098	
Pensions		14,848	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Life Insurance	\$	1,195	
Medical Insurance		170,733	
Dental Insurance		6,472	
Employer Medicare		4,900	
Other Contracted Services		4,913	
Diesel Fuel		783	
Total Transportation			\$ 565,219

Total School Federal Projects Fund \$ 6,271,592

Central Cafeteria FundSupport ServicesBoard of Education

Workers' Compensation Insurance	\$	38,694	
Total Board of Education			\$ 38,694

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	124,000	
Accountants/Bookkeepers		95,126	
Cafeteria Personnel		974,221	
Longevity Pay		31,700	
Other Salaries and Wages		742,332	
Social Security		119,493	
Pensions		64,936	
Life Insurance		5,328	
Medical Insurance		626,774	
Dental Insurance		22,427	
Unemployment Compensation		6,772	
Employer Medicare		27,947	
Other Fringe Benefits		594	
Maintenance and Repair Services - Equipment		33,038	
Postal Charges		2,067	
Travel		8,872	
Other Contracted Services		35,530	
Food Preparation Supplies		272,487	
Food Supplies		2,618,236	
Office Supplies		8,135	
USDA - Commodities		442,684	
In Service/Staff Development		4,259	
Food Service Equipment		410,050	
Total Food Service			6,677,008

Total Central Cafeteria Fund 6,715,702

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Building Construction	\$	13,017,491	
Building Improvements		8,493,340	
Other Capital Outlay		6,133,923	
Total Education Capital Projects			\$ 27,644,754
Total Education Capital Projects Fund			\$ 27,644,754
<u>Other Capital Projects #1 Fund</u>			
<u>Capital Outlay</u>			
<u>Regular Capital Outlay</u>			
Building Improvements	\$	672,643	
Total Regular Capital Outlay			\$ 672,643
Total Other Capital Projects #1 Fund			672,643
Total Governmental Funds - Maury County School Department			\$ 144,162,954

Exhibit K-9

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund
	<u>Central</u>
	Maintenance
	Garage
	<u>Fund</u>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 2,164,106
Total Charges for Current Services	<u>\$ 2,164,106</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 11,153
Sale of Equipment	131
Total Other Local Revenues	<u>\$ 11,284</u>
Total Revenues	<u><u>\$ 2,175,390</u></u>
<u>Expenses</u>	
<u>General Government</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 74,155
Mechanic(s)	210,323
Clerical Personnel	34,583
Longevity Pay	5,400
Overtime Pay	2,278
Social Security	19,991
Pensions	11,417
Life Insurance	373
Medical Insurance	51,062
Dental Insurance	1,727
Disability Insurance	675
Unemployment Compensation	336
Employer Medicare	4,675
Communication	598
Laundry Service	6,244
Maintenance Agreements	6,057
Maintenance and Repair Services - Building	1,252
Maintenance and Repair Services - Equipment	2,973

(Continued)

Exhibit K-9

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

	Governmental Activities - Internal Service Fund Central Maintenance Garage Fund
<u>Expenses (Cont.)</u>	
<u>General Government (Cont.)</u>	
<u>Other General Administration (Cont.)</u>	
Postal Charges	\$ 238
Printing, Stationery, and Forms	130
Travel	89
Disposal Fees	2,321
Other Contracted Services	117,008
Diesel Fuel	605,418
Electricity	23,769
Equipment and Machinery Parts	330,222
Garage Supplies	1,534
Gasoline	396,791
Lubricants	21,488
Natural Gas	8,455
Office Supplies	617
Small Tools	390
Tires and Tubes	91,653
Depreciation	12,573
In Service/Staff Development	308
Other Charges	27
Furniture and Fixtures	1,456
Other Equipment	5,622
Other Capital Outlay	17,324
Total Expenses	<u>\$ 2,071,552</u>

Maury County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Transfer Waste Stations Collection Charge	\$ 25
Tipping Fees	2,286,901
Other General Service Charges	159,917
Service Charges	18,387
Total Charges for Current Services	<u>\$ 2,465,230</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 207,374
<u>Nonrecurring Items</u>	
Sale of Equipment	5,934
Total Other Local Revenues	<u>\$ 213,308</u>
Total Operating Revenues	<u>\$ 2,678,538</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 1,946,105
Trustee's Collections - Prior Year	42,939
Trustee's Collections - Bankruptcy	720
Circuit/Clerk and Master Collections - Prior Years	23,563
Interest and Penalty	8,225
Pick-up Taxes	10,489
<u>State of Tennessee</u>	
<u>Public Works Grants</u>	
Litter Program	56,039
<u>Other State Revenues</u>	
Other State Revenues	<u>55,522</u>
Total Nonoperating Revenues	<u>\$ 2,143,602</u>
Total Revenues	<u><u>\$ 4,822,140</u></u>

(Continued)

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

	Business-type Activities - Enterprise Fund <u>Solid Waste Disposal Fund</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 26,695
Overtime	10
Social Security	1,704
Life Insurance	46
Medical Insurance	5,600
Dental Insurance	212
Disability Insurance	47
Unemployment Compensation	42
Employer Medicare	399
Contributions	8,000
Travel	49
Other Supplies and Materials	12,781
Total Waste Pickup	<u>\$ 55,585</u>
<u>Convenience Centers</u>	
Equipment Operators	\$ 205,031
Laborers	442,377
Longevity Pay	3,700
Overtime Pay	2,806
Social Security	40,096
Pensions	5,214
Life Insurance	312
Medical Insurance	39,412
Dental Insurance	1,527
Disability Insurance	494
Unemployment Compensation	2,104
Employer Medicare	9,377
Communication	4,662
Maintenance and Repair Services - Equipment	28,562
Maintenance and Repair Services - Vehicles	2,155
Pest Control	1,377
Postal Charges	592
Rentals	3,575
Other Contracted Services	1,468
Crushed Stone	324
Diesel Fuel	53,350
Electricity	14,476

(Continued)

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

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Convenience Centers (Cont.)</u>	
Equipment and Machinery Parts	\$ 22,436
Gasoline	2,689
Lubricants	2,784
Tires and Tubes	22,320
Vehicle Parts	1,035
Other Supplies and Materials	54,888
Depreciation	7,015
In Service/Staff Development	125
Furniture and Fixtures	208
Total Convenience Centers	<u>\$ 976,491</u>
<u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 75,577
Equipment Operators	129,699
Laborers	109,127
Clerical Personnel	71,888
Longevity Pay	5,550
Overtime Pay	2,551
Social Security	23,791
Pensions	16,379
Life Insurance	478
Medical Insurance	59,942
Dental Insurance	2,206
Disability Insurance	747
Unemployment Compensation	461
Employer Medicare	5,564
Communication	9,810
Dues and Memberships	724
Laundry Service	6,405
Licenses	350
Maintenance Agreements	708
Maintenance and Repair Services - Buildings	6,503
Maintenance and Repair Services - Equipment	24,651
Maintenance and Repair Services - Vehicles	16
Pest Control	255
Postal Charges	396
Rentals	163

(Continued)

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

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Travel	\$ 560
Disposal Fees	1,855,468
Permits	13,300
Other Contracted Services	48,830
Crushed Stone	1,514
Data Processing Supplies	1,739
Diesel Fuel	42,217
Electricity	22,060
Equipment and Machinery Parts	27,249
Gasoline	3,073
Lubricants	2,109
Natural Gas	11,270
Office Supplies	659
Tires and Tubes	19,992
Vehicle Parts	955
Other Supplies and Materials	44,132
Building and Contents Insurance	4,861
Liability Insurance	11,900
Refunds	6,212
Trustee's Commission	60,773
Vehicle and Equipment Insurance	14,371
Workers' Compensation Insurance	94,703
Depreciation	307,953
In Service/Staff Development	360
Other Charges	432
Furniture and Fixtures	1,377
Office Equipment	185
Other Capital Outlay	16,775
Total Landfill Operation and Maintenance	<hr/> \$ 3,168,970 <hr/>
Total Operating Expenses	<hr/> \$ 4,201,046 <hr/>
Total Expenses	<hr/> \$ 4,201,046 <hr/>

Exhibit K-11

Maury County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2018

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 14,514,598
Total Cash Receipts	<u>\$ 14,514,598</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 14,369,452
Trustee's Commission	145,146
Total Cash Disbursements	<u>\$ 14,514,598</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2017	<u>0</u>
Cash Balance, June 30, 2018	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements, and have issued our report thereon dated February 5, 2019. Our report includes a reference to other auditors who audited the financial statements of Maury Regional Hospital (major proprietary fund) and the discretely presented Maury County Board of Public Utilities Water System, as described in our report on Maury County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2018-001, 2018-002, and 2018-009.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2018-004, 2018-005, 2018-006, 2018-008, 2018-010, and 2018-011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maury County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2018-003 and 2018-007.

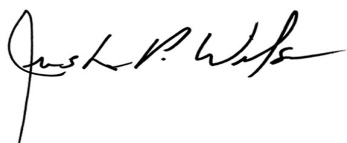
Maury County's Response to the Findings

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 5, 2019

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Maury County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Maury County's major federal programs for the year ended June 30, 2018. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Maury County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Maury County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Maury County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Maury County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Maury County's 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 Maury County's internal control over compliance.

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

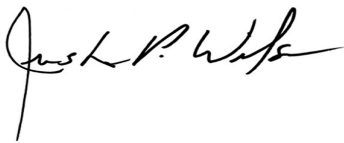
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Maury County's basic financial statements. We issued our report thereon dated February 5, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on 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.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 5, 2019

JPW/yu

Maury County, Tennessee, and the Maury County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2018

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 121,304
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	442,684 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	(3)	1,347,786
National School Lunch Program	10.555	(3)	3,638,397 (5)
Total U.S. Department of Agriculture			<u>\$ 5,550,171</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention	16.540	31601-1823	\$ 4,000
Passed through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(3)	46,798
Total U.S. Department of Justice			<u>\$ 50,798</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z18THS195	\$ 24,779
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-25617	14,000
Total U.S. Department of Transportation			<u>\$ 38,779</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(3)	2,860,183
Special Education Cluster: (4)			
Special Education Grants to States	84.027	(3)	2,718,059
Special Education Preschool Grants	84.173	(3)	80,493
Career and Technical Education - Basis Grants to States	84.048	N/A	250,262
Twenty-first Century Community Learning Centers	84.287	N/A	128,798
English Language Acquisition State Grants	84.365	N/A	32,051
Supporting Effective Instruction State Grant	84.367	N/A	274,817
Student Support and Academic Enrichment Program	84.424	N/A	56,119
Total U.S. Department of Education			<u>\$ 6,400,782</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	(3)	\$ 50,722
CCDF Cluster:			
Child Care and Development Block Grant	93.575	(3)	33,643
Total U.S. Department of Health and Human Services			<u>\$ 84,365</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-06018	\$ 44,350
Total U.S. Department of Homeland Security			<u>\$ 44,350</u>
Total Expenditures of Federal Awards			<u>\$ 12,169,245</u>

(Continued)

Maury County, Tennessee, and the Maury 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	Contract Number	Expenditures
<u>State Grants</u>			
Read to be Ready Coaching Network - State Department of Education	N/A	(3)	\$ 10,800
Project Diabetes Initiative Services - State Department of Health	N/A	GG1751261	2,660
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	35910-10157	9,000
Coordinated School Health Initiative - State Department of Education	N/A	(3)	100,000
Early Childhood Education - State Department of Education	N/A	(3)	892,121
Family Resource Center - State Department of Education	N/A	(3)	88,835
Developmental Co-op Grant - State Department of Tourism Development	N/A	32601-17008	5,000
Health Department Program - State Department of Health	N/A	GG1855259	753,718
Litter Program - State Department of Transportation	N/A	(3)	56,039
Archives Development Grant - Tennessee Department of State, State Library and Archives	N/A	30501-01818-13	4,400
CTE Equipment - State Department of Education	N/A	(3)	189,527
Microfilm Reader/Scanner Grant - Tennessee Department of State	N/A	30504-02117-10	4,047
Total State Grants			<u>\$ 2,116,147</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) Maury County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Child Nutrition Cluster total is \$5,428,867; Special Education Cluster total is \$2,798,552.

(5) Total for CFDA No. 10.555 is \$4,081,081.

Maury County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2018

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 of Maury County, Tennessee, for the year ended June 30, 2018.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2017	256	2017-001	The Office of Accounts and Budgets had Deficiencies in Budget Operations	N/A	Corrected
2017	257	2017-002	The School Department did not Reconcile General Ledger Payroll Liability Accounts with Payroll Reports and Payments and did not Provide Documentation Supporting those Account Balances	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	258	2017-003	Material Audit Adjustments were Required in the School Department's Funds	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	259	2017-004	The School Department had Deficiencies in Budget Operations	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	261	2017-005	The School Department Overpaid Several Former Employees	N/A	Corrected
2017	262	2017-006	The School Department Failed to Pay Employee Insurance Premiums in a Timely Manner	N/A	Corrected
2017	263	2017-007	Cash on Deposit with the Trustee in the General Purpose School and School Federal Projects Funds was not Reconciled Properly	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	264	2017-008	The School Department had Weaknesses in Posting Financial Transactions	N/A	Not Corrected - See Explanation on Corrective Action Plan

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2017	266	2017-009	The School Department Failed to Comply with State Statutes when Entering into Lease-Purchase Agreements	N/A	Corrected
2017	267	2017-010	The School Department had Deficiencies in a contract for Commercial Driver's License Testing	N/A	Corrected
2017	268	2017-011	The School Department had Deficiencies in the Maintenance of Capital Asset Records	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	269	2017-012	Accrued Leave Records of the School Department were not Maintained Adequately	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	270	2017-013	Investment Earnings were not Posted to the General Ledger in the Trustee's Office	N/A	Corrected

Prior-year Federal Awards Findings

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

MAURY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Maury County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

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 Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program, and National School Lunch Program
 - * CFDA Number: 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: **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are 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 DIRECTOR OF SCHOOLS

FINDING 2018-001

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION (Internal Control – Material Weakness Under *Government Auditing Standards*)

Certain general ledger account balances in the General Purpose School, School Federal Projects, and Education Capital Projects funds were not materially correct, and audit adjustments were required for proper financial statement presentation. Audit adjustments were required to increase cash in bank (\$536,216), receivables from other funds (\$420,717), payables for employees' retirement (\$477,911), and payables for employees' medical insurance (\$760,133) in the General Purpose School Fund. An audit adjustment was required to increase payables to other funds (\$378,183) in the School Federal Projects Fund. Additionally, an audit adjustment was required to increase contracts payable (\$4,469,516) in the Education Capital Projects Fund. Generally accepted accounting principles require the School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the findings noted in prior-year audit reports, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-002

THE SCHOOL DEPARTMENT HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under *Government Auditing Standards*)

The School Department has a material audit finding that has been reported in its annual financial report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2016-005, 2017-003, 2018-001	Material audit adjustments were required for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Maury County appointed an Audit Committee on July 15, 2013, to address financial and other reporting practices, internal control, compliance with laws and regulation, and ethics.

RECOMMENDATION

The School Department should work with its Audit Committee to correct the above-noted weakness in internal control.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. and B. – *Material Noncompliance Under Government Auditing Standards*; C. – *Noncompliance Under Government Auditing Standards*)

We noted the following deficiencies in the budget operations of the office:

- A. The original budget adopted by the county commission did not contain an estimated beginning fund balance for the General Purpose School Fund. During the year, auditors discovered this error and advised school officials that they should correct this error by presenting a resolution to the county commission adopting a beginning budgetary fund balance; however, the resolution was never presented to the county commission. The accompanying financial statements of the General Purpose School Fund do not reflect an estimated beginning fund balance, resulting in budgeted expenditures exceeding estimated revenues and available fund balance by \$4,627,645.

- B. Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Regular Instruction	\$ 467,317
Attendance	5,622
Other Student Support	44,909
Human Services/Personnel	99,642

- C. Salaries exceeded line-item appropriations in 20 instances in the General Purpose School Fund by amounts ranging from \$65 to \$65,295. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

These deficiencies exist because of a lack of management oversight; management’s failure to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures; management’s failure to correct the finding noted in the prior-year audit report, and management’s failure to implement their corrective action plan.

RECOMMENDATION

The original budget adopted by the county commission should contain an estimated beginning fund balance for the General Purpose School Fund. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-004

PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

General ledger payroll liability accounts for the General Purpose School and School Federal Projects funds were not reconciled monthly with payroll records and payments. As a result, unidentified balances accumulated in the liability accounts for retirement, insurance, garnishments, and annuities. Sound business practices dictate that these reconciliations be performed monthly. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan.

RECOMMENDATION

Payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-005

CASH ON DEPOSIT WITH THE TRUSTEE WAS NOT RECONCILED PROPERLY

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

The office did not properly reconcile the general ledger cash accounts in the General Purpose School and School Federal Projects funds with county trustee reports. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. The office attempted to reconcile the cash accounts with the trustee's reports; however, the following deficiencies were noted:

- A. The office did not reconcile general ledger cash accounts with county trustee reports in a timely manner. Instead, personnel waited extended periods of time to reconcile the cash accounts with the trustee's reports. Auditors received the final reconciliation for the month of June 2018 on October 9, 2018, for the General Purpose School Fund and October 15, 2018, for the School Federal Projects Fund. The failure to currently reconcile cash accounts with the trustee's reports allows errors to remain undiscovered and uncorrected.
- B. The office did not correct all identified errors and other reconciling items. Instead, these items were carried forward each month as part of the reconciliation of cash on deposit with the trustee's reports. The failure to correct identified errors and other reconciling items allows cash with the trustee to be stated incorrectly on the balance sheet.

Auditors determined that these reconciliations contained numerous errors as well as unidentified amounts. Auditors used substantive tests and alternative audit procedures to determine the correct year-end cash balances.

These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, management's failure to correct the finding noted in the prior-year report, and management's failure to implement their corrective action plan.

RECOMMENDATION

The office should accurately reconcile the General Purpose School and School Federal Projects funds' general ledger cash accounts with county trustee's reports monthly, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-006

THE OFFICE HAD WEAKNESSES IN POSTING FINANCIAL TRANSACTIONS

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

During our examination, auditors noted the following weaknesses in posting financial transactions:

- A. We observed numerous general journal entries in the General Purpose School and School Federal Projects funds, including several that were posted to correct or reverse previous journal entries. Sound business practices dictate that financial transactions should be accurately posted in accordance with generally accepted accounting principles. The significant number of general journal entries indicates weaknesses in internal controls related to recording financial transactions.
- B. We noted several instances where revenues in the General Purpose School Fund were misclassified. For example, auditors reclassified \$724,886 from Miscellaneous Refunds to Contributions and various other revenue accounts, and reclassified \$125,069 from Other Charges for Services to Contributions.
- C. Some expenditures in the General Purpose School Fund were posted directly to fund equity accounts rather than to expenditure accounts. Other expenditures were reclassified to fund equity accounts by posting erroneous journal entries. Auditors also noted \$421,093 in payroll posted directly to fund equity accounts. These postings directly to fund equity accounts have the effect of understating expenditures.

- D. Auditors noted state grant revenue (\$7,355), federal grant revenue (\$17,277), and contributions (\$33,000) that were improperly netted against expenditures in the General Purpose School Fund. This netting of revenues against expenditures has the effect of understating both revenues and expenditures.
- E. Several expenditures were coded to accounts that did not reflect the true nature of the expenditures. Auditors noted payroll expenditures erroneously recorded in several non-payroll line-items of the General Purpose School Fund, including Other Contracted Services, Other Charges, and Data Processing Equipment. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.
- F. The School Department maintains bank clearing accounts to facilitate the automated payment of various monthly payroll liabilities such as premiums for the Tennessee Consolidated Retirement System and employee insurances. Payments are posted increasing expenditures and decreasing the related payroll liability accounts. The cash is deposited into the clearing accounts, and the vendor receives payment by bank draft, usually within two or three days. However, during the year, these bank statements were not reconciled with the general ledger. Since errors were not identified and corrected, these bank accounts did not reconcile with the general ledger by \$536,216 at June 30, 2018.

We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report. These deficiencies were the result of a lack of management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, management's failure to correct the finding noted in the prior-year report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Internal controls over the accounting process should be strengthened to correctly identify and accurately post transactions by nature, account, and fund when the transactions are initiated. All transactions should be properly classified in the accounting records using the current County Uniform Chart of Accounts. Management should reconcile the clearing account balances with vendor invoices, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-007**THE INTERNAL REVENUE SERVICE ASSESSED THE
SCHOOL DEPARTMENT PENALTIES AND INTEREST
TOTALING \$371,014***(Noncompliance Under Government Auditing Standards)*

The School Department was assessed and paid the following employment tax penalties and interest:

<u>Tax Period</u>	<u>Type of Assessment</u>	<u>Amount of Assessment</u>
3rd Quarter 2016	Late Filing Penalty	\$ 18,132
3rd Quarter 2016	Late Payment Penalty	6,447
3rd Quarter 2016	Federal Tax Deposit Penalty	40,228
3rd Quarter 2016	Interest	5,670
4th Quarter 2016	Late Filing Penalty	403
4th Quarter 2016	Late Payment Penalty	29
4th Quarter 2016	Federal Tax Deposit Penalty	50,213
4th Quarter 2016	Interest	853
4th Quarter 2017	Late Payment Penalty	61
4th Quarter 2017	Federal Tax Deposit Penalty	628
4th Quarter 2017	Interest	18
Total Penalties and Interest Paid		<u>\$ 122,682</u>

The School Department paid \$79,321 on April 20, 2018, \$40,478 on July 5, 2018, and the remaining \$2,883 was paid using tax credits applied from other tax periods for a total of \$122,682 (\$79,321 plus \$40,478 plus \$2,883).

The Internal Revenue Service (IRS) assessed additional Federal Tax Deposit Penalties of \$99,789 for the 3rd Quarter 2016 and \$148,543 for the 1st Quarter 2017 employment tax returns. These penalties were later abated. These penalties resulted from a lack of management oversight.

Therefore, the School Department was assessed interest and penalties totaling \$371,014 by the IRS as noted below:

<u>Amounts Assessed</u>
\$ 122,682
99,789
<u>148,543</u>
<u>\$ 371,014</u>

RECOMMENDATION

Federal payroll taxes deposited to the payroll clearing account should be reported to the IRS on a timely basis to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-008

SEVERAL CREDIT CARD CHARGES DID NOT HAVE PROPER SUPPORTING DOCUMENTATION

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

As a part of our auditing procedures for expenditures, auditors reviewed all credit card transactions for the period July 1, 2017 through April 13, 2018. Auditors reviewed available documentation for 160 credit card transactions totaling \$56,266. We noted several charges did not have proper supporting documentation. Officials could not provide auditors with proper supporting documentation for 66 credit card charges totaling \$34,833. Most of these credit card transactions appear to be travel related expenses for hotels, air fare, and internet purchases for various technology supplies. Without proper supporting documentation, auditors were unable to determine if these expenditures were authorized.

The Maury County Board of Education has not adopted written guidelines governing the use of credit cards. Sound business practices dictate that management should provide written guidance by identifying those who are entitled to use the credit cards and the purposes for which the credit cards can be used. This deficiency is the result of a lack of management oversight. Without a formal credit card policy, employees have no limitations on their credit card purchases.

RECOMMENDATION

Credit card charges should not be paid without proper supporting documentation. The Maury County Board of Education should adopt a formal credit card policy.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-009

**THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN
THE MAINTENANCE OF CAPITAL ASSETS RECORDS**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

In the prior-year, the School Department attempted to transition its capital assets records from a computerized spreadsheet to a computer software application; however, the capital assets records presented to auditors failed to distinguish between prior-year assets and current-year additions and failed to classify assets by function. The School Department attempted to correct the errors noted in the prior-year; however, auditors noted that the computer software reports had numerous invalid account codes, and the beginning balances did not match the prior-year audited balances. Auditors advised management of these deficiencies and requested the capital assets records be corrected. The School Department subsequently provided revised capital assets records; however, the beginning balances still did not match the prior-year ending balances by \$20,632,806. Auditors ultimately used alternative methods to determine capital assets balances. Additionally, the capital assets records contained the following deficiencies:

- A. The construction in progress worksheet beginning balance did not agree with the prior-year ending balance.
- B. The School Department failed to capitalize the completed construction of energy efficient upgrades (\$559,229) as well as bleacher repairs (\$70,543). The accumulated costs of these projects had previously been accounted for as Construction in Progress. Auditors proposed an adjustment reclassifying these assets from Construction in Progress to Buildings and Improvements.
- C. The School Department failed to capitalize \$105,854 in Career and Technical Education equipment purchases and \$206,077 in fire alarm upgrades at three schools. These purchases should be capitalized and depreciated according to School Department policy.
- D. Maury County purchased five school buses, paid a portion of the invoice on another school bus, and donated these purchases to the School Department. The School Department failed to record these donated buses at fair market value.

We presented audit adjustments to management for their approval and posting to the capital assets records for proper presentation in the financial statements of this report. Generally accepted accounting principles require accountability for all School Department assets, such as building improvements, furniture and equipment, and vehicles. Without accurate inventory records, the School Department cannot adequately control its assets.

These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain capital assets records in accordance with generally accepted accounting principles, the failure to correct the prior-year audit finding, and management's failure to implement their corrective action plan.

RECOMMENDATION

Management should provide the necessary oversight to ensure capital assets records are accurately maintained in compliance with generally accepted accounting principles.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

FINDING 2018-010

ACCRUED LEAVE RECORDS WERE NOT MAINTAINED ADEQUATELY

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

The School Department's personnel policy permits employees to accumulate earned but unused vacation and sick leave. School Department personnel provided auditors with accrued leave records, which auditors tested for accuracy. Auditors tested a sample of individual accounts and noted numerous deficiencies in these records: beginning leave balances did not agree with prior-year ending balances; employees who had retired, resigned, or whose employment had been terminated in the current-year had not been removed from the records; and earned and used amounts for individually tested employees did not agree with subsidiary payroll records. Auditors ultimately used alternative methods to determine accrued leave balances.

The failure to maintain adequate documentation of accumulated leave weakens internal controls over the payroll process and increases the risks of improper payments and inaccurate financial statement presentation of accrued leave balances. These deficiencies can be attributed in part to ineffective management oversight, a lack of technical skills to maintain accounting records in accordance with generally accepted accounting principles, the failure to correct the prior-year audit finding, and management's failure to implement their corrective action plan.

RECOMMENDATION

The School Department should maintain a summary of accrued leave for all employees. These records should accurately reflect the value of the leave at the beginning of the year, amount earned, amount used, and the value of the leave at year-end.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. See corrective action plan.

OFFICE OF TRUSTEE

FINDING 2018-011

THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES.

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

The office should ensure adequate controls over its information systems and the resources associated with those systems are implemented.

MANAGEMENT'S RESPONSE – TRUSTEE

We concur with the finding. We were not careful and corrected the situation as soon as we became aware of it.

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, 2018.

Maury County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2018

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 DIRECTOR OF SCHOOLS

2018-001	Material Audit Adjustments were Required for Proper Financial Statement Presentation	272
2018-002	The School Department has a Material Recurring Audit Finding	272-273
2018-003	The Office had Deficiencies in Budget Operations	273
2018-004	Payroll Liability Accounts were not Reconciled Monthly	273-274
2018-005	Cash on Deposit with the Trustee was not Reconciled Properly	274-275
2018-006	The Office had Weaknesses in Posting Financial Transactions	275
2018-007	The Internal Revenue Service Assessed the School Department Penalties and Interest Totaling \$371,014	275-276
2018-008	Several Credit Card Charges did not have Proper Supporting Documentation	276
2018-009	The School Department had Deficiencies in the Maintenance of Capital Asset Records	276-277
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OFFICE OF TRUSTEE

2018-011	The Office did not Implement Adequate Controls to Protect its Information Resources	278
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Maury County Government
Office of Financial Management
Douglas D. Lukonen, Finance Director

One Public Square, Suite 200 • Columbia, TN 38401

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FINDING 2018-001

**MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED
FOR PROPER FINANCIAL STATEMENT
PRESENTATION**

*(Internal Control – Material Weakness Under Government
Auditing Standards)*

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

The main issues that create this finding are many. I recommend we do the following:

- Create a new all-encompassing set of internal controls and follow them. After implementation (approximately 3 months after), we will evaluate processes and procedures to see if the updated internal control policy is being followed.
- We are currently consolidating our accounting and purchasing departments to comply with the Maury County Financial Management Act of 2018. Management oversight will be present going forward and also a mixture of employees with a great amount of experience. We will help each other by sharing information.
- We are doing a full review of the Skyward accounting system. Our office will be vetting out accounting ERP software in the future. We have been updating deduction codes, deleting unnecessary accounts, making correcting journal entries, and proposing budget amendments to department heads and the school board.
- Avoiding material misstatements/audit adjustments in the 2018-2019 audited financial report is going to be an extremely difficult task, but we will do our best to improve each day.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2021

FINDING 2018-002

**THE SCHOOL DEPARTMENT HAS A MATERIAL
RECURRING AUDIT FINDING**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

This finding is due to a weakness in current internal controls.

- We will work with the audit committee and financial management board to approve a new policy and review whether it has been implemented properly at intermittent times.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2021

FINDING 2018-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. and B. – Material Noncompliance Under Government Auditing Standards; C. – Noncompliance Under Government Auditing Standards)

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- We will make sure to present an estimated beginning and ending fund balance based on estimated revenues and expenditures with the budget submission resolutions.
- We will do our best to hold department heads accountable for their budget by updating them on potential overages and researching the causes for overages. We have made many corrections so far, but there are more to do.
- We will also refrain from running any checks through fund balance.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2020

FINDING 2018-004

PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- We would like to audit employee information in May of 2019. We have uncovered multiple instances in which some employee information within Skyward was either not entered or entered incorrectly. The information needs to be corrected at the source first.
- We will then work with all of our benefit vendors to reconcile and make sure information is up to date.
- We also think that simplifying the benefit options and deduction codes will help this issue.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2020

FINDING 2018-005

CASH ON DEPOSIT WITH THE TRUSTEE WAS NOT RECONCILED PROPERLY

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

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- The cash reconciliation is paramount to a community being able to trust financial data.
- We are working with the trustee's office to correct errors.
- We are going to change some system access to keep transactions from being accidentally entered.
- We have set new deadlines to have cash reconciled, cash receipts entered, and financial reports completed. The employees will be held accountable and if they cannot meet the deadline our supervisory team will step in and complete it in time.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2020

FINDING 2018-006

**THE OFFICE HAD WEAKNESSES IN POSTING
FINANCIAL TRANSACTIONS**

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

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- Previously, an incorrect chart of accounts was being used at the BOE. We have since emailed the Comptroller's Office chart of accounts out for referencing line items. We are trying to create a culture in which transactions are coded properly in order to improve posting confidence and future budgeting procedures.
- The internal controls are being updated as noted in a prior response.
- Reconciling our cash disbursements and making sure those disbursements are equal to the invoice amounts will be treated as a best practice going forward.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2020

FINDING 2018-007

**THE INTERNAL REVENUE SERVICE ASSESSED THE
SCHOOL DEPARTMENT PENALTIES AND INTEREST
TOTALING \$371,014**

(Noncompliance Under *Government Auditing Standards*)

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- All of the penalties assessed pertain to the 941 tax. The 941 taxes include Federal withholding, social security, and Medicare reporting and payment for all of the school's employees.

- We are addressing the federal deposit penalties by processing our federal tax deposit payments on the same day that we run payroll.
- We are addressing the late filing penalty by filing before the deadline on each quarter.
- We will file before 1/31, 4/30, 7/31, and 10/31 for each quarter and do our best to reconcile our deposits directly to our 941 filing form.

Anticipated completion date: June 30, 2020

FINDING 2018-008

SEVERAL CREDIT CARD CHARGES DID NOT HAVE PROPER SUPPORTING DOCUMENTATION

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

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- We will be bringing the BOE cardholders on the County Purchasing card plan. This will enable us to enforce card policy and require proper expense reporting using Visa Intellilink.
- Visa Intellilink was set up to our specs to not allow users to move forward in the reporting process without submitting a purchase order number, requisition number, and an attached receipt. If a user refuses to report their expenses on an expense report, then their card privileges will be removed along with their card.
- The new travel and meal reimbursement policy will require documented approvals for trips. We are currently vetting out different providers to make the entire process digital.

Anticipated completion date: June 30, 2020

FINDING 2018-009

THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Person preparing and responsible for implementing the corrective action plan:

Douglas D. Lukonen
Finance Director

- The start of the consolidated purchasing department will help track all fixed assets. We have hired a new Purchasing Agent that specializes in tracking and maintaining records

for fixed assets. There will also be a dedicated position just for the management of fixed assets and inventory.

- We will use the fixed assets module within Skyward rather than a manual excel document.
- We will make sure to start with the correct beginning balances.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2020

FINDING 2018-010

ACCRUED LEAVE RECORDS WERE NOT MAINTAINED ADEQUATELY

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

Person preparing and responsible for implementing the corrective action plan:

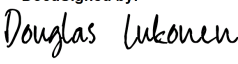
Douglas D. Lukonen
Finance Director

- We are doing a full audit of employee document records in May of 2019. We will compare personnel files to Skyward. We hope to either implement the currently purchased time & attendance software “True time” or vet out others.
- The leave records need to be kept up to date based on employee events.
- Currently, “SmartFind” or “E-Schools” is being used and its effectiveness is unproven when producing/recording accurate leave records. The HR Department and Finance Department will continue to monitor this system closely.
- Another method would be to implement a time and attendance system that requires all employees to clock in/out regardless of their position with the BOE. All managers and employees would then be agreeing upon the time worked or time off used and there is recording documentation. We hope to be able to do this with TrueTime, but if it is not possible then we could be moving in a different direction.

This finding was not corrected because management failed to implement their prior year corrective action plan.

Anticipated completion date: June 30, 2020

Best,

DocuSigned by:

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Douglas D. Lukonen
Finance Director

Corrective Action Plan

FINDING: THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

Response and Corrective Action Plan Prepared by:

Person Responsible for Implementing the Corrective Action:

Steve Konz, Trustee

Anticipated Completion Date of Corrective Action:

June 2018

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

Not applicable

Planned Corrective Action:

We corrected the situation as soon as we became aware of the finding.

Signature:

Steve Kory 11-15-18