
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2014



COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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Auditor 4

TERYN McNEAL, CPA
MICHAEL SMITH
JACOB KENNEDY, CISA
State Auditors

LISA NOLEN, CPA, CGFM
DIRECTOR OF FINANCE
RUTHERFORD COUNTY, TENNESSEE

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

RUTHERFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2014.

Results

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

Our audit resulted in six findings and recommendations, which we have reviewed with Rutherford 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

- ◆ Deficiencies were noted in accounting for night school tuition collections.
-

OFFICE OF COUNTY CLERK

- ◆ Vehicle registration stickers were stolen.
-

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The office had accounting software deficiencies.
 - ◆ Duties were not segregated adequately.
 - ◆ Multiple employees operated from the same cash drawer.
-

OFFICE OF REGISTER OF DEEDS

- ◆ Cash totaling \$97.50 was unaccounted.

INTRODUCTORY SECTION



RUTHERFORD COUNTY
FINANCE DEPARTMENT
Rutherford County Courthouse, Suite 201
Murfreesboro, Tennessee 37130
(615) 898-7795
FAX 904-7526

LETTER OF TRANSMITTAL

October 8, 2014

To the Honorable Ernest G. Burgess, County Mayor,
Board of County Commissioners, and Citizens of
Rutherford County, Tennessee

The Comprehensive Annual Financial Report of Rutherford County, Tennessee, for the year ended June 30, 2014, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Rutherford County. This report was prepared by the county's Finance Department in conjunction with the above state agency.

This report consists of management's representations concerning the finances of Rutherford County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Rutherford County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits in Rutherford County. The comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The goal of the independent audit was to provide reasonable assurance that the financial statements of Rutherford County, for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The financial statements of Rutherford County have been audited by

the State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the financial statements of Rutherford County, for the fiscal year ended June 30, 2014, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Rutherford County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in a separate section of this comprehensive annual financial report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Rutherford County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Located in the "Heart of Tennessee" with 615 square miles of land area, Rutherford County is the geographic center of the state and is the fifth largest county in the state. Rutherford County was incorporated in 1834 and is governed by an elected county mayor and a 21-member County Commission. Virtually all of the County Commission's business is conducted through the committee system before moving to the full County Commission for a final vote. The county provides a full range of services, including elementary and secondary education, law enforcement and corrections, judicial, solid waste collection, public health and welfare, and the construction and maintenance of highways and related infrastructure.

Rutherford County operates under Chapter 49, Private Acts of 1979, as amended. This legislation is specific only to Rutherford County and governs the authorities, responsibilities, and day-to-day operations of the Finance Department. The finance director reports directly to the County Commission and is responsible for establishing and maintaining an accounting system for all funds of the county in accordance with generally accepted accounting principles. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). A formal budget is adopted annually by the County Commission and is reviewed daily by the Finance Department for compliance. No appropriation made by the County Commission may be legally exceeded, except by resolution of the full commission. The County Commission's budgetary control is at the major category level as defined by the County Uniform Chart of Accounts, prescribed by the Tennessee State Comptroller's Office. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on Exhibit C-5. For governmental funds with appropriated annual budgets, other than the General Fund, the information is presented on Exhibits G-3 through H.

The financial statements include separate reporting for three legally separate entities: (1) Rutherford County Board of Education, which operates the public school system in the

county; (2) Community Care of Rutherford County, Inc., which provides nursing home care to the citizens of Rutherford County; and (3) Rutherford County Emergency Communications District, which provides a simplified means of securing emergency services through a uniform emergency number for the residents of Rutherford County. Rutherford County is financially accountable only for the Rutherford County Board of Education.

ECONOMIC CONDITION

Local Economy

The strength of Rutherford County's economy can be attributed to our diversity. The county's strong economy in turn attracts a growing population. Rutherford County is recognized as one of the fastest growing counties in America. The citizenry has grown to 281,029 per the 2013 Census estimate which is seven percent above the 2010 Census and 54.4 percent above the 2000 Census.

Our largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Johnson Controls, Schneider Electric, and General Mills. While manufacturing is our strongest economic segment, distribution, transportation, and other service-related industries are also large contributors to the strength of the economy. We are home to Tennessee's second largest state university with an enrollment exceeding 24,000, a regional veteran's facility with 347 hospital beds and 245 long-term care beds, the south central regional office for State Farm Insurance, and numerous other companies including a call center for Verizon Wireless and a call center for the Veteran's Administration. The county benefits from being within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

During 2013, major commercial and manufacturing expansions announced in Rutherford County included Amazon Fulfillment Center (500 additional jobs,) Calasonic Kansei North America (183 new jobs, \$2.1 million investment), Taylor Farms (170 new jobs, \$5.9 million investment), and NHK Seating of America (94 jobs, \$6.8 million investment). Additionally, in November 2013, Schwan Cosmetics USA announced the relocation of both of its headquarters and manufacturing facilities to Rutherford County representing a \$38 million investment over the next five years that is expected to yield 450 new jobs. In 2014, Enovate Medial has announced a corporate expansion representing a \$13.1 million investment over the next five years that is expected to yield 410 new jobs.

Similar to the nation and the State of Tennessee, Rutherford County's unemployment rate has improved over the course of the fiscal year. As of June 2014, Rutherford County had a labor force of 148,670 with 139,680 employed resulting in a six percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2014, Rutherford County's unemployment rate was below both the state's average of 6.6 percent and the national average of 6.1 percent. These rates are lower than the June 2013 rates, which were reported as 7.2 percent for the county, 8.5 percent for the state, and 7.6 percent for the country.

The improvement in the county's economy was again reflected in the local option sales tax revenue for county schools during FY 2014 when this revenue component increased 5.5 percent over the prior year to a new high of \$45.97 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 15.5 percent of its income for the fiscal year.

Major Initiatives

Major financial pressures continue as a result of the very high population growth rate being experienced by Rutherford County. The most significant impact of this growth is the demand for additional capital investment. Tennessee statutes mandate to counties the primary responsibility for elementary and secondary education. Education is the largest single major expenditure function of the county. During the fiscal year, the Board of Education began expansion projects at two schools: Eagleville K-12 school and construction of an annex at Blackman Middle School. These expansions helped to eliminate reliance on portable classroom buildings at these schools. Even with these two projects, the Board of Education determined it will need additional schools and significant additions to existing schools within the next five years if growth continues.

Rutherford County Government has finally moved forward with a planned major project to construct a new judicial building. The need for a new facility was determined over 11 years ago. Because of the pressing need for additional schools for a fast growing population, the judicial building project had continuously been delayed. The Board of Commissioners recently selected an architect to design the facility. In an effort to provide adequate parking to support the judicial building, additional land was secured near the judicial building site with the expectation of building a parking garage. It is estimated that both projects will cost over \$70 million. Over the next few years, the county will develop a plan to best utilize the space left in the existing judicial building for county services.

Long-term Financial Planning and Relevant Financial Policies

In addition to the initial construction costs for the above-named facilities, Rutherford County will incur significant additional recurring costs to staff, operate, and maintain the new facilities. The commissioners are aware of the significance of the additional costs and will prepare the operating budgets accordingly.

As of June 30, 2014, unassigned fund balance in the General Fund totaled \$19.5 million and assigned fund balance totaled \$1.47 million. When combined, these fund balances represent 25.34 percent of the 2013-2014 expenditures. The assigned fund balance will be used to fund the General Fund operations for the 2014-2015 fiscal year. The unassigned fund balance represents 22.9 percent of the 2014-2015 original appropriation. This exceeds the amount set by policy (15 percent). According to the commission's policy, the excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

To better serve the needs of the commission and the public, the commission reviewed and revised the county's policy concerning the fund balance in the General Debt Service Fund. The policy requires the finance director to determine or estimate the principal and interest requirements of the county and recommend sources of revenues to meet those actual or projected requirements. Additionally, the policy of the county requires that at the beginning of each fiscal year, the county will maintain an adequate amount in cash or investments in the General Debt Service Fund that is conservatively calculated to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies, (4) variable rate volatility contingencies, and (5) future forecasted needs. The ending fund balance of the General Debt Service Fund meets the debt service fund balance policy.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, the county had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Rutherford County has received the Certificate of Achievement for 19 consecutive fiscal years. We believe that our current CAFR continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department during the past fiscal year. They are Elaine Short, Mark Tucker, Teresa Jolly, Faye Elam, Linda Godsey, Chrissi Caruthers, Robert Brown, Sue Hollandsworth, Sharon Richards, Sheryl Sandefur, Susan Thompson, Nancy Jolly, Jennifer Henson and Scott Magner. I would also like to thank the staff of the county's Office of Information Technology for keeping our accounting system operational. Credit should also be given to the county mayor and the governing body for their interest and support in planning and conducting the operations of Rutherford County government in a responsible and progressive manner.

Sincerely,



Lisa A. Nolen, CPA, CGFM
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rutherford County
Tennessee**

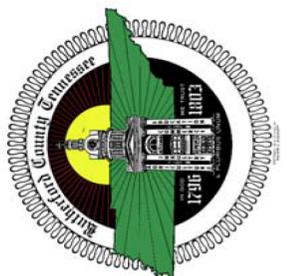
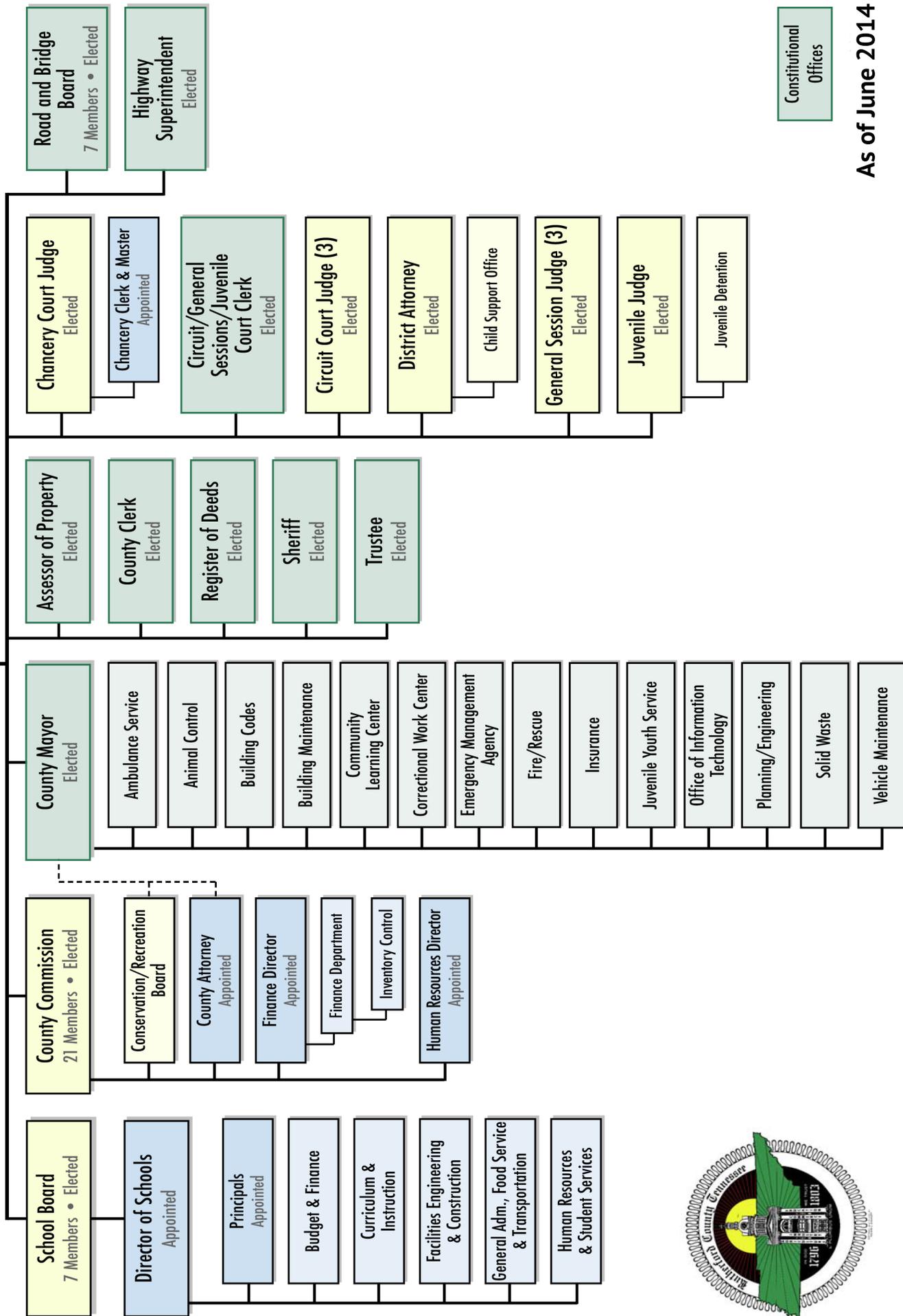
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Rutherford County Officials

June 30, 2014

Officials

Ernest G. Burgess, County Mayor
Greg Brooks, Highway Superintendent
Don Odom, Director of Schools
Thomas Batey, Trustee
Rob Mitchell, Assessor of Property
Lisa Crowell, County Clerk
Laura Bohling, Circuit, General Sessions, and Juvenile Courts Clerk
John Bratcher, Clerk and Master
Heather Dawbarn, Register of Deeds
Robert Arnold, Sheriff
Lisa Nolen, Director of Finance

Board of County Commissioners

Ernest G. Burgess, County Mayor, Chairman	Rhonda Allen
Doug Shafer	Robert Stevens
Jack Black	Jeff Jordan
Will Jordan	Charlie Baum
Robert Peay, Jr.	Adam Coggin
Carol Cook	Matthew Young
Joe Frank Jernigan	Jeff Phillips
Gary L. Farley	Allen McAdoo
Tiffany Phillips	Joyce Ealy
Steve Sandlin	Trey Gooch
Brad Turner	Chantho Sourinho

Highway Commissioners

David Victory, Chairman	John Goad
Michael Anderson	Paul Johnson
Keith Bratcher	Randall Jones
Greg Brooks	Richard Stegall

Rutherford County Officials (Cont.)

Board of Education

Terry Hodge, Chairman
Wayne Blair
Garey Eakes
Aaron Holladay

Donald Jernigan
David Nipper
Coy Young

Audit Committee

Charlie Baum, Chairman
Wayne Blair
William Bratcher
Mark Crocker

Will Jordan
Theresa McKee
Steve Schroeder

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Community Care of Rutherford County, Inc., which represent .8 percent, .7 percent, and 2.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the discretely presented Emergency Communication District, which represent 1.1 percent, 1.3 percent, and .5 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for

Community Care of Rutherford County, Inc., and the Emergency Communications District is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of June 30, 2014, 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., Rutherford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 37 and the schedules of funding progress – pension plan and other postemployment benefits plans on pages

122 through 124 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 Rutherford County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), miscellaneous schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

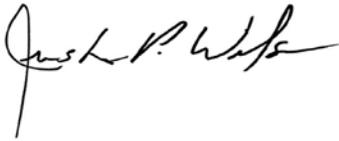
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), and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

The introductory and statistical sections 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 October 8, 2014, on our consideration of Rutherford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rutherford County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 8, 2014

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

As management for Rutherford County, Tennessee, we offer readers of the financial statements for Rutherford County, Tennessee, this narrative overview and analysis of the financial activities of the Rutherford County, Tennessee, government for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The liabilities and deferred inflows of resources of Rutherford County Government exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$8,393 (net position). Of this amount, \$304,548 is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net position increased by \$9,562.
- Net position was further decreased by \$2,319 due to a policy change. The county increased their capitalization threshold from \$5,000 to \$10,000 for capital assets.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$91,303, an increase of \$8,175 in comparison with the prior year. Most of this total amount, \$71,992, is available for spending at the government's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, assigned fund balance totaled \$1,471 in the General Fund. This amount will be used to fund operations in the 2014-2015 fiscal year. Unassigned fund balance for the General Fund was \$19,532 or 23.6 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, decreased by \$1,560 (.4 percent) during the current fiscal year. Bonded debt of \$25,045 was retired, a \$9.3 million capital outlay note was replaced with bonded debt plus \$24,270 additional bonded debt was acquired in June 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Rutherford County, Tennessee. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the finances of Rutherford County, Tennessee, in a manner similar to a private-sector business. The government-wide

financial statements consist of two statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the assets, deferred outflows, liabilities, and deferred inflows for Rutherford County, Tennessee, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Rutherford County, Tennessee, is improving or deteriorating.

The Statement of Activities presents information showing how Rutherford County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Rutherford County, Tennessee, that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Rutherford County, Tennessee, include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; and highways/public works. The Rutherford County Government has no business-type activities to report.

The government-wide financial statements include not only Rutherford County Government itself (known as the primary government), but also a legally separate school system for which the Rutherford County Government is financially accountable. These statements also include a legally separate E-911 district and a legally separate nursing home facility. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Rutherford County, Tennessee, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Rutherford County, Tennessee, can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is short-term in comparison to the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Rutherford County, Tennessee, maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the General Debt Service Fund, both of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Rutherford County, Tennessee, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-5 of this report.

Proprietary funds. Rutherford County maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Rutherford County's various functions. Rutherford County, Tennessee, uses internal service funds to account for the county's self-insured insurance funds (workers' compensation, employee health insurance, and liability). Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Rutherford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit E-1 through E-2 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the required supplementary information. Combining and individual fund statements and schedules can be found on Exhibits G-1 through J-2 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Rutherford County, Tennessee, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$8,393 at the close of the fiscal year. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Rutherford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Rutherford County Government. As of June 30, 2014, Rutherford County had outstanding debt totaling \$304,548 for capital purposes of the Rutherford County Board of Education, but the capital assets are reported in the financial statements of the Rutherford County Board of Education. Rutherford County has incurred the related liability significantly decreasing its unrestricted net position without a corresponding increase in the county's capital assets.

Rutherford County, Tennessee, Net Position

	Governmental Activities	
	2013	2014
Assets:		
Current and other assets	\$ 213,167	\$ 225,340
Capital assets	259,213	260,432
Total assets	\$ 472,380	\$ 485,772
Deferred outflows of resources:		
Deferred charge on refunding	\$ 13,685	\$ 11,468
Total deferred outflows of resources	\$ 13,685	\$ 11,468
Liabilities:		
Long-term liabilities outstanding	\$ 417,468	\$ 381,263
Other liabilities	6,372	45,477
Total liabilities	\$ 423,840	\$ 426,740
Deferred inflows of resources:		
Deferred current property taxes	\$ 77,862	\$ 78,893
Total deferred inflows of resources	\$ 77,862	\$ 78,893
Net position:		
Net investment in capital assets	\$ 210,959	\$ 212,340
Restricted	4,214	8,021
Unrestricted	(230,810)	(228,754)
Total net position	\$ (15,637)	\$ (8,393)

By far the largest portion of Rutherford County's net position (\$212,340) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Rutherford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Rutherford County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position of Rutherford County, Tennessee, (\$8,021) represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

Rutherford County's Changes in Net Position

Governmental activities. Governmental activities increased Rutherford County Government's net position by \$9,562. Key elements of this increase are displayed on the Changes in Net Position Table. The table also presents 2014 revenues and expenditures as a percentage of total revenues and expenditures.

CHANGES IN NET POSITION

	Governmental Activities		
	2013	2014	
Revenues:			
Program revenues:			
Charges for services	\$ 74,881	\$ 83,780	40%
Operating grants and contributions	7,822	7,628	4%
Capital grants and contributions	2,731	4,274	2%
General revenues:			
Property taxes	77,379	81,869	39%
Payment in-lieu-of taxes	14,346	8,356	4%
Local option sales taxes	2,189	2,454	1%
Hotel/Motel tax	1,400	1,551	1%
Wheel tax	5,999	6,180	3%
Business tax	2,189	2,155	1%
Litigation tax	2,449	2,424	1%
Development tax	3,210	3,719	2%
Mineral severance tax	249	327	0%
Bank excise tax	87	136	0%
Wholesale beer tax	832	883	0%
Interstate telecommunications tax	7	8	0%
Grants and contributions not restricted to specific programs	648	1,903	1%
Unrestricted investment income	311	197	0%
Other	241	190	0%
Total revenues	\$ 196,970	\$ 208,034	100%

	Governmental Activities (Cont.)		
	2013	2014	
Expenses:			
General government	\$ 16,706	\$ 18,668	9%
Finance	8,450	8,960	5%
Administration of justice	7,668	7,571	4%
Public safety	43,798	46,244	23%
Public health and welfare	19,958	20,089	10%
Social, cultural, and recreation services	2,264	2,267	1%
Agriculture and natural resources	1,092	1,167	1%
Highways	10,474	12,246	6%
Education	42,373	67,262	34%
Interest on long-term debt	14,840	13,998	7%
Other debt service	323	0	0%
Total expenses	<u>\$ 167,946</u>	<u>\$ 198,472</u>	<u>100%</u>
Increase (Decrease) in net position	\$ 29,024	\$ 9,562	
Net position, July 1	(42,468)	(15,637)	
Reclassification	(315)	0	
Accounting Change (see note V.B.)	(1,878)	0	
Restatement (see note I.D.10.)	0	(2,318)	
Net position, June 30	<u>\$ (15,637)</u>	<u>\$ (8,393)</u>	

During the fiscal year, the county increased the capitalization threshold for capital assets, which required a restatement of net position causing a negative impact to Net Position. (See note I.D.10.)

Governmental Program Expenses

The cost of all governmental activities was \$198,472. However, as shown on the previous page, 48.21 percent of these costs (\$95,681) were either paid by those who directly benefited from the programs (\$83,780), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$7,628) and capital grants and contributions (\$4,274). The county paid for the remaining “public benefit” portion of governmental activities with taxes, general grants and contributions, and other miscellaneous revenue. Each program’s net cost to taxpayers is presented on the next page.

Education expenses of \$67,262, Public Safety expenses of \$46,244, and Public Health and Welfare expenses of \$20,089 comprise the largest categories of expenses of Rutherford County, which when combined (\$133,595) comprise 67.31 percent of total expenses. Of the \$133,595, \$65,080 was recovered by charges for services, \$3,163 from operating grants/contributions, and \$727 from capital grants/contributions. Rutherford County’s Board of Education is a component unit of the primary government and does not have the authority to issue debt. Rutherford County issues debt on the Board of Education’s behalf; then contributes the proceeds to the Board so they can purchase, build, or renovate schools. The increase in Education expenses during FY 2014, compared to the prior year, was the

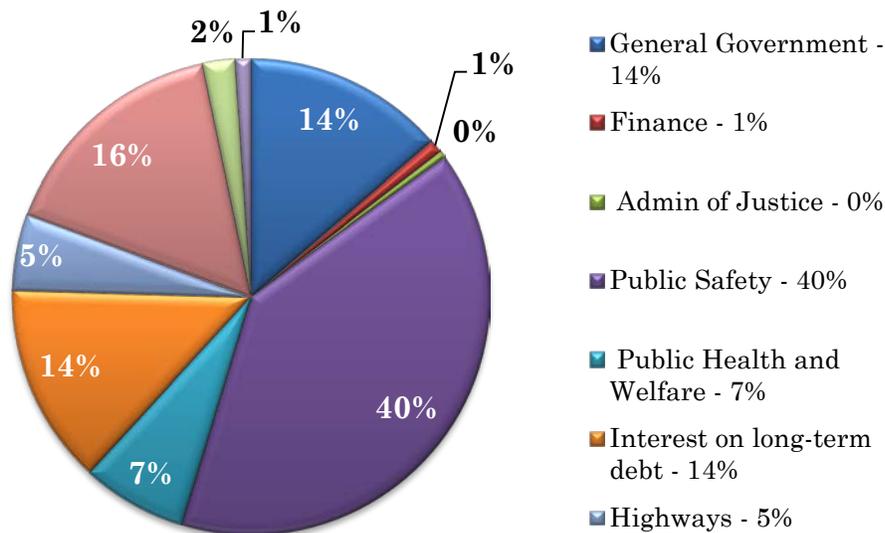
result of such a borrowing in the current fiscal year. In June 2014, the county issued debt on behalf of the county schools totaling \$23,839. Public Safety’s expenses increased 5.6 percent and were mostly due to increases in salaries/wages; unanticipated expenses related to the repair and maintenance of the jail and continued improvements to the facility. General Government expenses increased 11 percent but were mostly attributed to the payment of large workers compensation and liability claims.

Expenses by Governmental Activities. The following table shows the “net (expenses) revenue” as a percentage of the total expense. Net expense is all program expenses less all program revenue. Citizens must then pay for these governmental activities through taxes, unrestricted grants, contributions, and investment income. The graph following the table depicts how the citizen tax base is then allocated to the various governmental activities.

Net Program Cost to Taxpayers

Governmental Activities:	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General government	\$ 4,625	\$ 18,668	\$ (14,043)	7.1%
Finance	8,033	8,960	(927)	0.5%
Administration of justice	7,064	7,571	(507)	0.3%
Public safety	5,498	46,244	(40,746)	20.5%
Public health and welfare	12,753	20,089	(7,336)	3.7%
Social, cultural, and recreational services	0	2,267	(2,267)	1.1%
Agriculture and natural resources	82	1,167	(1,085)	0.5%
Highway/public works	6,908	12,246	(5,338)	2.7%
Education	50,718	67,262	(16,544)	8.3%
Interest on long-term debt	0	13,998	(13,998)	7.1%
Total governmental activities	\$ 95,681	\$ 198,472	\$ (102,791)	51.8%

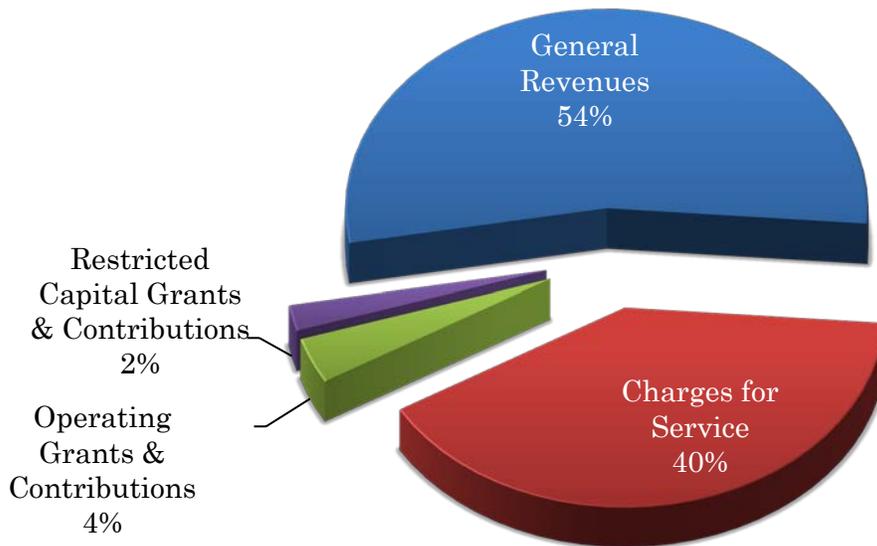
Allocation of the Citizen Tax Base to Governmental Activities



Unlike the preceding table, the illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens' tax base, as a percentage. For example, during the 2013-2014 fiscal year, 40 percent of the local citizen tax base was spent for Public Safety.

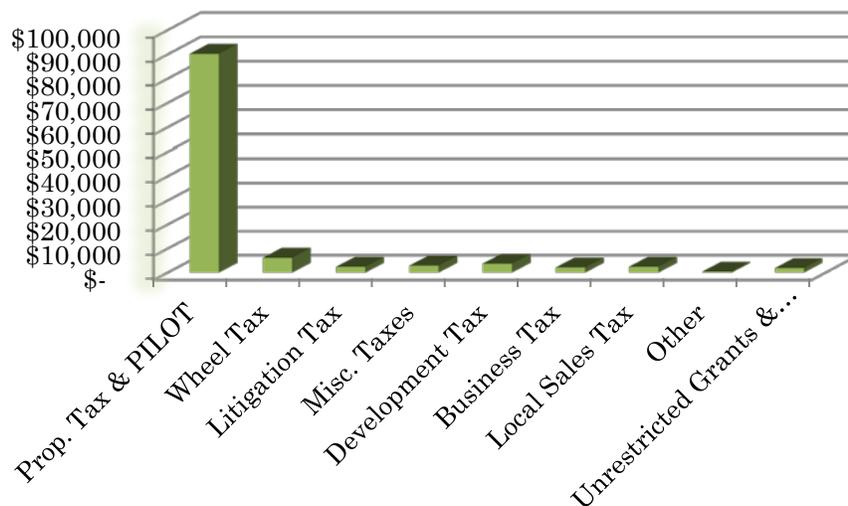
Revenues

Revenues on the government-wide Statement of Activities are broken into two major categories: program and general revenues. Of the total revenues, 46 percent is received from program revenues and 54 percent from general revenues.



Program revenues are of three types: charges for services/exchange type transactions (arise from charges to customers), operating grants and contributions that are restricted for a specific purpose, and capital grants and contributions that are restricted for a specific purpose. As depicted on the chart above, the largest source of program revenue is from charges for services.

General revenues are all revenues that do not qualify as program revenues and by far are the largest revenue source. Within this major category, the largest single revenue source is property tax and payments in-lieu-of tax (PILOT) as illustrated in the following chart.



Financial Analysis of the Government's Funds

As noted earlier, Rutherford County Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Rutherford County Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Rutherford County Government's financing requirements.

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: non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable Fund Balance, \$24 – 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, \$14,508 – 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, \$4,779 – 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.
- Assigned Fund Balance, \$52,460 – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor

committed (excluding stabilization arrangements). The County Commission has authorized the Budget/Finance Committee by resolution to make assignments.

- Unassigned Fund Balance, \$19,532 – the residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

As of the end of the current fiscal year, Rutherford County Government's governmental funds reported combined ending fund balances of \$91,303, which was an increase of \$8,175 in comparison with the prior year. Most of the increase is found in the Restricted fund balances, which increased by \$7,145 from the prior year.

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unassigned fund balance was \$19,532 while total fund balance was \$25,849. Assigned fund balance was \$1,471, which has been assigned to help fund operations in the next fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.57 percent of total General Fund expenditures, while total fund balance represents 31.19 percent of that same amount. It should be noted that with the adoption of the 2014-2015 original budget, the unassigned fund balance was estimated at \$19,425 at June 30, 2015. The General Fund's fund balance actually increased by \$1,801 during the current fiscal year, which was primarily due to actual revenues from local taxes (current levy, development tax and payment in-lieu-of tax) performing much better than anticipated.

The Debt Service Fund is the fund where Rutherford County sets aside resources to meet current and future debt service requirements on general long-term debt. At the end of the current fiscal year, assigned fund balance in this fund was \$33,979 while total fund balance was \$35,799. Committed fund balance totaled \$1,821. The committed fund balance offsets the Note Receivable due from the City of Murfreesboro Water and Sewer. The funding from the city will come from monies collected from sewer taps sold in the Rockvale area. The county and city both contributed to the cost of a sewer line constructed to service the Rockvale Middle School.

As a measure of the debt service liquidity, it will be most useful to compare assigned fund balance to the total of debt service expenditures. The assigned fund balance represents 57 percent of total expenditures for debt service. During the fiscal year, the county replaced a \$9.6 million capital outlay note with another capital outlay note issued for \$9.3 million. In June 2014, the county issued a total of \$33.57 million in general obligation debt. Part of the bond proceeds were used to retire the \$9.3 million capital outlay note.

General Fund Budgetary Highlights

During the fiscal year, there was an increase in appropriations from the original budget. These differences are summarized in the following table:

Net Change in Budget - Amended over (under) Original

	<u>2013</u>	<u>2014</u>
General Government	\$ 435	\$ 1,145
Finance	96	50
Administration of Justice	760	26
Public Safety	1,116	1,353
Public Health and Welfare	177	292
Social, Cultural, and Recreational Services	132	28
Agriculture and Natural Resources	9	100
Other Operations	<u>(29)</u>	<u>1,570</u>
Total Increase in Appropriations	<u>\$ 2,696</u>	<u>\$ 4,564</u>

There were several areas with significant increases to their original budget: in General Government, the increase in the County Mayor's budget (\$653) was for the purchase of property for a parking garage. The closing of the sale was delayed due to testing of the site, and the transaction was not completed until the next fiscal year. By then, bond funds were in place and available to be used for the purchase instead of General Fund appropriations. The Election Commission had a significant increase to their budget (\$366) due to receiving a grant to purchase additional voting machines. County Building's needed additional funding (\$113) for roof repair.

The increase in Finance was due to a need in the data processing department to cover the cost of adding an additional person during the fiscal year.

The increase in Administration of Justice was primarily due to additional funding needed to pay employee benefits in Chancery Court and for additional funding for contracted services of their referee in the Juvenile Court to cover cases.

The increase in Public Safety was in large part due to recognizing grants totaling \$929 awarded to the Sheriff's Office, Juvenile Detention, Emergency Management Services, and the county's fire department. Most of the appropriations related to the grants were for salary, overtime and related benefits, data processing equipment, supplies, law enforcement equipment, and emergency equipment and a vehicle. In addition to the grants, the Correctional Work Center needed additional funding for medical services, and the sheriff needed additional funding for overtime and to correct an electrical issue in their building.

The increase in Public Health and Welfare was due to recognizing additional funding (\$212) from the state for a health services contract and a grant to develop a smoking cessation program. In addition, funding for autopsies performed was once again more than anticipated.

The increase in Social, Cultural, and Recreational Services was caused by an increase in the county's hotel motel tax, which created a need to provide additional funding to the City of Murfreesboro to help maintain the greenway.

The increase in Agriculture and Natural Resources was to fund a roofing project for Lane Agri-Park.

The increase in Other Operations was primarily due to large claims experienced in the legacy worker's compensation plan and an increase in claims/judgments incurred during the fiscal year.

On a budgetary basis, at the close of the fiscal year, actual expenditures were \$4.84 million less than budgetary estimates. Most of the unspent appropriation was in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnover, there are normally appropriations left unspent in those cost categories. In addition to the personnel, almost \$1 million was left unspent in capital items. As already discussed, most of this was due to the delay in closing on the parking garage property.

Variance of Actual Results with Final Budget - Positive (Negative)	2013	2014
General Government	\$ 322	\$ 1,244
Finance	556	729
Administration of Justice	237	390
Public Safety	951	1,557
Public Health and Welfare	642	590
Social, Cultural, and Recreational Services	32	5
Agriculture and Natural Resources	87	152
Other Operations	351	185
 Total Results	 <u>\$ 3,178</u>	 <u>\$ 4,852</u>

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2014, totaled \$260,432 (net of accumulated depreciation). The investment in capital assets includes land, intangibles – right of ways, buildings and improvements, other capital assets (includes equipment), other intangibles, and infrastructure (roads, highways, and bridges). The increase in Rutherford County Government's investment in capital assets for the current fiscal year totaled \$1,219, which represents a .05 percent increase over the prior year.

	Governmental Activities	
	2013	2014
Land	\$ 33,793	\$ 35,879
Intangibles (Right of Way)	45,501	46,076
Buildings and improvements	73,587	72,690
Infrastructure	96,613	95,903
Intangibles (other)	633	649
Other capital assets	6,520	7,263
Construction in progress	2,566	1,972
Total	<u>\$ 259,213</u>	<u>\$ 260,432</u>

Additional information on Rutherford County's capital assets can be found in Note IV.C. of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, Rutherford County Government had total bonded debt, capital leases, and notes outstanding of \$356,302. All debt is backed by the full faith and credit of the government.

Rutherford County, Tennessee, Outstanding Debt

Issued for:	Rutherford County Board of Education		General Government		Total Governmental Activities	
	2013	2014	2013	2014	2013	2014
	Notes	\$ 9,154	\$ 700	\$ 1,440	\$ -	\$ 10,594
Cap. Lease	1,373	1,182	-	-	1,373	1,182
Bonds	299,437	302,666	46,458	51,754	345,895	354,420
Total	<u>\$ 309,964</u>	<u>\$ 304,548</u>	<u>\$ 47,898</u>	<u>\$ 51,754</u>	<u>\$ 357,862</u>	<u>\$ 356,302</u>

Rutherford County decreased its long-term debt by \$1,560 (.4 percent) during the 2013-2014 fiscal year by retiring \$25,045 of bonded debt, replacing a \$9.3 capital outlay note with bonded debt and issuing \$24,270 of other bonded debt. Rutherford County Government obtained a rating of "Aa1" from Moody's and a rating of "AA+" from Standard and Poor's for the general obligation bonds. Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. Additional information on the Rutherford County Government's long-term debt can be found in Exhibits L-1, L-2, and Notes IV.F. and IV.G. of this report.

Economic Factors and Next Year's Budget and Rates

Rutherford County adopted a budget for the fiscal year ending June 30, 2014, on June 27, 2014. As in prior years, many factors were considered when adopting this budget. Rutherford County continues to be one of the fastest growing areas in the state of Tennessee. Based on continued increases in the local sales tax and revenues related to residential construction, it appears that the county's economy continues to rebound. However, estimates for revenues from property tax, sales tax, development tax, and building related revenues were conservatively developed for the next fiscal year.

Rutherford County's Board of Commissioners has strived to limit the tax burden on property owners but has always been cognizant of the financial policies they have set in place.

Calendar Year 2014 is a reappraisal year for Rutherford County. This means that the appraised and assessed value of all real property is to be adjusted to reflect changes that have occurred in the market value of property within that location. The goal of this process is to achieve an equalization of assessed value at least every four years. The assessor's office projected an average increase in all assessed value of real property of approximately four percent. State law requires that in a reappraisal year, a certified tax rate be calculated and submitted to the State Board of Equalization for review. This certified rate is the calculated rate that will provide the same tax revenue from properties that were on the tax roll the previous year, given their increased assessed value. The County Commission adopted the certified rate of \$2.4867 on August 14, 2014. As displayed below, the revised certified tax rate was allocated to the various funds in the same ratio as the 2013 property tax rate.

Distribution of the County Property Tax Rate

	2013 Adopted		2014 Certified	
	Rate	Ratio	Rate	Ratio
County General	\$ 0.6700	26.12%	\$ 0.6495	26.12%
Ambulance	0.0579	2.26%	0.0561	2.26%
Highway/Roads	0.0130	0.50%	0.0126	0.50%
Education	1.1930	46.51%	1.1565	46.51%
Ed. Capital Projects	0.0451	1.76%	0.0437	1.76%
General Debt Service	0.5862	22.85%	0.5683	22.85%
	<u>\$ 2.5652</u>	<u>100.00%</u>	<u>\$ 2.4867</u>	<u>100.00%</u>

Projected amounts were sufficient and available in the unassigned fund balance in the General Fund at fiscal year-end to allow a portion to be used to fund operations in the next fiscal year. Rutherford County Government has appropriated \$1,471 for spending in the 2014-2015 fiscal year. This is reflected in the assigned fund balance of the General Fund. Unassigned fund balance in the General Fund is projected at \$19,425 as of June 30, 2015, which is 22.8 percent of the original 2014-2015 General Fund appropriations.

Assigned fund balance in the General Debt Service Fund increased by \$650 to close with \$33,978 at fiscal year-end. It is anticipated that \$1,833 will be used to fund next year's appropriations. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2015, is expected to be \$32,145, or 76.8 percent of budgeted debt service expenditures. There was not a firm plan to borrow funds in the next fiscal year therefore the budget for the debt service fund only includes debt service for the county's existing debt.

Request for Information

This financial report is designed to provide a general overview of the Rutherford County Government's finances for all those with an interest in the government's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Rutherford County Government, Historic Courthouse Suite 201, 1 Public Square, Murfreesboro, TN 37130.

BASIC FINANCIAL STATEMENTS

Exhibit A

Rutherford County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,548,347	\$ 1,302,909	\$ 2,666,319	\$ 4,683,916
Equity in Pooled Cash and Investments	123,014,878	65,126,692	0	0
Inventories	0	293,878	20,698	0
Accounts Receivable	19,059,086	22,164	1,122,524	207,180
Allowance for Uncollectibles	(8,389,177)	0	(120,000)	0
Property Taxes Receivable	84,625,644	67,738,146	0	0
Allowance for Uncollectible Property Taxes	(4,603,198)	(3,684,618)	0	0
Accrued Interest Receivable	0	0	0	1,149
Cash Shortage	0	15,875	0	0
Due from Other Governments	2,446,775	11,228,387	0	113,833
Due from Primary Government	0	42,809	0	0
Due from Component Units	1,884,430	0	0	0
Prepaid Items	24,092	4,265	30,549	61,270
Notes Receivable - Long-term	4,729,562	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	35,879,504	11,701,005	0	17,500
Intangible Assets (Right-of-Ways)	46,075,616	0	0	0
Construction in Progress	1,971,660	8,011,560	1,200	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	72,690,120	404,356,771	708,175	830,472
Infrastructure	95,903,230	0	0	0
Intangible Assets	649,418	105,390	0	0
Other Capital Assets	7,262,781	7,867,690	257,370	666,897
Total Assets	<u>\$ 485,772,768</u>	<u>\$ 574,132,923</u>	<u>\$ 4,686,835</u>	<u>\$ 6,582,217</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 11,467,542	\$ 0	\$ 0	\$ 0
Total Deferred Outflows of Resources	<u>\$ 11,467,542</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 2,831,284	\$ 5,562,964	\$ 252,835	\$ 134,991
Accrued Payroll	1,337,006	21,623,570	118,196	0
Contracts Payable	0	225,514	0	0
Accrued Interest Payable	3,090,087	0	0	0
Payroll Deductions Payable	1,881	4,407	73,104	0
Due to Primary Government	0	1,890,365	1,511	0
Other Current Liabilities	0	0	30,344	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	347,775	0	0	0
Noncurrent Liabilities:				
Due Within One Year	37,869,058	39,289	233,342	25,758
Due in More Than One Year (net of unamortized premium on debt)	381,263,421	61,695,180	1,113,376	54,210
Total Liabilities	<u>\$ 426,740,512</u>	<u>\$ 91,041,289</u>	<u>\$ 1,822,708</u>	<u>\$ 214,959</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 78,893,234	\$ 63,149,639	\$ 0	\$ 0
Deferred Grants Received in Advance	0	0	0	832,083
Total Deferred Inflows of Resources	<u>\$ 78,893,234</u>	<u>\$ 63,149,639</u>	<u>\$ 0</u>	<u>\$ 832,083</u>
NET POSITION				
Net Investment in Capital Assets	\$ 212,340,117	\$ 432,042,416	\$ 966,745	\$ 1,381,014
Restricted for:				
General Government	378,734	0	0	0
Finance	35,755	0	0	0
Administrative of Justice	1,051,978	0	0	0
Public Safety	950,963	0	0	0
Public Health and Welfare	126,418	0	0	0
Capital Projects	2,567,875	13,719,564	0	0
Debt Service	2,908,777	0	0	0
School Federal Projects	0	1,712	0	0
Central Cafeteria	0	4,087,290	0	0
Other Purposes	0	239,924	0	0
Unrestricted	<u>(228,754,053)</u>	<u>(30,148,911)</u>	<u>1,897,382</u>	<u>4,154,161</u>
Total Net Position	<u>\$ (8,393,436)</u>	<u>\$ 419,941,995</u>	<u>\$ 2,864,127</u>	<u>\$ 5,535,175</u>

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

Exhibit B

Rutherford County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District		
Primary Government:										
General Government:	\$ 18,667,652	\$ 4,145,346	\$ 132,511	\$ 347,595	\$ (14,042,200)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	8,959,494	8,032,209	465	0	(926,820)	0	0	0	0	0
Administration of Justice	7,571,014	6,397,105	543,813	123,062	(507,034)	0	0	0	0	0
Public Safety	46,244,294	4,217,635	676,080	604,637	(40,745,942)	0	0	0	0	0
Public Health and Welfare	20,088,743	10,144,198	2,486,595	121,891	(7,336,059)	0	0	0	0	0
Social, Cultural, and Recreational Services	2,266,772	0	0	0	(2,266,772)	0	0	0	0	0
Agriculture and Natural Resources	1,167,446	79,970	2,125	0	(1,085,351)	0	0	0	0	0
Highways/Public Works	12,246,426	44,856	3,786,369	3,077,118	(5,338,083)	0	0	0	0	0
Education	67,262,366	50,718,259	0	0	(16,544,107)	0	0	0	0	0
Interest on Long-term Debt	13,997,681	0	0	0	(13,997,681)	0	0	0	0	0
Total Primary Government	\$ 198,471,888	\$ 83,779,578	\$ 7,627,958	\$ 4,274,303	\$ (102,790,049)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Rutherford County School Department	\$ 344,350,511	\$ 6,966,776	\$ 26,724,102	\$ 277,217	\$ 0	\$ (310,382,416)	\$ 0	\$ 0	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,913,590	9,616,247	252,427	0	0	0	(44,916)	0	0	0
Emergency Communications District	2,567,090	1,475,426	0	0	0	0	0	0	(1,091,664)	0
Total Component Units	\$ 356,831,191	\$ 18,058,449	\$ 26,976,529	\$ 277,217	\$ 0	\$ (310,382,416)	\$ (44,916)	\$ (1,091,664)	\$ 0	\$ 0

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Total	Component Units			
					Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District	
General Revenues:				\$ 45,675,857	\$ 65,550,850	\$ 0	\$ 0	0
Taxes:				36,193,129	0	0	0	0
Property Taxes Levied for General Purposes				8,355,972	949,133	0	0	0
Property Taxes Levied for Debt Service				2,454,255	46,243,639	0	0	0
Payments in-Lieu-of Tax				1,550,545	0	0	0	0
Local Option Sales Tax				6,180,436	3,537,931	0	0	0
Hotel/Motel Tax				2,155,364	1,725,791	0	0	0
Wheel Tax				0	1,048,065	0	0	0
Business Tax				2,423,773	0	0	0	0
Mixed Drink Tax				3,719,250	0	0	0	0
Litigation Tax				327,556	0	0	0	0
Adequate Facilities/Development Tax				135,590	0	0	0	0
Mineral Severance Tax				883,470	0	0	0	0
Bank Excise Tax				8,193	22,960	0	0	0
Wholesale Beer Tax				1,902,611	194,588,845	16,284	207,774	0
Interstate Telecommunications Tax				196,532	62,994	1,998	33,576	0
Grants and Contributions Not Restricted to Specific Programs				189,661	45,970	0	0	0
Unrestricted Investment Income				\$ 112,352,194	\$ 313,776,178	\$ 18,282	\$ 241,350	0
Miscellaneous				0	0	0	0	170,000
Total General Revenues				\$ 9,562,145	\$ 3,393,762	\$ (26,634)	\$ (680,314)	0
Special Item - See Note VII.J.				(15,636,722)	418,058,032	2,890,761	6,215,489	0
Change in Net Position				(2,318,859)	(1,509,799)	0	0	0
Net Position, July 1, 2013				\$ (8,393,436)	\$ 419,941,995	\$ 2,864,127	\$ 5,535,175	0
Restatement - See Note I.D.10.								
Net Position, June 30, 2014								

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

Rutherford County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Debt Service	General	Other Governmental Funds		
<u>ASSETS</u>						
Cash	\$ 1,370	\$ 0	\$ 0	\$ 907,958	\$	909,328
Equity in Pooled Cash and Investments	25,375,095	33,861,678	33,861,678	26,863,672		86,100,445
Accounts Receivable	8,330,401	2,521	2,521	10,574,434		18,907,356
Allowance for Uncollectibles	0	0	0	(8,389,177)		(8,389,177)
Due from Other Governments	1,547,086	11,770	11,770	877,019		2,435,875
Due from Other Funds	591,672	13,530	13,530	11,190		616,392
Due from Component Units	1,511	0	0	660		2,171
Property Taxes Receivable	42,723,950	37,382,577	37,382,577	4,519,117		84,625,644
Allowance for Uncollectible Property Taxes	(2,323,964)	(2,033,399)	(2,033,399)	(245,835)		(4,603,198)
Prepaid Items	24,092	0	0	0		24,092
Notes Receivable - Long-term	0	1,820,785	1,820,785	2,908,777		4,729,562
Total Assets	\$ 76,271,213	\$ 71,059,462	\$ 71,059,462	\$ 38,027,815	\$	185,358,490
<u>LIABILITIES</u>						
Accounts Payable	\$ 623,673	\$ 0	\$ 0	\$ 1,388,863	\$	2,012,536
Accrued Payroll	896,003	0	0	441,003		1,337,006
Payroll Deductions Payable	1,876	0	0	5		1,881
Due to Other Funds	24,720	0	0	591,672		616,392
Current Liabilities Payable from Restricted Assets:						
Customer Deposits Payable	347,775	0	0	0		347,775
Total Liabilities	\$ 1,894,047	\$ 0	\$ 0	\$ 2,421,543	\$	4,315,590

(Continued)

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Other</u>	<u>Governmental Funds</u>	
\$	39,829,892	\$ 34,850,388	\$ 4,212,954	\$ 78,893,234	
	468,282	409,712	49,554	927,548	
	8,229,957	0	1,689,085	9,919,042	
\$	48,528,131	\$ 35,260,100	\$ 5,951,593	\$ 89,739,824	

DEFERRED INFLOWS OF RESOURCES

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

FUND BALANCES

Nonspendable:				
Prepaid Items	\$ 24,092	\$ 0	\$ 0	\$ 24,092
Restricted:				
Restricted for General Government	378,734	0	0	378,734
Restricted for Finance	35,755	0	0	35,755
Restricted for Administration of Justice	1,051,978	0	0	1,051,978
Restricted for Public Safety	72,433	0	878,530	950,963
Restricted for Public Health and Welfare	126,418	0	0	126,418
Restricted for Debt Service	0	0	2,908,777	2,908,777
Restricted for Capital Projects	2,029,806	0	7,025,573	9,055,379
Committed:				
Committed for General Government	183,136	0	0	183,136
Committed for Finance	255,069	0	0	255,069
Committed for Administration of Justice	3,204	0	0	3,204
Committed for Public Safety	341,060	0	0	341,060
Committed for Public Health and Welfare	96,317	0	0	96,317
Committed for Agriculture and Natural Resources	247,778	0	0	247,778
Committed for Other Operations	429	0	0	429
Committed for Highways/Public Works	0	0	1,831,377	1,831,377

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Other	Governmental Funds	
\$	0	1,820,785	0	0	1,820,785
Committed (Cont.):					
Committed for Debt Service					
Assigned:					
Assigned for Finance	0	0	110,000	0	110,000
Assigned for Administration of Justice	0	0	229,688	0	229,688
Assigned for Public Health and Welfare	0	0	8,800,047	0	8,800,047
Assigned for Other Operations	0	0	479,615	0	479,615
Assigned for Highways/Public Works	0	0	7,391,072	0	7,391,072
Assigned for Debt Service	0	33,978,577	0	0	33,978,577
Assigned for 2014-15 Operations	1,470,681	0	0	0	1,470,681
Unassigned	19,532,145	0	0	0	19,532,145
Total Fund Balances	\$ 25,849,035	\$ 35,799,362	\$ 29,654,679	\$ 0	\$ 91,303,076
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 76,271,213	\$ 71,059,462	\$ 38,027,815	\$ 0	\$ 185,358,490

FUND BALANCES (Cont.)

Committed (Cont.):
 Committed for Debt Service
 Assigned:
 Assigned for Finance
 Assigned for Administration of Justice
 Assigned for Public Health and Welfare
 Assigned for Other Operations
 Assigned for Highways/Public Works
 Assigned for Debt Service
 Assigned for 2014-15 Operations
 Unassigned
 Total Fund Balances
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Exhibit C-2

Rutherford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2014

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)		\$ 91,303,076
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 35,879,504	
Add: intangible assets – right-of-ways	46,075,616	
Add: construction in progress	1,971,660	
Add: buildings and improvements net of accumulated depreciation	72,690,120	
Add: infrastructure net of accumulated depreciation	95,903,230	
Add: intangible assets net of accumulated depreciation	649,418	
Add: other capital assets net of accumulated depreciation	<u>7,262,781</u>	260,432,329
(2) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		25,336,631
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (354,420,000)	
Less: notes payable	(699,922)	
Less: capital lease payable	(1,182,337)	
Add: due from component unit for debt retirement	1,882,259	
Add: deferred amount on refunding	11,467,542	
Less: compensated absences payable	(4,765,390)	
Less: other postemployment benefits liability	(12,959,164)	
Less: landfill closure/postclosure care costs	(4,187,009)	
Less: accrued interest on notes and bonds	(3,090,087)	
Less: other deferred revenue - premium on debt	<u>(28,357,954)</u>	(396,312,062)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>10,846,590</u>
Net position of governmental activities (Exhibit A)		<u>\$ (8,393,436)</u>

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

Exhibit C-3

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Other		
			Governmental Funds		
<u>Revenues</u>					
Local Taxes	\$ 59,783,693	\$ 40,661,831	\$ 9,906,303	\$ 110,351,827	
Licenses and Permits	1,702,439	0	0	1,702,439	
Fines, Forfeitures, and Penalties	2,151,251	0	571,237	2,722,488	
Charges for Current Services	1,258,664	0	11,151,144	12,409,808	
Other Local Revenues	975,646	172,902	693,154	1,841,702	
Fees Received from County Officials	10,254,355	0	0	10,254,355	
State of Tennessee	5,996,462	0	4,163,841	10,160,303	
Federal Government	1,239,352	0	417,851	1,657,203	
Other Governments and Citizens Groups	843,083	550,157	1,275,235	2,668,475	
Total Revenues	\$ 84,204,945	\$ 41,384,890	\$ 28,178,765	\$ 153,768,600	
<u>Expenditures</u>					
Current:					
General Government	\$ 8,673,921	\$ 771,710	\$ 0	\$ 9,445,631	
Finance	8,468,429	0	518,735	8,987,164	
Administration of Justice	5,415,486	0	2,491,029	7,906,515	
Public Safety	45,969,171	0	738,796	46,707,967	
Public Health and Welfare	4,350,231	0	15,228,301	19,578,532	
Social, Cultural, and Recreational Services	2,266,772	0	0	2,266,772	
Agriculture and Natural Resources	980,500	0	0	980,500	
Other Operations	6,747,763	0	322,804	7,070,567	
Highways	0	0	7,690,033	7,690,033	
Debt Service:					
Principal on Debt	0	44,429,692	0	44,429,692	
Interest on Debt	0	14,119,233	0	14,119,233	
Other Debt Service	0	316,565	0	316,565	

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	General Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 22,181,147	\$ 22,181,147	\$ 22,181,147
Total Expenditures	\$ 82,872,273	\$ 59,637,200	\$ 49,170,845	\$ 191,680,318	\$ 191,680,318
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,332,672	\$ (18,252,310)	\$ (20,992,080)	\$ (37,911,718)	\$ (37,911,718)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 302,318	\$ 23,967,682	\$ 24,270,000	\$ 24,270,000
Refunding Debt Issued	0	18,600,000	0	18,600,000	18,600,000
Premiums on Debt Issued	0	0	2,607,654	2,607,654	2,607,654
Insurance Recovery	16,928	0	26,185	43,113	43,113
Transfers In	666,754	0	465,600	1,132,354	1,132,354
Transfers Out	(215,600)	0	(350,709)	(566,309)	(566,309)
Total Other Financing Sources (Uses)	\$ 468,082	\$ 18,902,318	\$ 26,716,412	\$ 46,086,812	\$ 46,086,812
Net Change in Fund Balances	\$ 1,800,754	\$ 650,008	\$ 5,724,332	\$ 8,175,094	\$ 8,175,094
Fund Balance, July 1, 2013	24,048,281	35,149,354	23,930,347	83,127,982	83,127,982
Fund Balance, June 30, 2014	\$ 25,849,035	\$ 35,799,362	\$ 29,654,679	\$ 91,303,076	\$ 91,303,076

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

Rutherford 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, 2014

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)		\$ 8,175,094
(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	\$ 6,313,508	
Less: current-year depreciation expense	<u>(5,662,634)</u>	650,874
(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	\$ 3,065,799	
Less: loss on disposal of capital assets	<u>(100,760)</u>	
Less: insurance recovery and sale of capital assets	<u>(77,777)</u>	2,887,262
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2013	\$ (11,202,482)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>10,846,590</u>	(355,892)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (33,570,000)	
Less: note proceeds	<u>(9,300,000)</u>	
Less: change in premium on debt issuances	(415,607)	
Less: debt service contributions for principal to primary government	(484,692)	
Add: principal payments on notes	19,194,180	
Add: principal payment on bonds	25,045,000	
Add: principal payment on capital lease	190,512	
Less: change in deferred amount on refunding debt	<u>(2,217,563)</u>	(1,558,170)
(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	\$ 147,068	
Change in landfill closure/postclosure care costs	208,489	
Change in other postemployment benefits liability	<u>(1,870,945)</u>	
Change in compensated absences payable	<u>353,608</u>	(1,161,780)
(6) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>924,757</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 9,562,145</u>

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

Exhibit C-5

Rutherford County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 59,783,693	\$ 0	\$ 0	\$ 59,783,693	\$ 56,564,303	\$ 59,287,021	\$ 496,672
Licenses and Permits	1,702,439	0	0	1,702,439	1,434,200	1,638,750	63,689
Fines, Forfeitures, and Penalties	2,151,251	0	0	2,151,251	1,942,300	2,012,545	138,706
Charges for Current Services	1,258,664	0	0	1,258,664	1,165,400	1,193,500	65,164
Other Local Revenues	975,646	0	0	975,646	715,000	914,803	60,843
Fees Received from County Officials	10,254,355	0	0	10,254,355	10,214,150	9,708,150	546,205
State of Tennessee	5,996,462	0	0	5,996,462	6,059,561	5,980,604	15,858
Federal Government	1,239,352	0	0	1,239,352	407,764	1,389,372	(150,020)
Other Governments and Citizens Groups	843,083	0	0	843,083	527,440	708,494	134,589
Total Revenues	\$ 84,204,945	\$ 0	\$ 0	\$ 84,204,945	\$ 79,030,118	\$ 82,833,239	\$ 1,371,706
Expenditures							
General Government							
County Commission	207,321	0	0	207,321	245,507	245,507	38,186
Board of Equalization	7,513	0	0	7,513	20,930	17,930	10,417
County Mayor/Executive	576,803	(300)	0	576,503	602,004	1,255,668	679,165
Personnel Office	262,748	(42)	0	262,706	264,714	268,176	5,470
County Attorney	262,637	0	0	262,637	262,926	262,926	289
Election Commission	1,094,902	(4,367)	5,151	1,095,686	805,921	1,171,911	76,225
Register of Deeds	1,116,942	(7,603)	0	1,109,339	1,136,207	1,136,207	26,868
Planning	666,266	(3,401)	3,429	666,294	711,634	722,334	56,040
Codes Compliance	353	0	0	353	600	600	247
Geographical Information Systems	949,709	(90,731)	129,196	988,174	1,148,447	1,148,447	160,273
County Buildings	2,116,254	(30,174)	42,277	2,128,357	2,088,533	2,201,683	73,326
Other General Administration	244,421	(1,000)	2,890	246,311	247,960	247,964	1,653
Preservation of Records	110,407	0	0	110,407	115,971	116,935	6,528
Risk Management	1,057,645	(2,288)	195	1,055,552	1,164,847	1,164,847	109,295
Finance							
Accounting and Budgeting	1,126,924	(11,321)	12,592	1,128,195	1,154,758	1,156,158	27,963
Property Assessor's Office	1,183,843	(27,186)	0	1,156,657	1,481,844	1,511,844	355,187
Reappraisal Program	1,016,293	0	1,148	1,017,441	1,142,008	1,115,008	97,567

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
Expenditures (Cont.)							
Finance (Cont.)							
County Trustee's Office	\$ 612,690	\$ (3,888)	\$ 173	\$ 608,975	\$ 626,050	\$ 626,050	\$ 17,075
County Clerk's Office	2,259,365	(5,602)	5,601	2,259,364	2,350,435	2,350,435	91,071
Data Processing	2,269,314	(57,636)	235,554	2,447,232	2,541,190	2,587,237	140,005
Administration of Justice							
Circuit Court	651,533	(175,211)	0	476,322	723,750	723,750	247,428
Circuit Court Judge	256,626	0	0	256,626	272,075	272,075	15,449
General Sessions Court	1,405,601	0	596	1,406,197	1,433,175	1,433,175	26,978
Drug Court	462,524	(3,369)	239	459,394	482,919	482,919	23,525
Chancery Court	914,976	(261)	2,170	916,885	935,243	940,998	24,113
Juvenile Court	494,234	(125)	0	494,109	512,182	527,457	33,348
District Attorney General	87,734	0	0	87,734	88,680	88,680	946
Office of Public Defender	63,232	0	0	63,232	64,938	66,438	3,206
Probation Services	914,336	(300)	200	914,236	922,261	923,326	9,090
Victims Assistance Programs	164,690	(700)	0	163,990	169,403	169,603	5,613
Public Safety							
Sheriff's Department	22,700,024	(278,934)	209,919	22,631,009	22,990,971	23,351,633	720,624
Special Patrols	41,331	0	0	41,331	57,545	57,545	16,214
Traffic Control	13,015	0	0	13,015	20,000	20,000	6,985
Administration of the Sexual Offender Registry	66,354	(1,000)	894	66,248	74,688	74,688	8,440
Jail	14,961,324	(117,816)	118,878	14,962,386	15,021,641	15,262,300	299,914
Workhouse	3,649,294	(58)	1,068	3,650,304	3,717,046	3,864,846	214,542
Juvenile Services	1,962,007	(15,824)	4,575	1,950,758	1,978,782	2,059,813	109,055
Rural Fire Protection	1,191,757	(46,283)	5,156	1,150,630	928,245	1,251,363	100,733
Disaster Relief	545,215	(8,435)	67,570	604,350	456,014	655,401	51,051
Inspection and Regulation	838,850	(1,324)	750	838,276	867,560	867,560	29,284
Public Health and Welfare							
Local Health Center	661,009	(1,464)	398	659,943	688,440	689,710	29,767
Rabies and Animal Control	1,484,162	(361)	164	1,483,965	1,571,683	1,620,746	136,781
Nursing Home	4,891	(4,891)	0	0	15,000	15,000	15,000
Dental Health Program	10,961	(523)	0	10,438	11,812	11,812	1,374

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Alcohol and Drug Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 103,668	\$ 103,668
Other Local Health Services	1,836,700	0	0	1,836,700	2,023,261	2,131,300	294,600
General Welfare Assistance	51,000	0	0	51,000	51,000	51,000	0
Sanitation Management	33,007	0	0	33,007	33,100	33,100	93
Other Public Health and Welfare	268,501	0	0	268,501	247,800	277,800	9,299
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	32,000	0	0	32,000	32,000	32,000	0
Senior Citizens Assistance	1,500	0	0	1,500	1,500	1,500	0
Libraries	1,233,500	0	0	1,233,500	1,233,500	1,233,500	0
Parks and Fair Boards	448,719	0	0	448,719	425,625	453,625	4,906
Other Social, Cultural, and Recreational	551,053	0	0	551,053	551,053	551,053	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	706,755	0	0	706,755	713,239	813,239	106,484
Soil Conservation	104,527	0	0	104,527	106,599	106,599	2,072
Storm Water Management	169,218	(2,365)	5,719	172,572	216,455	216,455	43,883
<u>Other Operations</u>							
Tourism	510,163	0	0	510,163	405,000	489,000	(21,163)
Other Economic and Community Development	20,060	0	0	20,060	21,418	21,418	1,358
Other Charges	221,661	(1,533)	429	220,557	230,025	230,025	9,468
Employee Benefits	1,560,093	0	0	1,560,093	798,300	1,646,200	86,107
Payments to Cities	2,058,331	0	0	2,058,331	1,928,146	2,058,331	0
Miscellaneous	2,377,455	0	0	2,377,455	1,978,400	2,486,600	109,145
Total Expenditures	\$ 82,872,273	\$ (906,316)	\$ 856,931	\$ 82,822,888	\$ 83,110,306	\$ 87,675,118	\$ 4,852,230
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,332,672	\$ 906,316	\$ (856,931)	\$ 1,382,057	\$ (4,080,188)	\$ (4,841,879)	\$ 6,223,936
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 16,928	\$ 0	\$ 0	\$ 16,928	\$ 0	\$ 16,927	\$ 1

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses) (Cont.)							
Transfers In	\$ 666,754	\$ 0	\$ 0	\$ 666,754	\$ 636,884	\$ 677,593	\$ (10,839)
Transfers Out	(215,600)	0	0	(215,600)	0	(215,600)	0
Total Other Financing Sources	\$ 468,082	\$ 0	\$ 0	\$ 468,082	\$ 636,884	\$ 478,920	\$ (10,838)
Net Change in Fund Balance	\$ 1,800,754	\$ 906,316	\$ (856,931)	\$ 1,850,139	\$ (3,443,304)	\$ (4,362,959)	\$ 6,213,098
Fund Balance, July 1, 2013	24,048,281	(906,316)	0	23,141,965	19,775,728	19,775,728	3,366,237
Fund Balance, June 30, 2014	\$ 25,849,035	\$ 0	\$ (856,931)	\$ 24,992,104	\$ 16,332,424	\$ 15,412,769	\$ 9,579,335

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

Exhibit D-1

Rutherford County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Governmental Activities - Internal Service Funds</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,639,019
Equity in Pooled Cash and Investments	36,914,433
Accounts Receivable	151,730
Due from Other Governments	10,900
Total Assets	<u>\$ 38,716,082</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 818,748
Claims and Judgments Payable	9,737,522
Long-term Liabilities:	
Claims and Judgments Payable	2,823,181
Total Liabilities	<u>\$ 13,379,451</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 25,336,631</u>
Total Net Position	<u>\$ 25,336,631</u>

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

Rutherford County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
	<u>Funds</u>
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 57,190,398
Other Employee Benefits Charges/Contributions	1,386,369
Service Charges	825,037
Other Local Revenues:	
Retirees' Insurance Payments	4,131,805
Cobra Insurance Payments	111,370
State of Tennessee:	
On-Behalf Contributions for OPEB	126,889
Federal Government:	
On-Behalf Contributions for OPEB	93,315
Total Operating Revenues	<u>\$ 63,865,183</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,578,908
Disability Insurance	419,425
Bank Charges	1,200
Consultants	68,536
Contracts with Private Agencies	2,521,660
Other Contracted Services	5,500
Medical Claims	52,314,365
Premiums on Corporate Surety Bonds	7,500
Liability Claims	1,618,663
Fines, Assessments, and Penalties	818,748
Other Self-Insured Claims	2,045,738
Postal Charges	902
Other Charges	26,192
Total Operating Expenses	<u>\$ 62,427,337</u>
Operating Income (Loss)	<u>\$ 1,437,846</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 52,956
Total Nonoperating Revenues (Expenses)	<u>\$ 52,956</u>
Income (Loss) Before Transfers	\$ 1,490,802
Transfers Out	<u>(566,045)</u>
Change in Net Position	\$ 924,757
Net Position, July 1, 2013	<u>24,411,874</u>
Net Position, June 30, 2014	<u>\$ 25,336,631</u>

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

Exhibit D-3

Rutherford County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
	<u>Funds</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 64,071,059
Payments to Suppliers	(4,819,761)
Claims Paid	(54,483,781)
Insurance Recovery	52,956
Payments of Taxes, Duties, Fines, Fees, and Penalties	(818,748)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,001,725</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (566,045)
Advances to Other Funds	125,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (441,045)</u>
Net Increase (Decrease) in Cash	\$ 3,560,680
Cash, July 1, 2013	<u>34,992,772</u>
Cash, June 30, 2014	<u><u>\$ 38,553,452</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 1,437,846
Insurance Recovery	52,956
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	195,951
(Increase) Decrease in Due from Other Governments	9,925
Increase (Decrease) in Accounts Payable	814,998
Increase (Decrease) in Due to Other Funds	463,282
Increase (Decrease) in Claims and Judgments Payable	<u>1,026,767</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,001,725</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 1,639,019
Equity in Pooled Cash and Investments Per Net Position	<u>36,914,433</u>
Cash, June 30, 2014	<u><u>\$ 38,553,452</u></u>

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

Exhibit E-1

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Other Employee Benefit Trust Fund	
	<u>Flexible Benefits Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 18,484	\$ 10,519,597
Equity in Pooled Cash and Investments	51,540	533,815
Investments	0	7,293
Accounts Receivable	1,397	6,268
Due from Other Governments	0	10,010,391
Due from Component Units	0	7,446
Taxes Receivable	0	11,210,743
Allowance for Uncollectible Taxes	0	(609,808)
	<u>0</u>	<u>(609,808)</u>
Total Assets	<u>\$ 71,421</u>	<u>\$ 31,685,745</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 2,183
Accrued Payroll	0	1,205
Due to Component Units	0	42,809
Due to Other Taxing Units	0	20,734,979
Due to Joint Ventures	0	12,313
Due to Litigants, Heirs, and Others	0	10,892,256
	<u>0</u>	<u>10,892,256</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 31,685,745</u>
<u>NET POSITION</u>		
Held in Trust for Other Employee Benefits	<u>\$ 71,421</u>	

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

Exhibit E-2

Rutherford County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2014

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 927,214
Total Additions	<u>\$ 927,214</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 927,995
Total Deductions	<u>\$ 927,995</u>
Change in Net Position	\$ (781)
Net Position, July 1, 2013	<u>72,202</u>
Net Position, June 30, 2014	<u><u>\$ 71,421</u></u>

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

RUTHERFORD COUNTY, TENNESSEE
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RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rutherford 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 Rutherford County:

A. Reporting Entity

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

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

The Rutherford County School Department operates the public school system in the county, and the voters of Rutherford 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.

Community Care of Rutherford County, Inc., provides nursing care to the citizens of Rutherford County, and the Rutherford County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the County Commission's approval.

The Rutherford County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Rutherford County, and the Rutherford 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 Rutherford 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 Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Community Care of
Rutherford County, Inc.
901 County Farm Road
Murfreesboro, TN 37130

Rutherford County Emergency
Communications District
591 Fortress Boulevard
Murfreesboro, TN 37128

Related Organization – The Rutherford County Industrial Development Board is a related organization of Rutherford County. The County Commission’s Steering Committee nominates and the Rutherford County Commission confirms the board members, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Rutherford County issues all debt for the discretely presented Rutherford County School Department. Net debt issues totaling \$17,755,499 were contributed by the county to the School Department during the year ended June 30, 2014.

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

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

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

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

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

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

Rutherford 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.

Additionally, Rutherford 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 account for financial resources to be used for the acquisition or construction of major capital facilities and debt issued by Rutherford County that is subsequently contributed to the discretely presented Rutherford County School Department for construction and renovation projects.

Internal Service Funds – The Self-Insurance, Employee Insurance - Health, and Workers' Compensation funds are used to account for the county's self-insured general liability, health, and workers' compensation programs. Premiums charged to the various county funds/component units/joint venture and employee payroll deductions are placed in these funds for the payment of claims.

Other Employee Benefit Trust Fund – The Flexible Benefits Fund is used to account for operations of the flexible benefits program for Rutherford County employees.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Rutherford County, the city school system's share of educational revenues, restricted revenues held for the benefit of the Office of District Attorney General, and assets held in a custodial capacity for a regional planning agency. 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 Rutherford County School Department reports the following major governmental fund:

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

Additionally, the Rutherford County School Department reports the following fund types:

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

Capital Projects Funds – These funds 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.

Private-purpose Trust Fund – The Endowment Fund is used to account for resources legally held in trust to fund a scholarship at a local high school. Earnings on invested resources may be used to fund the scholarship, but the principal of the fund is required to be maintained intact.

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

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

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes demand deposits, cash on deposit with the county trustee, and cash on deposit with a paying agent.

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 and the discretely presented Rutherford 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, General Debt Service, and General Purpose School funds. In addition, an investment is held separately by the Constitutional Officers - Agency Fund. Rutherford

County 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 fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Accounts receivable in the General Fund include \$7,985,062 of payments in-lieu-of property taxes for certain local businesses. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable is reported as a deferred inflow of resources as of June 30.

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

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

an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Rutherford County for building codes certificates of occupancy \$200,542, deposits in-lieu-of bonds for developments \$127,039, software license deposits \$2,282, agricultural facilities rentals \$9,952, and animal adoption fees \$7,960.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., easements, computer software, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 (infrastructure \$50,000 and intangible \$25,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, infrastructure, and intangible assets of the primary government 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	50
Other Capital Assets	6 - 20
Infrastructure:	
Roads	75
Bridges	50
Intangibles	2 - 15

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

The county's and the School Department's policies permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since their policies do not pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements 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 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, 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.

The government-wide Statement of Net Position reports \$8,020,500 of restricted net position for the primary government, of which \$2,029,806 is restricted by enabling legislation.

As of June 30, 2014, Rutherford County had \$304,548,315 in outstanding debt for capital purposes for the discretely presented Rutherford County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with another public school system in the county (Murfreesboro City School District) based on an average daily attendance proration. This debt is a liability of Rutherford County, but the capital assets acquired are reported in the financial statements of the Rutherford County School Department and Murfreesboro City School District. Therefore, Rutherford 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 to use restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Also, it is the county's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes which could be used in any of the unrestricted fund balance classifications.

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/Finance Committee to make assignments for the general government. The Board of Education makes assignments by resolution 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 that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – 15 percent of subsequent year appropriations.

General Debt Service Fund – fund balance adequate to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies, (4) variable rate volatility contingencies, and (5) future forecasted needs.

10. Restatement – Change in Capital Asset Threshold

Prior to July 1, 2013, assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years were capitalized. During the fiscal year, the county increased the capitalization threshold to \$10,000. A restatement reducing the beginning net position totaling \$2,318,859 for the primary government and \$1,509,799 for the discretely presented School Department has been recognized for the capitalization change on the government-wide financial statements.

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 Rutherford County School Department

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

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

Primary Government

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

Discretely Presented Rutherford County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund), which is not budgeted, and the primary government’s capital projects funds and the School Department’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, County Mayor/Executive, Personnel Office, 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 the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2014, Rutherford County and the Rutherford County School Department reported the following significant encumbrances:

Funds	Description	Amount
<u>Primary Government</u>		
Major Fund:		
General	Computer software	\$ 107,476
"	Data processing equipment	113,658
 <u>School Department</u>		
Nonmajor Fund:		
Education Capital Projects	Roof repair	144,399

B. Cash Shortage

On September 11, 2014, the Comptroller's Division of Investigations, Special Investigations Unit issued a special investigative report on the Rutherford County School Department for the period July 1, 2010, through June 30, 2012. This report disclosed a number of deficiencies in accounting for night school tuition collections, including a cash shortage of at least \$15,875. The former bookkeeper responsible for this theft was indicted by the Rutherford County Grand Jury on September 2, 2014, on charges of theft over \$10,000 and official misconduct.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Tourism major appropriations category (the legal level of control) of the General Fund by \$21,163. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Rutherford County and the Rutherford 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, depositing, 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, 2014, Rutherford County had the following investments carried at fair value. All investments are in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for Rutherford County and the discretely presented Rutherford County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Pooled:			
State Treasurer's Investment Pool	109	N/A	<u>\$ 109,950,760</u>
Nonpooled:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	109	N/A	<u>\$ 7,293</u>

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. Rutherford 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. Rutherford County has an investment policy that further limits its investment choices. The policy limits the trustee's investments to collateralized certificates of deposit, U.S. Treasury Bills and Notes, the State Treasurer's Investment Pool, collateralized cash management accounts, and shared certificates of deposit. As of June 30, 2014, Rutherford County's investment in the State Treasurer's Investment Pool was unrated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Rutherford County places a limit on the amount the county may invest in one issuer. The policy allows the trustee to invest up to 70 percent of the portfolio in collateralized certificates of deposit, up to 100 percent of the portfolio in either U.S. Treasury Bills and Notes or the State Treasurer's Investment Pool, up to 70 percent of the portfolio in collateralized cash management accounts, and up to 50 percent of the portfolio in shared certificates of deposit.

B. Notes Receivable

The Industrial/Economic Development Fund had two long-term notes receivable of \$338,777 and \$2,570,000 on June 30, 2014, from financing projects for the Smyrna-Rutherford County Airport (Joint Venture).

The General Debt Service Fund had a long-term note receivable of \$1,820,785 on June 30, 2014, from financing projects for the City of Murfreesboro's Rockvale Utility District.

C. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases *	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 33,793,368	\$ 2,138,550	\$ (52,414)	\$ 35,879,504
Intangible Assets (Right-of-Ways)	45,500,648	574,968	0	46,075,616
Construction in Progress	2,566,277	1,674,630	(2,269,247)	1,971,660
Total Capital Assets Not Depreciated	<u>\$ 81,860,293</u>	<u>\$ 4,388,148</u>	<u>\$ (2,321,661)</u>	<u>\$ 83,926,780</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 104,134,937	\$ 1,246,784	\$ 0	\$ 105,381,721
Infrastructure	135,870,184	2,490,831	(1,940,722)	136,420,293
Intangible Assets	2,710,953	124,039	(12,994)	2,821,998
Other Capital Assets	31,841,670	3,398,752	(4,013,899)	31,226,523
Total Capital Assets Depreciated	<u>\$ 274,557,744</u>	<u>\$ 7,260,406</u>	<u>\$ (5,967,615)</u>	<u>\$ 275,850,535</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 30,548,041	\$ 2,143,560	\$ 0	\$ 32,691,601
Infrastructure	39,256,883	1,836,383	(576,203)	40,517,063
Intangible Assets	2,078,353	99,273	(5,046)	2,172,580
Other Capital Assets	25,321,708	1,583,418	(2,941,384)	23,963,742
Total Accumulated Depreciation	<u>\$ 97,204,985</u>	<u>\$ 5,662,634</u>	<u>\$ (3,522,633)</u>	<u>\$ 99,344,986</u>
Total Capital Assets Depreciated, Net	<u>\$ 177,352,759</u>	<u>\$ 1,597,772</u>	<u>\$ (2,444,982)</u>	<u>\$ 176,505,549</u>
Governmental Activities Capital Assets, Net	<u>\$ 259,213,052</u>	<u>\$ 5,985,920</u>	<u>\$ (4,766,643)</u>	<u>\$ 260,432,329</u>

*Rutherford changed its capital asset threshold from \$5,000 to \$10,000 during the audit period (see Note I.D.10).

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

Governmental Activities:

General Government	\$ 568,660
Finance	194,238
Administration of Justice	17,639
Public Safety	2,047,151
Public Health and Welfare	562,342
Agriculture and Natural Resources	188,115
Highways	<u>2,084,489</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 5,662,634</u>

Discretely Presented Rutherford County School Department**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases *	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 8,467,427	\$ 3,263,891	\$ (30,313)	\$ 11,701,005
Construction in Progress	<u>47,089,091</u>	<u>7,799,023</u>	<u>(46,876,554)</u>	<u>8,011,560</u>
Total Capital Assets Not Depreciated	<u>\$ 55,556,518</u>	<u>\$ 11,062,914</u>	<u>\$ (46,906,867)</u>	<u>\$ 19,712,565</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 486,090,977	\$ 49,225,213	\$ (10,049)	\$ 535,306,141
Intangible Assets	530,719	0	(95,441)	435,278
Other Capital Assets	<u>21,365,121</u>	<u>1,519,274</u>	<u>(4,213,475)</u>	<u>18,670,920</u>
Total Capital Assets Depreciated	<u>\$ 507,986,817</u>	<u>\$ 50,744,487</u>	<u>\$ (4,318,965)</u>	<u>\$ 554,412,339</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 119,905,362	\$ 11,048,550	\$ (4,542)	\$ 130,949,370
Intangible Assets	353,960	47,661	(71,733)	329,888
Other Capital Assets	<u>12,504,614</u>	<u>1,035,785</u>	<u>(2,737,169)</u>	<u>10,803,230</u>
Total Accumulated Depreciation	<u>\$ 132,763,936</u>	<u>\$ 12,131,996</u>	<u>\$ (2,813,444)</u>	<u>\$ 142,082,488</u>
Total Capital Assets Depreciated, Net	<u>\$ 375,222,881</u>	<u>\$ 38,612,491</u>	<u>\$ (1,505,521)</u>	<u>\$ 412,329,851</u>
Governmental Activities Capital Assets, Net	<u>\$ 430,779,399</u>	<u>\$ 49,675,405</u>	<u>\$ (48,412,388)</u>	<u>\$ 432,042,416</u>

*Rutherford changed its capital asset threshold from \$5,000 to \$10,000 during the audit period (see Note I.D.10).

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

Governmental Activities:

Instruction	\$ 47,661
Support Services	11,750,097
Operation of Non-instructional Services	<u>334,238</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 12,131,996</u>

D. Construction Commitments

At June 30, 2014, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$4,471,867 and \$265,769 in the Other Capital Projects and Education Capital Projects funds for the school building program. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 591,672
General Debt Service	General	13,530
Nonmajor governmental	"	11,190
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	76,697
Nonmajor governmental	General Purpose School	610

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: Community Care of Rutherford Co., Inc.	\$ 1,511
Nonmajor governmental Agency Fund	Rutherford County School Department "	660 7,446
Primary Government	Rutherford County School Department for Contributions for Debt Service	1,882,259
Component Unit: School Department	Primary Government: Agency Fund	42,809

The \$1,882,259 due the primary government from the discretely presented School Department relates to primary government debt, which is being serviced by the School Department.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 215,600
Nonmajor governmental funds	100,709	250,000
Internal service funds	566,045	0
Total	<u>\$ 666,754</u>	<u>\$ 465,600</u>

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Fund
Nonmajor governmental funds	\$ 223,658	\$ 0
General Purpose School Fund	0	623,800
Total	\$ 223,658	\$ 623,800

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

F. Capital Leases

On June 15, 2012, Rutherford County entered into a seven-year lease-purchase agreement for the School Department for energy efficient water upgrades. The terms of the agreement require total lease payments of \$1,461,013 plus interest of 3.7 percent. Title to the upgrades transfers to the School Department immediately upon acceptance of each upgrade. The General Purpose School Fund is reimbursing the primary government for the lease payments. In the government-wide financial statements, the upgrades were expensed in the year of acquisition because those items did not meet criteria of the county’s capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	\$ 239,561
2016	239,560
2017	239,560
2018	239,561
2019	239,561
2020	119,782
Total Minimum Lease Payments	\$ 1,317,585
Less: Amount Representing Interest	(135,248)
 Present Value of Minimum Lease Payments	 \$ 1,182,337

G. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 21 years for bonds and up to eight years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds and notes outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
Capital Outlay Notes	0-3	% 4-1-18	\$ 1,609,188	\$ 699,922
General Obligation Bonds	2 to 5	4-1-34	274,295,000	142,657,000
General Obligation Bonds - Refunding	2 to 5	4-1-34	286,840,000	211,763,000
Capital Lease	3.7	7-15-19	1,461,013	1,182,337

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2014, including interest payments, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 300,948	\$ 9,648	\$ 310,596
2016	267,998	2,715	270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
Total	\$ 699,922	\$ 12,363	\$ 712,285

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 27,180,000	\$ 13,640,959	\$ 40,820,959
2016	27,185,000	12,698,407	39,883,407
2017	27,175,000	11,457,955	38,632,955
2018	28,195,000	10,510,322	38,705,322
2019	26,270,000	9,498,480	35,768,480
2020-2024	112,360,000	32,122,597	144,482,597
2025-2029	78,290,000	12,287,478	90,577,478
2030-2034	27,765,000	2,148,294	29,913,294
Total	<u>\$ 354,420,000</u>	<u>\$ 104,364,492</u>	<u>\$ 458,784,492</u>

There is \$35,799,362 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes, bonds, and capital leases, totaled \$1,357, 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 the 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 6-30-14
<u>Contributions from the General Purpose School Fund</u>	
<u>Notes Payable</u>	
Energy Efficiency Note	\$ 426,098
Energy Efficiency Note	273,824
<u>Capital Lease Payable</u>	
Energy Efficiency Water Upgrade	1,182,337
Total	<u>\$ 1,882,259</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2013	\$ 345,895,000	\$ 10,594,102
Additions	33,570,000	9,300,000
Reductions	(25,045,000)	(19,194,180)
Balance, June 30, 2014	<u>\$ 354,420,000</u>	<u>\$ 699,922</u>
Balance Due Within One Year	<u>\$ 27,180,000</u>	<u>\$ 300,948</u>
	Capital Leases	
Balance, July 1, 2013	\$ 1,372,849	
Additions	0	
Reductions	(190,512)	
Balance, June 30, 2014	<u>\$ 1,182,337</u>	
Balance Due Within One Year	<u>\$ 197,626</u>	
	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2013	\$ 5,118,998	\$ 4,395,498
Additions	5,756,891	61,877
Reductions	(6,110,499)	(270,366)
Balance, June 30, 2014	<u>\$ 4,765,390</u>	<u>\$ 4,187,009</u>
Balance Due Within One Year	<u>\$ 142,962</u>	<u>\$ 310,000</u>
	Claims and Judgments	Other Postemployment Benefits
Balance, July 1, 2013	\$ 11,060,782	\$ 11,088,219
Additions	55,978,766	2,328,546
Reductions	(54,478,845)	(457,601)
Balance, June 30, 2014	<u>\$ 12,560,703</u>	<u>\$ 12,959,164</u>
Balance Due Within One Year	<u>\$ 9,737,522</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 390,774,525
Less: Due Within One Year	(37,869,058)
Add: Unamortized Premium on Debt	<u>28,357,954</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 381,263,421</u>
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The internal service funds primarily serve the governmental funds. Accordingly, long-term obligations for the internal service funds are included as part of the above totals for governmental activities. At year end, \$12,560,703 of claims and judgments is included in the above amounts. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Current Refunding

On December 5, 2013, Rutherford County currently refunded a general obligation capital outlay note issue with a separate general obligation capital outlay note issue. The county issued \$9,300,000 of general obligation refunding notes to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded note is considered defeased, and the liability has been removed from the county's long-term debt. No economic gain or loss (difference between present value of the debt service payments of the refunded and refunding notes) was obtained.

On June 12, 2014, Rutherford County currently refunded one general obligation capital outlay note issue with a separate general obligation bond issue. The county issued \$31,000,000 of school facilities, public improvement, and refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded note is considered defeased, and the liability has been removed from the county's long-term debt. No economic gain or loss (difference between present value of the debt service payments of the refunded and refunding bonds) was obtained.

Defeasance of Prior Debt

In prior years, Rutherford County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and

the defeased bonds are not included in the county's financial statements. At June 30, 2014, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2004 General Obligation	\$ 19,850,000
2006 School Facilities and Public Improvements	24,445,000
2006 School Facilities and Public Improvements	16,460,000
2004 School Facilities	18,350,000
2005 School Refunding Bonds	9,985,000
2004 School Refunding Bonds	14,865,000

Discretely Presented Rutherford County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Rutherford County School Department for the year ended June 30, 2014, was as follows:

	<u>Compensated Absences</u>	<u>Postemployment Benefits</u>
Balance, July 1, 2013	\$ 1,363,576	\$ 51,463,346
Additions	1,124,996	11,187,092
Reductions	(1,178,934)	(2,225,607)
Balance, June 30, 2014	<u>\$ 1,309,638</u>	<u>\$ 60,424,831</u>
Balance Due Within One Year	<u>\$ 39,289</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 61,734,469
Less: Due Within One Year	<u>(39,289)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 61,695,180</u>

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

H. Donor Restricted Endowments

The discretely presented Rutherford County School Department accounts for an endowment in a private-purpose trust fund, the Endowment Fund. The principal amount must remain intact, while interest earned on the principal

will fund a scholarship for the valedictorian of the senior class at Eagleville High School. During the year ended June 30, 2014, interest earned and expended totaled \$72 with no resulting effect on net position.

V. OTHER INFORMATION

A. Risk Management

Rutherford County and the School Department have chosen to establish the Self-Insurance Fund for liability risks. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county and the School Department are self-insured to a limit of \$350,000 per claim for general liability claims and \$350,000 per claim for automobile claims. The county and School Department obtained commercial insurance for claims beyond the above-noted amounts. The maximum liability the county can incur is \$5,000,000 for general liability and \$5,000,000 for automobile claims.

Rutherford County and the discretely presented School Department have chosen to establish the Employee Insurance - Health Fund for risks associated with the employees' health insurance plan. The Employee Insurance - Health Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county is self-insured to a limit of \$750,000 per person per agreement year. The county carries no aggregate reinsurance coverage. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

Rutherford County and the discretely presented School Department have chosen to establish the Workers' Compensation Fund for risks associated with workers' compensation claims. The Workers' Compensation Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county carries no reinsurance coverage.

Rutherford County and the discretely presented School Department have chosen to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the Workers' Compensation Fund (internal service fund) where assets are set aside for claims settlements. Qualified individuals shall receive two-thirds of their salary averaged over the past 52 weeks provided there is medical documentation from a county-designated physician stating that it is medically necessary for the qualified individual to remain off work, or to undergo therapy in relation to an on-the-job injury. Benefits (not including long-term disability benefits) shall not extend beyond one calendar year from the date of injury or illness.

All full-time employees of the primary government, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (School Department, Emergency Communications District, and Community Care of Rutherford County, Inc.) are eligible to participate in the

Employee Insurance – Health Fund. All full-time employees of the primary government and the discretely presented School Department component unit are eligible to participate in the Workers’ Compensation Fund. Premium charges are allocated to each fund that accounts for full-time employees. These charges are based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Liabilities of the funds are reported when losses are probable and the amounts of the losses can be reasonably estimated. The Employee Insurance - Health Fund and the Workers’ Compensation Fund establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years for the Self-Insurance, Employee Insurance – Health, and Workers’ Compensation funds are as follows:

Self-Insurance Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2012-13	\$	1,475,235	\$	780,369	\$	(844,270)	\$	1,411,334
2013-14		1,411,334		1,618,663		(1,145,509)		1,884,488

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2012-13	\$	8,500,709	\$	47,161,332	\$	(46,826,193)	\$	8,835,848
2013-14		8,835,848		52,314,365		(51,771,298)		9,378,915

Workers' Compensation Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2012-13	\$	549,000	\$	257,151	\$	(257,151)	\$	549,000
2013-14		549,000		1,586,470		(994,470)		1,141,000

Workers' Compensation Program

2012-13	\$	549,000	\$	257,151	\$	(257,151)	\$	549,000
2013-14		549,000		1,586,470		(994,470)		1,141,000

Workers' Compensation Fund (Cont.)

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
<u>On-the-Job Injury Program</u>				
2012-13	\$ 264,600	\$ 510,235	\$ (510,235)	\$ 264,600
2013-14	264,600	459,268	(567,568)	156,300

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67, replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70, relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 31, 2014, Laura Bohling left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Melissa Harrell.

On September 8, 2014, Rutherford County issued a \$340,973 capital lease for data processing equipment.

D. Contingent Liabilities

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

E. Landfill Closure/Postclosure Care Costs

Rutherford County has an active permit on file with the state Department of Environment and Conservation for a sanitary 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. Rutherford County closed its sanitary landfill in 2000. The \$4,187,009 reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Rutherford County Library System is jointly owned by Rutherford County and the cities of Murfreesboro and Smyrna and is operated by an appointed board. The board comprises 14 members, seven of whom are appointed by the Rutherford County Commission, with two being residents of Smyrna. The remaining seven members are appointed by the City of Murfreesboro. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the seven board members appointed. Rutherford County contributed \$1,233,500 to the operations of the libraries during the year ended June 30, 2014.

Rutherford County is a participant with Cannon, Coffee, and Warren counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements of this report.

The Smyrna-Rutherford County Airport is operated through a joint operations agreement between Rutherford County and the Town of Smyrna, Tennessee. The agreement created a joint board of directors to manage the airport. The board comprises five members, two of whom are appointed by the Rutherford County Commission, two by the City of Smyrna, and one jointly appointed by Rutherford County and the City of Smyrna. Rutherford

County has control over budgeting and financing the joint venture only to the extent of its representation by its board members.

The Joint Parking Authority of Rutherford County was created by Rutherford County and the City of Murfreesboro to operate and maintain a jointly owned parking garage. The Joint Parking Authority comprises seven members, three of whom are appointed by Rutherford County, three by the City of Murfreesboro, and one jointly by the county mayor and the city mayor. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the three board members appointed. This agency had no financial activity to report.

The Rutherford County Chamber of Commerce Economic Development Council has been designated as the Joint Economic and Community Development Board for Rutherford County, the City of Murfreesboro, the Town of Smyrna, the City of LaVergne, and the Town of Eagleville. This designation was authorized by an interlocal agreement between the governments, as provided by Section 6-58-115(j), *Tennessee Code Annotated (TCA)*. The purpose of this board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. If funding through the Rutherford County Chamber of Commerce is inadequate, the funding formula established by the Comprehensive Growth Plan, Section 6-58-101, et seq., *TCA*, shall be followed. Rutherford County has control over budgeting and financing the board through the county mayor or designee to the board. Separate financial statements are not prepared for the board; however, financial information may be obtained through the Rutherford County Chamber of Commerce. Rutherford County contributed \$561,663 to the operations of the board during the year ended June 30, 2014.

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

Administrative Offices:

Rutherford County Library System
105 West Vine Street
Murfreesboro, TN 37130

Smyrna-Rutherford County Airport
278 Doug Warpoole Road
Smyrna, TN 37167

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Rutherford County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 12.69 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, Rutherford County's annual pension cost of \$10,301,932 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. Rutherford County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$10,301,932	100%	\$0
6-30-13	9,888,217	100	0
6-30-12	9,590,022	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 98.48 percent funded. The actuarial accrued liability for benefits was \$191.64 million, and the actuarial value of assets was \$188.73 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.92 million. The covered payroll (annual payroll of active employees covered by the plan) was \$74.53 million, and the ratio of the UAAL to the covered payroll was 3.91 percent.

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

SCHOOL TEACHERS

Plan Description

The Rutherford County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$13,375,185, \$12,776,739, and \$12,662,673, respectively, equal to the required contributions for each year.

2. Deferred Compensation

Rutherford County and the discretely presented Rutherford County School Department offer their 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 457 and Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Plan Description

All full-time employees and eligible retirees of the primary government, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (Rutherford County School Department, Community Care of Rutherford County, Inc., and Rutherford County Emergency Communications District) are eligible to participate in the health insurance cost-sharing plan accounted for in the Employee Insurance – Health Fund (internal service fund). For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy

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

On December 31, 2010, if employees had worked full-time at Rutherford County, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (Rutherford County School Department, Community Care of Rutherford County, Inc., and Rutherford County Emergency Communications District) for a total of:

1. Less than six months of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The county will provide \$300 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.

2. Six months up to seven years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65's and post-65's, the county will provide \$500 per month or the adequate rate, whichever, is less, into a Health Reimbursement Account. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefits.
3. Seven up to ten years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65's and post-65's, the county will provide 50 percent for retirees and 25 percent for dependents of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefit.
4. Ten up to 20 years of service and were age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire have been met. For pre-65's, the county will provide 50 percent for retirees and 50 percent for dependents of the adequate rate. For Post-65's, the county pays 50 percent of adequate rate for Medicare supplement and county pharmacy plan.
5. Ten up to 20 years of service but you were not age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and ten years on the plan, or any age with 30 years of service and ten years on the plan. For pre-65's and post-65's, county pays 50 percent of adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older and post-65 at retirement, there will not be any pharmacy benefit.
6. Twenty up to 30 years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan. For pre-65's, the county will provide 50 percent of the adequate rate. For post-65's, county pays 50 percent of adequate rate for Medicare supplement and county pharmacy plan.
7. Thirty or more years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are any age with 30 years of service and five years on the plan. For pre-65's, the county will provide a 50 percent of the adequate rate. For post-65s: county pays 75 percent of adequate rate for themselves and 50 percent of the adequate rate for dependents for Medicare supplement and county pharmacy plan.

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children. The State of Tennessee and federal government contributed \$126,889 and \$93,315, respectively, to Rutherford County's Medicare Plan.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department
ARC	\$ 2,516,563	\$ 12,049,252
Interest on the NOPEBO	449,836	2,062,732
Adjustment to the ARC	(637,853)	(2,924,892)
Annual OPEB cost	\$ 2,328,546	\$ 11,187,092
Amount of contribution	(457,601)	(2,225,607)
Increase/decrease in NOPEBO	\$ 1,870,945	\$ 8,961,485
Net OPEB obligation, 7-1-13	11,088,219	51,463,346
Net OPEB obligation, 6-30-14	\$ 12,959,164	\$ 60,424,831

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Primary Government	\$ 2,380,067	22.27 %	\$ 9,200,681
6-30-13	"	2,360,126	20.02	11,088,219
6-30-14	"	2,328,546	19.65	12,959,164
6-30-12	School Department	11,071,876	21.35	42,614,677
6-30-13	"	11,336,549	21.95	51,463,346
6-30-14	"	11,187,092	19.89	60,424,831

Funded Status and Funding Progress

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

	<u>Primary Government</u>	<u>School Department</u>
Actuarial valuation date	1-1-12	1-1-12
Actuarial accrued liability (AAL)	\$ 25,719,079	\$ 124,059,617
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 25,719,079	\$ 124,059,617
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 44,853,133	\$ 177,794,954
UAAL as a % of covered payroll	57%	70%

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

Actuarial Methods and Assumptions

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

In the January 1, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses), an annual pre-Medicare cost trend rate of 8.5 percent for 2012, grading down to five percent for 2023 and beyond, and an annual post-Medicare cost trend rate of seven percent for 2012, grading down to five percent for 2023 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

I. Office of Central Accounting and Budgeting

Office of Director of Finance

Rutherford County operates under Chapter 49, Private Acts of 1979, as amended. This act provides for a central system of accounting and budgeting

covering all funds of the county. Accounting records of all funds are maintained under the supervision of the director of finance.

J. Purchasing Laws

Office of County Mayor

Chapter 421, Private Acts of 1943, as amended, governs purchasing procedures for the general county government. This act provides for purchases to be made by the county mayor and for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Highway Superintendent

Chapter 55, Private Acts of 1951, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)* (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

VI. OTHER NOTES – DISCRETELY PRESENTED COMMUNITY CARE OF RUTHERFORD COUNTY, INC.

A. Summary of Significant Accounting Policies

The financial statements of Community Care of Rutherford County, Inc., (the nursing home) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The financial statements and footnotes are the representations of the nursing home's management.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

Reporting Entity - Component Unit – The nursing home is a component unit of the primary government of Rutherford County, Tennessee. The nursing

home reports its financial information separately from Rutherford County; however, the county, in its financial report, also discretely presents the nursing home's financial information.

Legally, the nursing home is a separate nonprofit entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but is instead entirely appointed by the Rutherford County Commission, and the county is contingently liable for all the nursing home's debt obligations, therefore, the nursing home cannot be a primary government. Instead, it qualifies as a component unit according to the directives of GASB.

GASB Statements No. 14 and No. 61 specify that component units must be legally separate organizations, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. The nursing home may not issue debt without Rutherford County's approval, as the county remains contingently liable for all debt obligations. Because the nursing home is both a legal entity and financially accountable to the primary government of Rutherford County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County, Tennessee.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The financial statements are prepared on the accrual basis of accounting, which recognizes revenue when earned and expenses when the liability is incurred.

As a component unit of Rutherford County, Tennessee, the financial statements of the nursing home are presented in the manner required by generally accepted governmental accounting principles for enterprise funds.

Enterprise funds account for operations that are financed and operated in a manner similar to that of a private business. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Cash, Cash Equivalents, and Investments – Cash and cash equivalents consist of cash, demand deposits, and short-term certificates of deposit with an original maturity of three months or less. At June 30, 2014, there were no certificates of deposit that qualified as cash equivalents. Investments were limited to certificates of deposit and were stated at fair value.

Inventories – Inventories consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method.

Property and Equipment – Property and equipment are stated at cost. Depreciation of property and equipment is provided using the straight-line method. Maintenance and repairs are charged to operations when incurred. The nursing home eliminates the costs and related allowances from the accounts for properties sold or retired, and any resulting gains or losses are included in income. Donated capital assets are valued at their estimated fair value on the date donated. The center estimates the useful lives of the respective classes of plant and equipment as follows:

<u>Assets</u>	<u>Years</u>
Land Improvements	10 - 20
Buildings and Leasehold Improvements	10 - 25
Transportation Equipment	4 - 5
Furniture, Fixtures, and Equipment	3 - 20

Compensated Absences – Nursing home employees accrue personal leave or compensated absences by a prescribed formula based on length of service. Compensated absences related to nursing home employees are recorded within the period earned.

Operating Revenues and Expenses – The nursing home’s operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

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.

Income Taxes – No provision for accrued income taxes is reflected on the financial statements, as the nursing home is exempt from income taxes as a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code.

B. Cash and Certificates of Deposit

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United States; certificates of deposit at Tennessee state chartered or federally chartered banks and savings and loan associations; Federal Loan Bank bonds; Federal Home Loan Bank notes and bonds;

Federal National Mortgage Association notes and debentures; banks or cooperative debentures; or any of its other agencies; or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. In the past, the board of directors chose to limit the investment of funds to certificates of deposit at banks and savings and loan institutions. Cash reserves for operations were held in bank checking and savings accounts.

Cash – At June 30, 2014, the carrying amount of cash was \$2,664,956, and the bank balance was \$2,928,948. At June 30, 2014, the entire bank balance was covered by federal depository insurance or collateral held by the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to members of the pool if the value of collateral is inadequate to cover a loss. Additionally, cash and cash equivalents presented on the balance sheet include \$350 of cash on hand not included in cash deposits above. Other deposits totaled \$1,013.

C. Accounts Receivable

Receivables totaling \$1,022,524 as of June 30, 2014, were comprised of:

Resident service fees	\$ 1,122,524
Less: allowance for uncollectibles	<u>(120,000)</u>
Net resident service fees	<u><u>\$ 1,002,524</u></u>

Resident service revenue is reported at the estimated net realizable amounts from residents, third-party payers, and others for services rendered. Revenue under third-party payer agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Resident accounts receivable are due within ten days after the issuance of the request for payment. Third-party payer receivables are usually collected within 60 days. Receivables past due more than 120 days are considered delinquent. Management, based on individual evaluation and specific circumstances, writes off delinquent accounts. Some delinquent accounts deemed to be collectible are placed with an attorney for collection. Management uses the allowance method in accordance with generally accepted accounting principles and presents revenue net of written-off delinquent accounts.

D. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

Description	Balance 7-1-13	Additions	Retirements	Balance 6-30-14
Capital assets not depreciated:				
Construction in progress	\$ 270,803	\$ 70,826	\$ (340,429)	\$ 1,200
Capital assets being depreciated:				
Land improvements	\$ 126,130	\$ 0	\$ 0	\$ 126,130
Buildings and improvements	410,019	344,936	0	754,955
Transportation equipment	87,095	0	0	87,095
Furniture, fixtures, and equipment	689,512	32,856	0	722,368
Total	\$ 1,312,756	\$ 377,792	\$ 0	\$ 1,690,548
Accumulated depreciation:				
Land improvements	\$ 2,986	\$ 1,459	\$ 0	\$ 4,445
Buildings and improvements	136,734	31,731	0	168,465
Transportation equipment	62,319	8,877	0	71,196
Furniture, fixtures, and equipment	421,859	59,038	0	480,897
Total	\$ 623,898	\$ 101,105	\$ 0	\$ 725,003
Net capital assets	\$ 959,661	\$ 347,513	\$ (340,429)	\$ 966,745

Depreciation expense for the fiscal year ended June 30, 2014, totaled \$101,105.

E. Resident Funds Held in Trust

At June 30, 2014, the nursing home had a fiduciary responsibility for funds totaling \$30,344 on behalf of residents. Of this amount, \$28,420 was held in a separate interest-bearing cash account, \$100 was held as cash on hand as resident trust petty cash, and \$1,824 was due from the facility's operating cash account as of June 30, 2014.

The nursing home is required to maintain a cash account as a depository for resident funds. The fund is restricted in use and can be accessed only for providing spending money for residents, purchasing supplies for residents with cash in the fund, or paying amounts due to the nursing home for resident care, providing the amount does not include monies stipulated for residents' use only. All funds are required to be placed in an insured interest-bearing account.

F. Lease Commitment

On April 7, 2013, the nursing home renewed a lease agreement with Rutherford County, Tennessee, for the use of the building it occupies. The nursing home, under terms of the lease, will incur no lease expense as long as the nursing home meets its responsibility to pay timely its cost of group

health and life insurance premiums incurred. The lease term is five years, from July 1, 2011, through June 30, 2016, and may be terminated by either party upon a 30-day written notice. During the fiscal year ended June 30, 2014, the nursing home incurred and paid group health and life insurance premiums totaling \$1,119,397.

G. Concentration of Credit Risk

The nursing home grants credits without collateral to its residents, most of whom are insured under third-party payer agreements. The receivables from residents and third-parties are comprised of:

Medicaid	40.55 %
Medicare	33.74
Private	6.55
Insurance	19.16

Approximately 84.33 percent of net resident revenue is derived from third-party payers.

H. Risk Financing

The nursing home 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 nursing home maintains commercial insurance coverage on each area of risk. Exposure is limited to claims in excess of standard policy limitations. The nursing home annually reviews its insurance needs based on claims and/or potential claims to minimize exposure. There were no claims in excess of insurance coverage during the past three years.

I. Pension Plan

Plan Description – Employees of Rutherford County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for Community Care of Rutherford County is included in the total retirement program for Rutherford County as noted in Note V.G. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information regarding the retirement plan can also be found in Note V.G. Contributions to the plan by the nursing home for the year ended June 30, 2014, totaled \$513,236.

J. Postemployment Benefits

From an accrual accounting perspective, the cost of other postemployment healthcare benefits (OPEB), like the cost of pension benefits, generally should be associated with periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of Governmental Accounting Standards Board Statement No. 45 during the year ended June 30, 2009, the nursing home recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the nursing home's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years commencing with the 2009 liability.

Plan Description – The nursing home is included under Rutherford County's postretirement health insurance plan. Rutherford County's plan is an agent multiple-employer defined benefit other postemployment benefits (OPEB) plan. Benefits are established and amended by an insurance committee established by the County Commission.

Funding Policy – The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally by the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees' or retired employees' premiums. An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years.

Employees who become disabled are eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employees must have had active coverage for a continuous five-year period, and must have filed and qualified for Medicare disability coverage. If a retiree is eligible for health insurance coverage, health coverage is also provided for the retiree's spouse and/or dependent children. In the event of the retiree's death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive. Eligible retirees and dependents are required to share in the cost of health insurance coverage. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute 25 percent of the adequate premiums for themselves and 50 percent of the adequate premiums for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of

December 31, 2010, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010-13) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, 50 percent in 2013 and thereafter.

Adopted in May 2010 and effective January 1, 2011, the following changes took effect: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than ten years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65 and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; (3) or employees hired prior to February 12, 2009, with less than seven years of service as of December 31, 2010, no prescription coverage will be provided after age 65, and Rutherford County's contribution will be limited to the lesser of \$500 or the actual cost of coverage.

The following changes apply to anyone hired after February 12, 2009: (1) no prescription drug coverage will be provided after age 65, (2) the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage, and (3) if hired after December 31, 2010, no benefits will be provided after age 65.

Annual OPEB and Net OPEB Obligation – The components of the annual required contribution (ARC) and the net OPEB obligation are as follows for Community Care of Rutherford County, Inc.:

ARC	\$ 199,711
Interest on the NOPEBO	39,340
Adjustment to the ARC	<u>(55,783)</u>
Annual OPEB cost	\$ 183,268
Amount of contribution	<u>(53,641)</u>
Increase/decrease in NOPEBO	\$ 129,627
Net OPEB obligation, 7-1-13	<u>983,499</u>
 Net OPEB obligation, 6-30-14	 <u><u>\$ 1,113,126</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of January 1, 2012, for Community Care of Rutherford County, Inc., are as follows:

Actuarial valuation date	1-1-12
Actuarial accrued liability (AAL)	\$ 2,130,673
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,130,673
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,601,067
UAAL as a % of covered payroll	46%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

Actuarial methods and assumptions – The discount rate as of January 1, 2012, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore the discount rate is based on the expected return on Rutherford County’s general assets.

The trend rate for pre-Medicare health claims is 8.5 percent for 2012 grading down to five percent for 2023 and beyond. The trend rate for post-Medicare health claims is seven percent for 2012 grading down to five percent for 2023 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

The method used to calculate normal cost and actuarial accrued liability is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in medical claims and the effect of medical contributions and Medicare reimbursement. The total present value of projected benefits is the sum of the present values for each decrement age. The actuarial accrued liability is calculated by prorating the present value of projected benefits by service at the valuation date over service projected to the date of decrement. The normal cost is the present value of projected benefits attributable to the valuation year.

K. Health Care Regulations

The health care 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 health care program participation requirements, reimbursement for patient/resident services, and Medicare and Medicaid fraud and abuse.

Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient/resident services previously billed. Management believes that the nursing home is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. 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.

VII. OTHER NOTES – DISCRETELY PRESENTED RUTHERFORD COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

General Information – On May 15, 1984, the Tennessee state legislature approved the Tennessee Emergency Communications District Law (Acts 1984, ch. 867), which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, on May 6, 1986, the voters of Rutherford County approved the establishment of a district for their county, the Rutherford County Emergency Communications District.

As provided by the act, the district operates as a governmental organization through the directives of a board of directors and provides enhanced emergency telephone service for its service area. The directors serve without compensation for terms of four years. By their authority, they have employed a full-time director to assist the board in discharging its management responsibilities.

Financial Reporting Entity - Component Unit – The district is a component unit of the primary government of Rutherford County, Tennessee. The district reports its financial information separately from Rutherford County; however, the county in its financial report also presents the district's financial information.

Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but instead is entirely appointed by the Rutherford County Commission, the district cannot be a primary government. Instead, it qualifies as a component unit according to the directives of the Governmental Accounting Standards Board (GASB).

GASB Statements No. 14 and No. 61 specify that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally

independent, the government has to have the authority to do three activities. Two of these activities do not require approval by another government: to issue bonded debt and to levy taxes or set rates or charges. As provided by Section 7-86-114, *Tennessee Code Annotated*, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Rutherford County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and is financially accountable to the primary government of Rutherford County, as the County Commission appoints all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County.

At June 30, 2014, there were no related receivables or payables between Rutherford County and the district. The district did not engage in any activities that were subject to the approval of Rutherford County.

Basis of Presentation – The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district's assets, liabilities, net position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) are segregated into investment in capital assets and unrestricted components. Included in the accounts payable balance of \$134,991 at June 30, 2014, is an amount payable to a vendor for communications equipment totaling \$133,855.

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

Cash Flow - Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit that have original maturities of three months or less as cash and cash equivalents. At June 30, 2014, there were no certificates of deposit that qualified as cash equivalents.

Budgetary Law and Practice – The director of the district files an annual budget with the mayor of Rutherford County in accordance with *Tennessee Code Annotated*, Title 7, Chapter 86, Part 1. In March of each year, the director presents a preliminary budget to the board of directors, which is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the cash receipts and disbursements basis by line-item accounts. Revenues are budgeted in the year receipt is expected, and disbursements are budgeted in the year that the disbursement is expected to occur. The board has determined to maintain an investment approximating 12 months of the operating budget or \$600,000 in cash and certificates of deposit as a resource for future expenses.

Prepaid Expenses – The costs of prepaid insurance and any other applicable prepaid costs are charged to operations over the period of coverage. For the year ended June 30, 2014, prepaid insurance and service contract costs were \$61,270.

Property and Equipment – Property and equipment are stated at cost. The district defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included as nonoperating revenue or loss.

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Furniture and Fixtures	5 - 10
Office Equipment	3 - 10
Communications Equipment	3 - 10
Vehicles	5
Other Capital Assets	5-10

Compensated Absences – The Board of Directors voted to adopt a policy for vacation, sick leave, and holidays effective January 1, 1995. Full-time,

permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the district. Excess days earned are transferred to sick leave days. Sick leave accrues to full-time, permanent employees at the rate of one day per month of service. An employee is entitled to accrue sick leave days without limitation on the number of days. If an employee should leave prior to the vesting of his retirement benefits, no compensation will be paid for unused sick days. After an employee is eligible to receive vested benefits in the retirement plan, any sick leave that said employee has accrued will be credited to retirement service days. Employees are entitled to overtime or compensatory time. The maximum amount of compensatory time that may be accrued by non-emergency personnel is 250 hours, and the maximum hours for emergency personnel is 450 hours. Hours in excess of the maximum convert to sick leave on January 1. The director cannot acquire overtime pay, but can build and use compensatory time.

An estimated liability for vacation has been accrued under the vesting method. The estimated amount calculated for compensated absences was recorded as a liability at June 30, 2014, and is \$25,758.

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.

Operating Revenues and Expenses – The district’s operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its principal ongoing operations. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

Deferred Inflow – The deferred inflow balance at June 30, 2014, represents grant funds received from the Tennessee Emergency Communications Board during the prior period, which were not earned prior to the end of the fiscal year.

B. Cash and Certificates of Deposit Investments

The district is authorized to make investments in bonds, notes, or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law.

During the year ended June 30, 2014, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2014, the carrying amount of cash deposits was \$1,833,904, and the bank balance was \$1,838,597, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2014, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate	Carrying Amount	Bank Balance
SunTrust Bank checking	.05%	\$ 1,120,092	\$ 1,124,785
SunTrust Bank cash investment	.05	713,812	713,812
Total		\$ 1,833,904	\$ 1,838,597

Certificates of Deposit – At June 30, 2014, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-16	0.60 %	\$ 250,000
First Bank	10-3-14	1.00	250,000
Pinnacle National Bank	1-13-17	1.30	250,000
SunTrust Bank	12-16-16	1.29	250,000
First Nat'l Bank of McMinnville	12-12-16	2.25	250,000
U.S. Bank	6-20-16	0.75	250,000
F&M Bank	10-24-14	0.55	250,010
Bank of America	8-21-14	0.25	100,002
First Nat'l Bank of Manchester	4-18-15	1.55	250,000
Regions Bank	12-21-16	1.09	250,000
Wilson Bank & Trust	10-19-16	0.95	250,000
Southern Community Bank	7-20-15	0.85	250,000
Total			\$ 2,850,012

The certificates of deposit are insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool and are shown at fair

value. The district manages its exposure to decreasing interest rates by staggering the maturity dates of the certificates of deposit.

C. Accounts Receivable

The district receives its revenue from telephone subscribers residing within Rutherford County. As provided in the act, telephone companies collect the fees from the subscribers and remit the funds on a not longer than bi-monthly basis to the district. The policy of the telephone companies has been to remit funds based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts.

The following is the detail of receivables from the telephone companies at June 30, 2014:

AT&T	\$ 20,873
TDS Telcom of Tennessee	4,001
NUVOX Communications	3,906
Others	<u>8,400</u>
Total	<u><u>\$ 37,180</u></u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-13	Additions	Reductions	Balance 6-30-14
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,200,456	\$ 0	\$ 0	\$ 1,200,456
Furniture and Fixtures	45,975	0	(218)	45,757
Office Equipment	39,478	0	(9,401)	30,077
Communications Equipment	761,271	453,985	(18,488)	1,196,768
Vehicle	63,112	0	0	63,112
Other Capital Assets	332,426	84,521	0	416,947
Total	<u>\$ 2,442,718</u>	<u>\$ 538,506</u>	<u>\$ (28,107)</u>	<u>\$ 2,953,117</u>

Less: Accumulated Depreciation

Buildings and Improvements	\$ (339,973)	\$ (30,011)	\$ 0	\$ (369,984)
Furniture and Fixtures	(45,642)	(200)	218	(45,624)
Office Equipment	(37,160)	(1,348)	9,401	(29,107)
Communications Equipment	(702,639)	(26,064)	18,272	(710,431)
Vehicle	(62,526)	(235)	0	(62,761)
Other Capital Assets	(201,356)	(36,485)	0	(237,841)
Total	<u>\$ (1,389,296)</u>	<u>\$ (94,343)</u>	<u>\$ 27,891</u>	<u>\$ (1,455,748)</u>

	Balance 7-1-13	Additions	Reductions	Balance 6-30-14
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Construction in Progress	383,292	0	(383,292)	0
Total	<u>\$ 400,792</u>	<u>\$ 0</u>	<u>\$ (383,292)</u>	<u>\$ 17,500</u>
Total Capital Assets	<u>\$ 1,454,214</u>	<u>\$ 444,163</u>	<u>\$ (383,508)</u>	<u>\$ 1,514,869</u>

E. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2014, consisted of an addition of the postemployment benefits obligation ranging from \$8,837 to \$54,210.

F. Retirement Plan

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

Members joining the system after July 1, 1979, became vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Rutherford County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 15th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy – The Rutherford County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The Rutherford County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 10.09 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Rutherford County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost – For the year ended June 30, 2014, the Rutherford County Emergency Communications District’s annual pension cost of \$23,737 to TCRS was equal to the Rutherford County Emergency Communications District’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. Rutherford County Emergency Communications District’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was ten years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$ 23,737	100 %	\$ 0
6-30-13	23,019	100	0
6-30-12	22,980	100	0

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, the plan was 85.23 percent funded. The actuarial accrued liability for benefits was \$.59 million, and the actuarial value of assets was \$.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.09 million. The covered payroll (annual payroll of active

employees covered by the plan) was \$.23 million, and the ratio of the UAAL to the covered payroll was 37.98 percent.

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

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

(Dollar amounts in thousands)

Actuarial valuation date	7-1-13	7-1-11	7-1-09
Actuarial value of plan assets (a)	\$ 500	\$ 415	\$ 301
Actuarial Accrued Liability (AAL) - Entry Age (b)	\$ 587	\$ 488	\$ 311
Unfunded AAL (UAAL) (b)-(a)	\$ 87	\$ 73	\$ 9
Funded Ratio (a/b)	85%	85%	97%
Covered payroll (c)	\$ 228	\$ 214	\$ 201
UAAL as a % of covered payroll ((b-a)/c)	38%	34%	5%

G. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district purchases commercial insurance for claims and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

H. Postemployment Benefits

From an accrual accounting perspective, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The district recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the district's future cash flows. Recognition of the liability accumulated from prior years will be phased in as a level dollar amount on an open basis over 30 years commencing with the 2009 liability.

Plan Description – In addition to pension benefits described in Note VII.F., the district is included under Rutherford County’s postretirement health insurance plan. Rutherford County’s plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the Rutherford County Commission.

Funding Policy – The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Rutherford County develops its own contribution policy in terms of subsidizing active employees or retired employees’ premiums.

An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years.

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the health coverage is also provided for the retiree’s spouse and/or dependent children. In the event of the retiree’s death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive.

Eligible retirees and dependents are required to share in the cost of health insurance coverage. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of service as of December 31, 2009, will be required to contribute 25 percent of the adequate premium for themselves and 50 percent of the adequate premium for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010-2013) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, 50 percent in 2013, and thereafter.

Adopted in May 2010 and effective January 1, 2011, the follow changes took effect: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than ten years of service as of

December 31, 2010, no prescription drug coverage will be provided after age 65, and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; and (3) employees hired prior to February 12, 2009, with less than seven years of service as of December 31, 2010, no prescription drug coverage will be provided after age 65, and the county's contribution will be limited to the lesser of \$500 or the actual cost of coverage.

The following changes apply to employees hired after February 12, 2009: (1) no prescription drug coverage will be provided after age 65, (2) the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage, and (3) if hired after December 31, 2010, no benefits will be provided after age 65.

The components of the annual OPEB cost and the net OPEB obligation are as follows for the district:

ARC	\$	9,596
Interest on the NOPEBO		1,815
Adjustment to the ARC		(2,574)
Annual OPEB cost	\$	<u>8,837</u>
Amount of contribution		<u>0</u>
Increase/decrease in NOPEBO	\$	8,837
Net OPEB obligation, 7-1-13		<u>45,373</u>
Net OPEB obligation, 6-30-14	\$	<u><u>54,210</u></u>

The funding status and funding progress is as follows for the district:

Actuarial valuation date		1-1-12
Actuarial accrued liability (AAL)	\$	73,184
Actuarial value of plan assets	\$	0
Unfunded actuarial accrued liability (UAAL)	\$	73,184
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	\$	225,476
UAAL as a % of covered payroll		32.46%

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

Actuarial Methods and Assumptions – The discount rate as of January 1, 2012, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore, the discount rate is based on the expected return on the county’s general assets.

The trend rate for pre-Medicare health claims is 8.5 percent for 2012 grading down to five percent for 2023 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

The method used to calculate normal cost and actuarial accrued liability is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in medical claims and the effect of medical contributions and Medicare reimbursement. The total present value of projected benefits is the sum of the present values for each decrement age. The actuarial accrued liability is calculated by prorating the present value of projected benefits by service at the valuation date over service projected to the date of decrement. The normal cost is the present value of projected benefits attributable to the valuation year.

I. Transactions with Primary Government

Amounts paid to Rutherford County included amounts paid for mapping services and maintenance agreements of \$50,000 and \$15,000, respectively. The district reimbursement for equipment totaled \$1,348,235 during the year of which \$1,220,235 was to Rutherford County for the purchase of a radio system. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$306,797 for salaries and benefits paid on the district’s behalf.

J. Subsequent Events

The district entered negotiations with a vendor for remittance of telephone fees earned prior to June 30, 2014. A settlement was agreed upon and approved by the board of directors on September 19, 2014. Accounts receivable totaling \$170,000 was recorded as a special item in the financial statements for the year ended June 30, 2014.

Beginning January 1, 2015, all telephone surcharge revenue will be remitted to the district by the Tennessee Emergency Communications Board according to the 911 Funding Modernization and IP Transition Act of 2014. Management does not expect the remittance change to impact the district’s revenue materially.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Rutherford County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government, Discretely Presented Rutherford County School Department, and
Discretely Presented Community Care of Rutherford County
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government, Discretely Presented	7-1-13	\$ 188,729	\$ 191,644	\$ 2,915	98.48 %	\$ 74,527	3.91 %
Rutherford County School Department, and	7-1-11	158,378	164,051	5,673	96.54	71,492	7.93
Discretely Presented Community Care of Rutherford County, Inc.	7-1-09	119,466	124,460	4,994	95.99	67,997	7.34

Exhibit F-2

Rutherford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Rutherford County School Department,
June 30, 2014

(Dollar amounts in thousands)

Plans	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	6-30-12	1-1-10	\$ 0	\$ 22,803	\$ 22,803	0 %	\$ 41,675	55 %
"	6-30-13	1-1-12	0	25,719	25,719	0	42,860	60
"	6-30-14	1-1-12	0	25,719	25,719	0	44,853	57
Rutherford County School Department	6-30-12	1-1-10	0	111,161	111,161	0	169,496	66
"	6-30-13	1-1-12	0	124,060	124,060	0	170,055	73
"	6-30-14	1-1-12	0	124,060	124,060	0	177,795	70

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

**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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Rutherford County’s demolition landfill operations, convenience center operations, and postclosure care costs of the county’s closed landfill.

Ambulance Service Fund – The Ambulance Service Fund is used to account for ambulance service-related operations.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for the operations of the Smyrna Airport properties.

Special Purpose Fund – The Special Purpose Fund is used to account for revenues received from federal drug-related forfeitures and seizures.

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

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

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for 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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Rutherford County that is subsequently contributed to the discretely presented Rutherford County School Department for construction and renovation projects.

Exhibit G-1

Rutherford County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue Funds						Constituti- onal Officers - Fees
	Solid Waste/ Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control		
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 907,558
Equity in Pooled Cash and Investments	4,694,098	3,844,633	479,615	52,633	834,585	0	0
Accounts Receivable	88,261	10,452,493	0	0	0	0	20,095
Allowance for Uncollectibles	0	(8,389,177)	0	0	0	0	0
Due from Other Governments	349,834	3,963	0	3	57	0	0
Due from Other Funds	0	11,190	0	0	0	0	0
Due from Component Units	0	0	0	0	0	0	0
Property Taxes Receivable	0	3,690,288	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	(200,749)	0	0	0	0	0
Notes Receivable - Long-term	0	0	2,908,777	0	0	0	0
Total Assets	\$ 5,132,593	\$ 9,412,641	\$ 3,388,392	\$ 52,636	\$ 834,642	\$ 927,653	
Accounts Payable	\$ 33,481	\$ 143,034	\$ 0	\$ 0	\$ 8,748	\$ 0	0
Accrued Payroll	45,474	395,529	0	0	0	0	0
Payroll Deductions Payable	0	5	0	0	0	0	0
Due to Other Funds	146	3,314	0	0	0	0	587,965
Total Liabilities	\$ 79,101	\$ 541,882	\$ 0	\$ 0	\$ 8,748	\$ 587,965	
Deferred Current Property Taxes	\$ 0	\$ 3,440,272	\$ 0	\$ 0	\$ 0	\$ 0	0

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 0	\$ 3,440,272	\$ 0	\$ 0	\$ 0	\$ 0	0
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(Continued)

Exhibit G-1

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

	Special Revenue Funds						Constituti - onal Officers - Fees
	Solid Waste/ Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control		
Deferred Delinquent Property Taxes	0 \$	40,468 \$	0 \$	0 \$	0 \$	0 \$	0
Other Deferred/Unavailable Revenue	136,862	1,506,602	0	0	0	0	0
Total Deferred Inflows of Resources	\$ 136,862 \$	4,987,342 \$	0 \$	0 \$	0 \$	0 \$	0
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	0 \$	0 \$	0 \$	52,636 \$	825,894 \$		0
Restricted for Debt Service	0	0	2,908,777	0	0		0
Restricted for Capital Projects	0	0	0	0	0		0
Committed:							
Committed for Highways/Public Works	0	0	0	0	0		0
Assigned:							
Assigned for Finance	0	0	0	0	0		110,000
Assigned for Administration of Justice	0	0	0	0	0		229,688
Assigned for Public Health and Welfare	4,916,630	3,883,417	0	0	0		0
Assigned for Other Operations	0	0	479,615	0	0		0
Assigned for Highways/Public Works	0	0	0	0	0		0
Total Fund Balances	\$ 4,916,630 \$	3,883,417 \$	3,388,392 \$	52,636 \$	825,894 \$		339,688
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,132,593 \$	9,412,641 \$	3,388,392 \$	52,636 \$	834,642 \$		927,653

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Fund		Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General	Capital Projects	
Cash	0	907,958	0	0	907,958
Equity in Pooled Cash and Investments	8,732,536	18,638,100	8,225,572	0	26,863,672
Accounts Receivable	13,585	10,574,434	0	0	10,574,434
Allowance for Uncollectibles	0	(8,389,177)	0	0	(8,389,177)
Due from Other Governments	523,161	877,018	1	0	877,019
Due from Other Funds	0	11,190	0	0	11,190
Due from Component Units	660	660	0	0	660
Property Taxes Receivable	828,829	4,519,117	0	0	4,519,117
Allowance for Uncollectible Property Taxes	(45,086)	(245,835)	0	0	(245,835)
Notes Receivable - Long-term	0	2,908,777	0	0	2,908,777
Total Assets	\$ 10,053,685	\$ 29,802,242	\$ 8,225,573	\$ 0	\$ 38,027,815

LIABILITIES

Accounts Payable	3,600	188,863	1,200,000	0	1,388,863
Accrued Payroll	0	441,003	0	0	441,003
Payroll Deductions Payable	0	5	0	0	5
Due to Other Funds	247	591,672	0	0	591,672
Total Liabilities	\$ 3,847	\$ 1,221,543	\$ 1,200,000	\$ 0	\$ 2,421,543

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	772,682	4,212,954	0	0	4,212,954
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(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Highway/ Public Works	Total		General	Capital Projects	
\$	9,086	\$ 49,554	\$ 0	\$ 0	\$ 0	49,554
	45,621	1,689,085		0		1,689,085
\$	827,389	\$ 5,951,593	\$ 0	\$ 0	\$ 0	5,951,593
\$	0	878,530	\$ 0	\$ 0	\$ 0	878,530
	0	2,908,777		0		2,908,777
	0	0		7,025,573		7,025,573
	1,831,377	1,831,377		0		1,831,377
	0	110,000		0		110,000
	0	229,688		0		229,688
	0	8,800,047		0		8,800,047
	0	479,615		0		479,615
	7,391,072	7,391,072		0		7,391,072
\$	9,222,449	\$ 22,629,106	\$ 7,025,573	\$ 0	\$ 29,654,679	
\$	10,053,685	\$ 29,802,242	\$ 8,225,573	\$ 0	\$ 38,027,815	

DEFERRED INFLOWS OF RESOURCES (Cont.)

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

FUND BALANCES

Restricted:
 Restricted for Public Safety
 Restricted for Debt Service
 Restricted for Capital Projects
 Committed:
 Committed for Highways/Public Works
 Assigned:
 Assigned for Finance
 Assigned for Administration of Justice
 Assigned for Public Health and Welfare
 Assigned for Other Operations
 Assigned for Highways/Public Works
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit G-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds						Constituti- onal Officers - Fees
	Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control		
<u>Revenues</u>							
Local Taxes	\$ 1,456,977	\$ 3,728,597	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	0	0	571,237	0	0
Charges for Current Services	1,315,997	6,667,296	0	0	0	0	3,167,851
Other Local Revenues	420,928	13,630	83,392	45	104,886	0	0
State of Tennessee	366,153	0	0	0	0	0	0
Federal Government	0	0	0	140,251	0	0	0
Other Governments and Citizens Groups	0	55,000	0	0	0	0	0
Total Revenues	\$ 3,560,055	\$ 10,464,523	\$ 83,392	\$ 140,296	\$ 676,123	\$ 3,167,851	
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	518,735
Administration of Justice	0	0	0	0	0	0	2,491,029
Public Safety	0	0	0	122,284	616,512	0	0
Public Health and Welfare	3,222,861	12,005,440	0	0	0	0	0
Other Operations	79,140	0	243,664	0	0	0	0
Highways	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 3,302,001	\$ 12,005,440	\$ 243,664	\$ 122,284	\$ 616,512	\$ 3,009,764	
Excess (Deficiency) of Revenues Over Expenditures	\$ 258,054	\$ (1,540,917)	\$ (160,272)	\$ 18,012	\$ 59,611	\$ 158,087	

(Continued)

Exhibit G-2

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

	Special Revenue Funds						Constituti- onal Officers - Fees
	Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control		
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0 \$	0 \$	2,500,000 \$	0 \$	0 \$	0 \$	0
Premiums on Debt Issued	0	0	0	0	0	0	0
Insurance Recovery	0	0	0	0	3,427	0	0
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	(250,000)	0	0	(100,000)	0	0
Total Other Financing Sources (Uses)	\$ 0 \$	(250,000) \$	2,500,000 \$	0 \$	(96,573) \$	0	0
Net Change in Fund Balances	\$ 258,054 \$	(1,790,917) \$	2,339,728 \$	18,012 \$	(36,962) \$	158,087	
Fund Balance, July 1, 2013	4,658,576	5,674,334	1,048,664	34,624	862,856	181,601	
Fund Balance, June 30, 2014	\$ 4,916,630 \$	3,883,417 \$	3,388,392 \$	52,636 \$	825,894 \$	339,688	

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 4,720,729	\$ 9,906,303	\$ 0	\$ 0	\$ 0	\$ 9,906,303
Fines, Forfeitures, and Penalties	0	571,237	0	0	0	571,237
Charges for Current Services	0	11,151,144	0	0	0	11,151,144
Other Local Revenues	70,242	693,123	31	0	31	693,154
State of Tennessee	3,797,688	4,163,841	0	0	0	4,163,841
Federal Government	0	140,251	277,600	0	277,600	417,851
Other Governments and Citizens Groups	0	55,000	1,220,235	0	1,220,235	1,275,235
Total Revenues	\$ 8,588,659	\$ 26,680,899	\$ 1,497,866	\$ 0	\$ 1,497,866	\$ 28,178,765
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 518,735	\$ 0	\$ 0	\$ 0	\$ 518,735
Administration of Justice	0	2,491,029	0	0	0	2,491,029
Public Safety	0	738,796	0	0	0	738,796
Public Health and Welfare	0	15,228,301	0	0	0	15,228,301
Other Operations	0	322,804	0	0	0	322,804
Highways	7,690,033	7,690,033	0	0	0	7,690,033
Capital Projects	0	0	4,425,648	17,755,499	22,181,147	22,181,147
Total Expenditures	\$ 7,690,033	\$ 26,989,698	\$ 4,425,648	\$ 17,755,499	\$ 22,181,147	\$ 49,170,845
Excess (Deficiency) of Revenues Over Expenditures	\$ 898,626	\$ (308,799)	\$ (2,927,782)	\$ (17,755,499)	\$ (20,683,281)	\$ (20,992,080)

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 2,500,000	\$ 6,319,837	\$ 15,147,845	\$ 21,467,682	\$ 23,967,682
Premiums on Debt Issued	0	0	0	2,607,654	2,607,654	2,607,654
Insurance Recovery	2,996	6,423	19,762	0	19,762	26,185
Transfers In	0	0	465,600	0	465,600	465,600
Transfers Out	0	(350,000)	(709)	0	(709)	(350,709)
Total Other Financing Sources (Uses)	\$ 2,996	\$ 2,156,423	\$ 6,804,490	\$ 17,755,499	\$ 24,559,989	\$ 26,716,412
Net Change in Fund Balances	\$ 901,622	\$ 1,847,624	\$ 3,876,708	\$ 0	\$ 3,876,708	\$ 5,724,332
Fund Balance, July 1, 2013	8,320,827	20,781,482	3,148,865	0	3,148,865	23,930,347
Fund Balance, June 30, 2014	\$ 9,222,449	\$ 22,629,106	\$ 7,025,573	\$ 0	\$ 7,025,573	\$ 29,654,679

Exhibit G-3

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,456,977	\$ 0	\$ 0	\$ 1,456,977	\$ 1,200,000	\$ 1,438,000	\$ 18,977
Charges for Current Services	1,315,997	0	0	1,315,997	1,350,000	1,315,000	997
Other Local Revenues	420,928	0	0	420,928	320,000	395,527	25,401
State of Tennessee	366,153	0	0	366,153	362,100	372,074	(5,921)
Total Revenues	\$ 3,560,055	\$ 0	\$ 0	\$ 3,560,055	\$ 3,232,100	\$ 3,520,601	\$ 39,454
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 135,349	\$ (682)	\$ 0	\$ 134,667	\$ 147,998	\$ 147,998	\$ 13,331
Convenience Centers	2,125,683	(6,820)	5,479	2,124,342	2,663,256	2,663,256	538,914
Other Waste Collection	94,401	(234)	768	94,935	134,825	134,825	39,890
Landfill Operation and Maintenance	597,062	(15,941)	1,503	582,624	841,721	841,721	259,097
Postclosure Care Costs	270,366	0	0	270,366	340,000	340,000	69,634
Other Operations							
Employee Benefits	27,190	0	0	27,190	29,065	29,065	1,875
Miscellaneous	51,950	0	0	51,950	51,400	52,950	1,000
Total Expenditures	\$ 3,302,001	\$ (23,677)	\$ 7,750	\$ 3,286,074	\$ 4,208,265	\$ 4,209,815	\$ 923,741
Excess (Deficiency) of Revenues Over Expenditures	\$ 258,054	\$ 23,677	\$ (7,750)	\$ 273,981	\$ (976,165)	\$ (689,214)	\$ 963,195
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 258,054	\$ 23,677	\$ (7,750)	\$ 273,981	\$ (976,165)	\$ (689,214)	\$ 963,195
	4,658,576	(23,677)	0	4,634,899	4,634,899	4,634,899	0
Fund Balance, June 30, 2014	\$ 4,916,630	\$ 0	\$ (7,750)	\$ 4,908,880	\$ 3,658,734	\$ 3,945,685	\$ 963,195

Exhibit G-4

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,728,597	\$ 0	\$ 0	\$ 3,728,597	\$ 3,683,685	\$ 3,698,918	\$ 29,679
Charges for Current Services	6,667,296	0	0	6,667,296	6,609,600	6,425,600	241,696
Other Local Revenues	13,630	0	0	13,630	1,500	13,500	130
Other Governments and Citizens Groups	55,000	0	0	55,000	0	63,000	(8,000)
Total Revenues	\$ 10,464,523	\$ 0	\$ 0	\$ 10,464,523	\$ 10,294,785	\$ 10,201,018	\$ 263,505
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 12,005,440	\$ (31,565)	\$ 83,284	\$ 12,057,159	\$ 12,640,859	\$ 12,564,327	\$ 507,168
Total Expenditures	\$ 12,005,440	\$ (31,565)	\$ 83,284	\$ 12,057,159	\$ 12,640,859	\$ 12,564,327	\$ 507,168
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,540,917)	\$ 31,565	\$ (83,284)	\$ (1,592,636)	\$ (2,346,074)	\$ (2,363,309)	\$ 770,673
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (250,000)	\$ 0	\$ 0	\$ (250,000)	\$ 0	\$ (250,000)	\$ 0
Total Other Financing Sources	\$ (250,000)	\$ 0	\$ 0	\$ (250,000)	\$ 0	\$ (250,000)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (1,790,917)	\$ 31,565	\$ (83,284)	\$ (1,842,636)	\$ (2,346,074)	\$ (2,613,309)	\$ 770,673
	5,674,334	(31,565)	0	5,642,769	5,634,531	5,634,531	8,238
Fund Balance, June 30, 2014	\$ 3,883,417	\$ 0	\$ (83,284)	\$ 3,800,133	\$ 3,288,457	\$ 3,021,222	\$ 778,911

Exhibit G-5

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 83,392	\$ 21,337	\$ 83,392	\$ 0
Total Revenues	\$ 83,392	\$ 21,337	\$ 83,392	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 226,634	\$ 226,715	\$ 226,715	\$ 81
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 243,664	\$ 243,745	\$ 243,745	\$ 81
Excess (Deficiency) of Revenues Over Expenditures	\$ (160,272)	\$ (222,408)	\$ (160,353)	\$ 81
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 2,500,000	\$ 0	\$ 2,500,000	\$ 0
Total Other Financing Sources	\$ 2,500,000	\$ 0	\$ 2,500,000	\$ 0
Net Change in Fund Balance	\$ 2,339,728	\$ (222,408)	\$ 2,339,647	\$ 81
Fund Balance, July 1, 2013	1,048,664	666,829	666,829	381,835
Fund Balance, June 30, 2014	\$ 3,388,392	\$ 444,421	\$ 3,006,476	\$ 381,916

Exhibit G-6

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2013	Encumbrances			Original	Final	
<u>Revenues</u>								
Other Local Revenues	\$ 45	\$ 0	\$ 0	\$ 45	\$ 0	\$ 0	\$ 45	
Federal Government	140,251	0	0	140,251	0	113,995	26,256	
Total Revenues	\$ 140,296	\$ 0	\$ 0	\$ 140,296	\$ 0	\$ 113,995	\$ 26,301	
<u>Expenditures</u>								
Public Safety								
Sheriff's Department	\$ 122,284	(2,202)	\$ 747	\$ 120,829	\$ 29,989	\$ 143,984	\$ 23,155	
Total Expenditures	\$ 122,284	(2,202)	\$ 747	\$ 120,829	\$ 29,989	\$ 143,984	\$ 23,155	
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,012	\$ 2,202	\$ (747)	\$ 19,467	\$ (29,989)	\$ (29,989)	\$ 49,456	
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 18,012	\$ 2,202	\$ (747)	\$ 19,467	\$ (29,989)	\$ (29,989)	\$ 49,456	
	34,624	(2,202)	0	32,422	32,422	32,422	0	
Fund Balance, June 30, 2014	\$ 52,636	\$ 0	\$ (747)	\$ 51,889	\$ 2,433	\$ 2,433	\$ 49,456	

Exhibit G-7

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 571,237 \$	0 \$	0 \$	571,237 \$	460,000 \$	554,500 \$	16,737
Other Local Revenues	104,886	0	0	104,886	500	104,895	(9)
Total Revenues	\$ 676,123 \$	0 \$	0 \$	676,123 \$	460,500 \$	659,395 \$	16,728
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 616,512 \$	(13,305) \$	3,330 \$	606,537 \$	304,610 \$	642,450 \$	35,913
Total Expenditures	\$ 616,512 \$	(13,305) \$	3,330 \$	606,537 \$	304,610 \$	642,450 \$	35,913
Excess (Deficiency) of Revenues Over Expenditures	\$ 59,611 \$	13,305 \$	(3,330) \$	69,586 \$	155,890 \$	16,945 \$	52,641
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,427 \$	0 \$	0 \$	3,427 \$	0 \$	3,427 \$	0
Transfers Out	(100,000)	0	0	(100,000)	(60,000)	(100,000)	0
Total Other Financing Sources	\$ (96,573) \$	0 \$	0 \$	(96,573) \$	(60,000) \$	(96,573) \$	0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (36,962) \$	13,305 \$	(3,330) \$	(26,987) \$	95,890 \$	(79,628) \$	52,641
	862,856	(13,305)	0	849,551	849,550	849,550	1
Fund Balance, June 30, 2014	\$ 825,894 \$	0 \$	(3,330) \$	822,564 \$	945,440 \$	769,922 \$	52,642

Exhibit G-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,720,729	\$ 4,446,233	\$ 4,663,993	\$ 56,736
Other Local Revenues	70,242	48,000	42,500	27,742
State of Tennessee	3,797,688	3,682,000	3,755,819	41,869
Total Revenues	\$ 8,588,659	\$ 8,176,233	\$ 8,462,312	\$ 126,347
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 666,981	\$ 692,394	\$ 711,794	\$ 44,813
Highway and Bridge Maintenance	5,115,964	5,779,550	5,769,550	653,586
Operation and Maintenance of Equipment	1,051,303	1,165,530	1,165,530	114,227
Other Charges	380,077	571,075	571,075	190,998
Employee Benefits	181,282	211,880	211,880	30,598
Capital Outlay	294,426	724,860	724,860	430,434
Total Expenditures	\$ 7,690,033	\$ 9,145,289	\$ 9,154,689	\$ 1,464,656
Excess (Deficiency) of Revenues Over Expenditures	\$ 898,626	\$ (969,056)	\$ (692,377)	\$ 1,591,003
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,996	\$ 0	\$ 3,000	\$ (4)
Total Other Financing Sources	\$ 2,996	\$ 0	\$ 3,000	\$ (4)
Net Change in Fund Balance	\$ 901,622	\$ (969,056)	\$ (689,377)	\$ 1,590,999
Fund Balance, July 1, 2013	8,320,827	6,680,447	6,680,447	1,640,380
Fund Balance, June 30, 2014	\$ 9,222,449	\$ 5,711,391	\$ 5,991,070	\$ 3,231,379

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

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,661,831	\$ 39,251,059	\$ 40,389,358	\$ 272,473
Other Local Revenues	172,902	227,986	175,186	(2,284)
Other Governments and Citizens Groups	550,157	0	550,157	0
Total Revenues	\$ 41,384,890	\$ 39,479,045	\$ 41,114,701	\$ 270,189
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 771,710	\$ 1,021,510	\$ 1,023,810	\$ 252,100
<u>Principal on Debt</u>				
General Government	7,270,618	4,480,618	7,270,618	0
Education	37,159,074	20,864,383	37,159,074	0
<u>Interest on Debt</u>				
General Government	2,034,122	2,037,503	2,037,503	3,381
Education	12,085,111	12,778,803	12,844,268	759,157
<u>Other Debt Service</u>				
General Government	125,431	0	125,684	253
Education	191,134	0	191,334	200
Total Expenditures	\$ 59,637,200	\$ 41,182,817	\$ 60,652,291	\$ 1,015,091
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,252,310)	\$ (1,703,772)	\$ (19,537,590)	\$ 1,285,280
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 302,318	\$ 9,300,000	\$ 302,318	\$ 0
Refunding Debt Issued	18,600,000	0	18,600,000	0
Payments to Refunded Debt Escrow Agent	0	(9,300,000)	0	0
Total Other Financing Sources	\$ 18,902,318	\$ 0	\$ 18,902,318	\$ 0
Net Change in Fund Balance	\$ 650,008	\$ (1,703,772)	\$ (635,272)	\$ 1,285,280
Fund Balance, July 1, 2013	35,149,354	33,328,569	33,328,569	1,820,785
Fund Balance, June 30, 2014	\$ 35,799,362	\$ 31,624,797	\$ 32,693,297	\$ 3,106,065

Proprietary Funds

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

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

Employee Insurance - Health Fund – The Employee Insurance - Health Fund is used to account for the county’s self-insured health program.

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

Exhibit I-1

Rutherford County, Tennessee
 Combining Statement of Net Position
 Proprietary Funds
 June 30, 2014

	Internal Service Funds				Total Proprietary Funds
	Self- Insurance	Employee Insurance - Health	Workers' Compensation		
	\$ 123,293	\$ 1,446,000	\$ 69,726	\$	1,639,019
	2,138,675	32,740,162	2,035,596		36,914,433
	0	151,730	0		151,730
	0	10,900	0		10,900
	\$ 2,261,968	\$ 34,348,792	\$ 2,105,322	\$	38,716,082
<u>ASSETS</u>					
Current Assets:					
Cash					
Equity in Pooled Cash and Investments					
Accounts Receivable					
Due from Other Governments					
Total Assets					
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts Payable					
Claims and Judgments Payable					
Total Liabilities					
<u>NET POSITION</u>					
Unrestricted	\$ 377,480	\$ 24,151,129	\$ 808,022	\$	25,336,631
Total Net Position	\$ 377,480	\$ 24,151,129	\$ 808,022	\$	25,336,631

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,603,416	\$ 53,331,016	\$ 2,255,966	\$ 57,190,398
Other Employee Benefit Charges/Contributions	0	1,386,369	0	1,386,369
Service Charges	0	825,037	0	825,037
Other Local Revenues:				
Retirees' Insurance Payments	0	4,131,805	0	4,131,805
Cobra Insurance Payments	0	111,370	0	111,370
State of Tennessee:				
On-Behalf Contributions for OPEB	0	126,889	0	126,889
Federal Government:				
On-Behalf Contributions for OPEB	0	93,315	0	93,315
Total Operating Revenues	<u>\$ 1,603,416</u>	<u>\$ 60,005,801</u>	<u>\$ 2,255,966</u>	<u>\$ 63,865,183</u>
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 57,240	\$ 2,489,968	\$ 31,700	\$ 2,578,908
Disability Insurance	0	0	419,425	419,425
Bank Charges	0	1,200	0	1,200
Consultants	0	68,536	0	68,536
Contracts with Private Agencies	0	2,521,660	0	2,521,660
Other Contracted Services	0	0	5,500	5,500
Medical Claims	0	52,314,365	0	52,314,365
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Liability Claims	1,618,663	0	0	1,618,663
Fines, Assessments, and Penalties	0	818,748	0	818,748
Other Self-Insured Claims	0	0	2,045,738	2,045,738
Postal Charges	0	902	0	902
Other Charges	0	26,192	0	26,192
Total Operating Expenses	<u>\$ 1,675,903</u>	<u>\$ 58,241,571</u>	<u>\$ 2,509,863</u>	<u>\$ 62,427,337</u>
Operating Income (Loss)	<u>\$ (72,487)</u>	<u>\$ 1,764,230</u>	<u>\$ (253,897)</u>	<u>\$ 1,437,846</u>
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 43,293	\$ 7,263	\$ 2,400	\$ 52,956
Total Nonoperating Revenues (Expenses)	<u>\$ 43,293</u>	<u>\$ 7,263</u>	<u>\$ 2,400</u>	<u>\$ 52,956</u>
Income (Loss) Before Transfers	\$ (29,194)	\$ 1,771,493	\$ (251,497)	\$ 1,490,802
Transfers Out	0	(386,043)	(180,002)	(566,045)
Change in Net Position	\$ (29,194)	\$ 1,385,450	\$ (431,499)	\$ 924,757
Net Position, July 1, 2013	406,674	22,765,679	1,239,521	24,411,874
Net Position, June 30, 2014	<u>\$ 377,480</u>	<u>\$ 24,151,129</u>	<u>\$ 808,022</u>	<u>\$ 25,336,631</u>

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,785,045	\$ 60,030,048	\$ 2,255,966	\$ 64,071,059
Payments to Suppliers	(60,990)	(4,294,646)	(464,125)	(4,819,761)
Claims Paid	(1,145,509)	(51,771,298)	(1,566,974)	(54,483,781)
Insurance Recovery	43,293	7,263	2,400	52,956
Payments of Taxes, Duties, Fines, Fees, and Penalties	0	(818,748)	0	(818,748)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 621,839</u>	<u>\$ 3,152,619</u>	<u>\$ 227,267</u>	<u>\$ 4,001,725</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (386,043)	\$ (180,002)	\$ (566,045)
Advances to Other Funds	0	125,000	0	125,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 0</u>	<u>\$ (261,043)</u>	<u>\$ (180,002)</u>	<u>\$ (441,045)</u>
Net Increase (Decrease) in Cash	<u>\$ 621,839</u>	<u>\$ 2,891,576</u>	<u>\$ 47,265</u>	<u>\$ 3,560,680</u>
Cash, July 1, 2013	1,640,129	31,294,586	2,058,057	34,992,772
Cash, June 30, 2014	<u>\$ 2,261,968</u>	<u>\$ 34,186,162</u>	<u>\$ 2,105,322</u>	<u>\$ 38,553,452</u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (72,487)	\$ 1,764,230	\$ (253,897)	\$ 1,437,846
Insurance Recovery	43,293	7,263	2,400	52,956
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	181,629	14,322	0	195,951
(Increase) Decrease in Due from Other Governments	0	9,925	0	9,925
Increase (Decrease) in Accounts Payable	(3,750)	818,748	0	814,998
Increase (Decrease) in Due to Other Funds	473,154	(4,936)	(4,936)	463,282
Increase (Decrease) in Claims and Judgments Payable	0	543,067	483,700	1,026,767
Net Cash Provided By (Used In) Operating Activities	<u>\$ 621,839</u>	<u>\$ 3,152,619</u>	<u>\$ 227,267</u>	<u>\$ 4,001,725</u>
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 123,293	\$ 1,446,000	\$ 69,726	\$ 1,639,019
Equity in Pooled Cash and Investments Per Net Position	2,138,675	32,740,162	2,035,596	36,914,433
Cash, June 30, 2014	<u>\$ 2,261,968</u>	<u>\$ 34,186,162</u>	<u>\$ 2,105,322</u>	<u>\$ 38,553,452</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.

City School ADA - Murfreesboro Fund – The City School ADA - Murfreesboro Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

Joint Venture Fund – The Joint Venture Fund is used to account for transactions of the Central Tennessee Solid Waste Planning Board for Rutherford, Cannon, Warren, and Coffee counties.

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, general sessions, and juvenile 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.

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

Exhibit J-1

Rutherford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds							Total
	Cities - Sales Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	District Attorney General			
ASSETS								
Cash	\$ 0	\$ 0	0	\$ 10,519,597	\$ 0	\$ 0	\$ 10,519,597	
Equity in Pooled Cash and Investments	0	160,329	12,313	0	361,173	0	533,815	
Investments	0	0	0	7,293	0	0	7,293	
Accounts Receivable	0	0	0	6,268	0	0	6,268	
Due from Other Governments	8,612,628	1,396,450	0	0	1,313	0	10,010,391	
Due from Component Units	0	7,446	0	0	0	0	7,446	
Taxes Receivable	0	11,210,743	0	0	0	0	11,210,743	
Allowance for Uncollectible Taxes	0	(609,808)	0	0	0	0	(609,808)	
Total Assets	\$ 8,612,628	\$ 12,165,160	\$ 12,313	\$ 10,533,158	\$ 362,486	\$ 0	\$ 31,685,745	
LIABILITIES								
Accounts Payable	\$ 0	\$ 0	0	0	2,183	\$ 0	2,183	
Accrued Payroll	0	0	0	0	1,205	0	1,205	
Due to Component Units	0	42,809	0	0	0	0	42,809	
Due to Other Taxing Units	8,612,628	12,122,351	0	0	0	0	20,734,979	
Due to Joint Ventures	0	0	12,313	0	0	0	12,313	
Due to Litigants, Heirs, and Others	0	0	0	10,533,158	359,098	0	10,892,256	
Total Liabilities	\$ 8,612,628	\$ 12,165,160	\$ 12,313	\$ 10,533,158	\$ 362,486	\$ 0	\$ 31,685,745	

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 50,881,505	\$ 50,881,505	\$ 0
Due from Other Governments	8,323,216	8,612,628	8,323,216	8,612,628
Total Assets	\$ 8,323,216	\$ 59,494,133	\$ 59,204,721	\$ 8,612,628
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,323,216	\$ 59,494,133	\$ 59,204,721	\$ 8,612,628
Total Liabilities	\$ 8,323,216	\$ 59,494,133	\$ 59,204,721	\$ 8,612,628
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 283,543	\$ 19,480,055	\$ 19,603,269	\$ 160,329
Due from Other Governments	1,345,874	1,396,450	1,345,874	1,396,450
Due from Component Units	0	7,446	0	7,446
Taxes Receivable	11,207,591	11,210,743	11,207,591	11,210,743
Allowance for Uncollectible Taxes	(648,994)	(609,808)	(648,994)	(609,808)
Total Assets	\$ 12,188,014	\$ 31,484,886	\$ 31,507,740	\$ 12,165,160
<u>Liabilities</u>				
Due to Component Units	\$ 0	\$ 42,809	\$ 0	\$ 42,809
Due to Other Taxing Units	12,188,014	31,442,077	31,507,740	12,122,351
Total Liabilities	\$ 12,188,014	\$ 31,484,886	\$ 31,507,740	\$ 12,165,160
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,633	\$ 0	\$ 320	\$ 12,313
Total Assets	\$ 12,633	\$ 0	\$ 320	\$ 12,313
<u>Liabilities</u>				
Due to Joint Ventures	\$ 12,633	\$ 0	\$ 320	\$ 12,313
Total Liabilities	\$ 12,633	\$ 0	\$ 320	\$ 12,313
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 8,886,034	\$ 62,708,554	\$ 61,074,991	\$ 10,519,597
Investments	7,287	7,293	7,287	7,293
Accounts Receivable	13,353	6,268	13,353	6,268
Total Assets	\$ 8,906,674	\$ 62,722,115	\$ 61,095,631	\$ 10,533,158
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 8,906,674	\$ 62,722,115	\$ 61,095,631	\$ 10,533,158
Total Liabilities	\$ 8,906,674	\$ 62,722,115	\$ 61,095,631	\$ 10,533,158

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 338,322	\$ 65,978	\$ 43,127	\$ 361,173
Due from Other Governments	486	1,313	486	1,313
Total Assets	\$ 338,808	\$ 67,291	\$ 43,613	\$ 362,486
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,183	\$ 0	\$ 2,183
Accrued Payroll	0	1,205	0	1,205
Due to Litigants, Heirs, and Others	338,808	63,903	43,613	359,098
Total Liabilities	\$ 338,808	\$ 67,291	\$ 43,613	\$ 362,486
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 8,886,034	\$ 62,708,554	\$ 61,074,991	\$ 10,519,597
Equity in Pooled Cash and Investments	634,498	70,427,538	70,528,221	533,815
Investments	7,287	7,293	7,287	7,293
Accounts Receivable	13,353	6,268	13,353	6,268
Due from Other Governments	9,669,576	10,010,391	9,669,576	10,010,391
Due from Component Units	0	7,446	0	7,446
Taxes Receivable	11,207,591	11,210,743	11,207,591	11,210,743
Allowance for Uncollectible Taxes	(648,994)	(609,808)	(648,994)	(609,808)
Total Assets	\$ 29,769,345	\$ 153,768,425	\$ 151,852,025	\$ 31,685,745
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 2,183	\$ 0	\$ 2,183
Accrued Payroll	0	1,205	0	1,205
Due to Component Units	0	42,809	0	42,809
Due to Other Taxing Units	20,511,230	90,936,210	90,712,461	20,734,979
Due to Joint Ventures	12,633	0	320	12,313
Due to Litigants, Heirs, and Others	9,245,482	62,786,018	61,139,244	10,892,256
Total Liabilities	\$ 29,769,345	\$ 153,768,425	\$ 151,852,025	\$ 31,685,745

Rutherford County School Department

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

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

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

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

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

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

Endowment Fund – The Endowment Fund is used to account for an endowment received by the School Department for which the principal amount must remain intact while interest earned on the principal is to fund a scholarship at Eagleville High School.

Exhibit K-1

Rutherford County, Tennessee
Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total Governmental Activities	
Governmental Activities:						
Instruction	\$ 215,249,288	\$ 175,211	\$ 14,140,768	\$ 0	\$ (200,933,309)	
Support Services	109,528,024	118,545	1,990,103	277,217	(107,142,159)	
Operation of Non-instructional Services	19,573,199	6,673,020	10,593,231	0	(2,306,948)	
Total Governmental Activities	\$ 344,350,511	\$ 6,966,776	\$ 26,724,102	\$ 277,217	\$ (310,382,416)	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 65,550,850	
Payments in-Lieu-of Tax					949,133	
Local option sales tax					46,243,639	
Wheel Tax					3,537,931	
Business Tax					1,725,791	
Mixed Drink Tax					1,048,065	
Interstate Telecommunications Tax					22,960	
Grants and Contributions Not Restricted for Specific Programs					194,588,845	
Unrestricted Investment Income					62,994	
Miscellaneous					45,970	
Total General Revenues					\$ 313,776,178	
Change in Net Position					\$ 3,393,762	
Net Position, July 1, 2013					418,058,032	
Restatement - See Note I.D.10.					(1,509,799)	
Net Position, June 30, 2014					\$ 419,941,995	

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Other Govern- mental Funds</u>	<u>Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 300	\$ 1,302,609	\$ 1,302,909
Equity in Pooled Cash and Investments	48,745,810	16,380,882	65,126,692
Inventories	0	293,878	293,878
Accounts Receivable	20,876	1,288	22,164
Due from Other Governments	8,915,319	2,313,068	11,228,387
Due from Other Funds	76,697	610	77,307
Due from Primary Government	42,809	0	42,809
Property Taxes Receivable	65,271,733	2,466,413	67,738,146
Allowance for Uncollectible Property Taxes	(3,550,447)	(134,171)	(3,684,618)
Prepaid Items	4,265	0	4,265
Cash Shortage	15,875	0	15,875
Total Assets	<u>\$ 119,543,237</u>	<u>\$ 22,624,577</u>	<u>\$ 142,167,814</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,381,896	\$ 181,068	\$ 5,562,964
Accrued Payroll	20,911,078	712,492	21,623,570
Payroll Deductions Payable	4,407	0	4,407
Contracts Payable	0	225,514	225,514
Due to Other Funds	610	76,697	77,307
Due to Primary Government	8,106	0	8,106
Total Liabilities	<u>\$ 26,306,097</u>	<u>\$ 1,195,771</u>	<u>\$ 27,501,868</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 60,850,323	\$ 2,299,316	\$ 63,149,639
Deferred Delinquent Property Taxes	715,420	27,046	742,466
Other Deferred/Unavailable Revenue	3,963,195	0	3,963,195
Total Deferred Inflows of Resources	<u>\$ 65,528,938</u>	<u>\$ 2,326,362</u>	<u>\$ 67,855,300</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 293,878	\$ 293,878
Prepaid Items	4,265	0	4,265
Restricted:			
Restricted for Education	239,924	4,089,002	4,328,926
Restricted for Capital Projects	0	13,719,564	13,719,564
Committed:			
Committed for Education	0	1,000,000	1,000,000

(Continued)

Exhibit K-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>			
Assigned:			
Assigned for Education	\$ 12,275,264	\$ 0	\$ 12,275,264
Unassigned	15,188,749	0	15,188,749
Total Fund Balances	<u>\$ 27,708,202</u>	<u>\$ 19,102,444</u>	<u>\$ 46,810,646</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 119,543,237</u>	<u>\$ 22,624,577</u>	<u>\$ 142,167,814</u>

Exhibit K-3

Rutherford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Rutherford County School Department
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$ 46,810,646
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 11,701,005	
Add: construction in progress	8,011,560	
Add: buildings and improvements net of accumulated depreciation	404,356,771	
Add: intangible assets net of accumulated depreciation	105,390	
Add: other capital assets net of accumulated depreciation	<u>7,867,690</u>	432,042,416
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on notes payable on primary government debt	\$ (699,922)	
Less: contributions due on capital leases payable on primary government debt	(1,182,337)	
Less: compensated absences payable	(1,309,638)	
Less: other postemployment benefits liability	<u>(60,424,831)</u>	(63,616,728)
(3) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,705,661</u>
Net position of governmental activities (Exhibit A)		<u>\$ 419,941,995</u>

Exhibit K-4

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 115,960,438	\$ 3,000,860	\$ 118,961,298
Licenses and Permits	12,293	0	12,293
Charges for Current Services	176,011	6,667,520	6,843,531
Other Local Revenues	398,260	8,289	406,549
State of Tennessee	177,152,926	174,007	177,326,933
Federal Government	1,502,571	24,690,058	26,192,629
Other Governments and Citizens Groups	0	17,755,499	17,755,499
Total Revenues	<u>\$ 295,202,499</u>	<u>\$ 52,296,233</u>	<u>\$ 347,498,732</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 197,416,748	\$ 8,811,390	\$ 206,228,138
Support Services	94,291,227	5,405,601	99,696,828
Operation of Non-instructional Services	2,301,450	17,850,242	20,151,692
Capital Outlay	74,412	0	74,412
Debt Service:			
Other Debt Service	550,157	0	550,157
Capital Projects	0	11,899,833	11,899,833
Total Expenditures	<u>\$ 294,633,994</u>	<u>\$ 43,967,066</u>	<u>\$ 338,601,060</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 568,505</u>	<u>\$ 8,329,167</u>	<u>\$ 8,897,672</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 29,058	\$ 0	\$ 29,058
Transfers In	223,658	623,800	847,458
Transfers Out	(623,800)	(223,658)	(847,458)
Total Other Financing Sources (Uses)	<u>\$ (371,084)</u>	<u>\$ 400,142</u>	<u>\$ 29,058</u>
Net Change in Fund Balances	\$ 197,421	\$ 8,729,309	\$ 8,926,730
Fund Balance, July 1, 2013	27,510,781	10,373,135	37,883,916
Fund Balance, June 30, 2014	<u>\$ 27,708,202</u>	<u>\$ 19,102,444</u>	<u>\$ 46,810,646</u>

Exhibit K-5

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ 8,926,730
(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	\$ 14,800,417	
Less: current-year depreciation expense	<u>(12,131,996)</u>	2,668,421
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donations and capitalized	\$ 130,430	
Less: capital asset disposals	(24,075)	
Less: insurance recovery and sale of capital assets	<u>(1,960)</u>	104,395
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2013	\$ (4,588,590)	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>4,705,661</u>	117,071
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: contribution payments on debt for primary government		484,692
(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 other postemployment benefits liability	\$ (8,961,485)	
Change in compensated absences payable	<u>53,938</u>	<u>(8,907,547)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,393,762</u>

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2014

	Special Revenue Funds			Capital
	School Federal Projects	Central Cafeteria	Total	Projects Funds Education Capital Projects
\$	0	1,302,609	\$ 1,302,609	\$ 0
	652,457	1,790,498	2,442,955	1,723,696
	0	293,878	293,878	0
	1,095	193	1,288	0
	1,250,665	1,061,742	2,312,407	661
	0	0	0	610
	0	0	0	2,466,413
	0	0	0	(134,171)

ASSETS

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

LIABILITIES

Accounts Payable	
Accrued Payroll	
Contracts Payable	
Due to Other Funds	
Total Liabilities	
Deferred Current Property Taxes	
Deferred Delinquent Property Taxes	
Total Deferred Inflows of Resources	

DEFERRED INFLOWS OF RESOURCES

\$	118,881	\$ 62,187	\$ 181,068	\$ 0
	712,492	0	712,492	0
	0	0	0	0
	71,132	5,565	76,697	0
\$	902,505	67,752	970,257	0
\$	0	0	0	2,299,316
	0	0	0	27,046
\$	0	0	0	2,326,362

(Continued)

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

	Special Revenue Funds			Capital
	School Federal Projects	Central Cafeteria	Total	Projects Funds Education Capital Projects
\$	0	\$ 293,878	\$ 293,878	\$ 0
	1,712	4,087,290	4,089,002	0
	0	0	0	1,730,847
	1,000,000	0	1,000,000	0
\$	1,001,712	\$ 4,381,168	\$ 5,382,880	\$ 1,730,847
\$	1,904,217	\$ 4,448,920	\$ 6,353,137	\$ 4,057,209

FUND BALANCES

Nonspendable:	
Inventory	
Restricted:	
Restricted for Education	
Restricted for Capital Projects	
Committed:	
Committed for Education	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
\$	0 \$	0 \$	1,302,609
	12,214,231	13,937,927	16,380,882
	0	0	293,878
	0	0	1,288
	0	661	2,313,068
	0	610	610
	0	2,466,413	2,466,413
	0	(134,171)	(134,171)
\$	12,214,231 \$	16,271,440 \$	22,624,577

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable	
Accrued Payroll	
Contracts Payable	
Due to Other Funds	
Total Liabilities	

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	
Deferred Delinquent Property Taxes	
Total Deferred Inflows of Resources	

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects	Total	Nonmajor Governmental Funds
\$	0 \$	0 \$	293,878
	0	0	4,089,002
	11,988,717	13,719,564	13,719,564
	0	0	1,000,000
\$	<u>11,988,717 \$</u>	<u>13,719,564 \$</u>	<u>19,102,444</u>
\$	<u>12,214,231 \$</u>	<u>16,271,440 \$</u>	<u>22,624,577</u>

FUND BALANCES

Nonspendable:	
Inventory	
Restricted:	
Restricted for Education	
Restricted for Capital Projects	
Committed:	
Committed for Education	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects Funds	
	School Federal Projects	Central Cafeteria	Total	Education Capital	Projects
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,461,341
Charges for Current Services	0	6,667,520	6,667,520	0	0
Other Local Revenues	0	8,289	8,289	0	0
State of Tennessee	0	174,007	174,007	0	0
Federal Government	14,277,834	10,412,224	24,690,058	0	0
Other Governments and Citizens Groups	0	0	0	0	0
Total Revenues	\$ 14,277,834	\$ 17,262,040	\$ 31,539,874	\$ 2,461,341	
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,811,390	\$ 0	\$ 8,811,390	\$ 0	\$ 0
Support Services	5,291,499	65,811	5,357,310	48,291	0
Operation of Non-instructional Services	0	17,850,242	17,850,242	0	0
Capital Projects	0	0	0	2,345,352	0
Total Expenditures	\$ 14,102,889	\$ 17,916,053	\$ 32,018,942	\$ 2,393,643	
Excess (Deficiency) of Revenues Over Expenditures	\$ 174,945	\$ (654,013)	\$ (479,068)	\$ 67,698	
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	(175,433)	(48,225)	(223,658)	0	0
Total Other Financing Sources (Uses)	\$ (175,433)	\$ (48,225)	\$ (223,658)	\$ 0	\$ 0

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Capital Projects Funds	
	School Federal Projects	Central Cafeteria	Total	Education Capital	Projects
Net Change in Fund Balances	\$ (488)	\$ (702,238)	\$ (702,726)	\$ 67,698	
Fund Balance, July 1, 2013	1,002,200	5,083,406	6,085,606	1,663,149	
Fund Balance, June 30, 2014	\$ 1,001,712	\$ 4,381,168	\$ 5,382,880	\$ 1,730,847	

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Total</u>	<u>Nonmajor</u>
	<u>Other</u>	<u>Capital</u>	<u>Projects</u>	<u>Governmental</u>
				<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 539,519	\$ 3,000,860	\$ 3,000,860	3,000,860
Charges for Current Services	0	0	0	6,667,520
Other Local Revenues	0	0	0	8,289
State of Tennessee	0	0	0	174,007
Federal Government	0	0	0	24,690,058
Other Governments and Citizens Groups	17,755,499	17,755,499	17,755,499	17,755,499
Total Revenues	\$ 18,295,018	\$ 20,756,359	\$ 52,296,233	
<u>Expenditures</u>				
Current:				
Instruction	0	0	0	8,811,390
Support Services	0	48,291	48,291	5,405,601
Operation of Non-instructional Services	0	0	0	17,850,242
Capital Projects	9,554,481	11,899,833	11,899,833	11,899,833
Total Expenditures	\$ 9,554,481	\$ 11,948,124	\$ 43,967,066	
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,740,537	\$ 8,808,235	\$ 8,329,167	
<u>Other Financing Sources (Uses)</u>				
Transfers In	623,800	623,800	623,800	623,800
Transfers Out	0	0	0	(223,658)
Total Other Financing Sources (Uses)	\$ 623,800	\$ 623,800	\$ 400,142	

(Continued)

Exhibit K-7

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Total</u>
	<u>Other</u>	<u>Capital</u>	<u>Nonmajor</u>
	<u>Projects</u>	<u>Projects</u>	<u>Governmental</u>
		<u>Total</u>	<u>Funds</u>
Net Change in Fund Balances	\$ 9,364,337	\$ 9,432,035	\$ 8,729,309
Fund Balance, July 1, 2013	2,624,380	4,287,529	10,373,135
Fund Balance, June 30, 2014	\$ 11,988,717	\$ 13,719,564	\$ 19,102,444

Exhibit K-8

Rutherford County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Rutherford County School Department
 General Purpose School Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 115,960,438	\$ 0	0	\$ 115,960,438	\$ 111,715,570	\$ 114,590,704	\$ 1,369,734
Licenses and Permits	12,293	0	0	12,293	11,500	11,500	793
Charges for Current Services	176,011	0	0	176,011	156,987	170,026	5,985
Other Local Revenues	398,260	0	0	398,260	179,059	276,294	121,966
State of Tennessee	177,152,926	0	0	177,152,926	176,116,902	175,815,657	1,337,269
Federal Government	1,502,571	0	0	1,502,571	1,247,359	1,506,777	(4,206)
Total Revenues	\$ 295,202,499	\$ 0	0	\$ 295,202,499	\$ 289,427,377	\$ 292,370,958	\$ 2,831,541
Expenditures							
Instruction							
Regular Instruction Program	\$ 159,696,987	\$ (1,408,563)	261,598	\$ 158,550,022	\$ 160,329,639	\$ 163,239,346	\$ 4,689,324
Alternative Instruction Program	1,702,366	(827)	445	1,701,984	1,781,302	1,787,869	85,885
Special Education Program	23,765,089	(390)	702	23,765,401	25,745,982	24,260,113	494,712
Vocational Education Program	11,819,401	(46,630)	13,713	11,786,484	11,595,036	11,927,229	140,745
Adult Education Program	432,905	0	0	432,905	502,991	523,118	90,213
Support Services							
Attendance	847,790	(4,683)	0	843,107	799,485	865,053	21,946
Health Services	3,834,560	0	371	3,834,931	3,746,159	3,932,556	97,625
Other Student Support	7,789,899	(6,189)	8,582	7,792,292	7,993,013	8,032,952	240,660
Regular Instruction Program	9,316,154	(26,567)	14,100	9,303,687	9,598,263	9,719,384	415,697
Alternative Instruction Program	740,467	(2,733)	0	737,734	762,658	783,251	45,517
Special Education Program	958,345	(524)	148	957,969	1,142,241	1,076,054	118,085
Vocational Education Program	203,145	(2,473)	3,194	203,866	197,593	239,592	35,726
Adult Programs	101,994	0	0	101,994	126,939	141,812	39,818
Board of Education	6,073,685	0	0	6,073,685	6,299,351	6,369,997	296,312
Director of Schools	658,774	(4,671)	24,942	679,045	729,688	724,718	45,673
Office of the Principal	16,238,893	(4,093)	4,780	16,239,580	16,894,410	16,905,124	665,544
Fiscal Services	884,411	(2,580)	0	881,831	903,004	911,659	29,828
Human Services/Personnel	544,489	(24)	0	544,465	560,867	562,310	17,845
Operation of Plant	22,296,196	(74,746)	28,153	22,249,603	21,969,704	22,584,004	334,401

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 6,350,981	\$ (104,144)	\$ 210,683	\$ 6,457,520	\$ 6,437,918	\$ 6,506,527	\$ 49,007
Transportation	15,315,725	(22,528)	0	15,293,197	15,464,216	15,451,571	158,374
Central and Other	2,135,719	(27,372)	21,973	2,130,320	3,346,855	2,515,464	385,144
<u>Operation of Non-instructional Services</u>							
Community Services	27,993	0	0	27,993	40,000	40,000	12,007
Early Childhood Education	2,273,457	0	0	2,273,457	2,412,843	2,411,092	137,635
<u>Capital Outlay</u>							
Regular Capital Outlay	74,412	0	0	74,412	75,000	75,000	588
<u>Principal on Debt</u>							
Education	0	0	0	0	484,692	0	0
Interest on Debt	0	0	0	0	65,466	0	0
<u>Other Debt Service</u>							
Education	550,157	0	0	550,157	250	550,408	251
Total Expenditures	\$ 294,633,994	\$ (1,739,737)	\$ 593,384	\$ 293,487,641	\$ 300,005,565	\$ 302,136,203	\$ 8,648,562
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 568,505	\$ 1,739,737	\$ (593,384)	\$ 1,714,858	\$ (10,578,188)	\$ (9,765,245)	\$ 11,480,103
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 29,058	\$ 0	\$ 0	\$ 29,058	\$ 0	\$ 29,289	\$ (231)
Transfers In	223,658	0	0	223,658	225,000	225,000	(1,342)
Transfers Out	(623,800)	0	0	(623,800)	0	(623,800)	0
Total Other Financing Sources	\$ (371,084)	\$ 0	\$ 0	\$ (371,084)	\$ 225,000	\$ (369,511)	\$ (1,573)
Net Change in Fund Balance	\$ 197,421	\$ 1,739,737	\$ (593,384)	\$ 1,343,774	\$ (10,353,188)	\$ (10,134,756)	\$ 11,478,530
Fund Balance, July 1, 2013	27,510,781	(1,739,737)	0	25,771,044	25,620,914	25,620,914	150,130
Fund Balance, June 30, 2014	\$ 27,708,202	\$ 0	\$ (593,384)	\$ 27,114,818	\$ 15,267,726	\$ 15,486,158	\$ 11,628,660

Exhibit K-9

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 14,277,834	\$ 0	\$ 14,277,834	\$ 0	\$ 16,304,654	\$ (2,026,820)
Total Revenues	\$ 14,277,834	\$ 0	\$ 14,277,834	\$ 0	\$ 16,304,654	\$ (2,026,820)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 4,253,577	\$ 0	\$ 4,253,577	\$ 0	\$ 4,916,797	\$ 663,220
Special Education Program	4,148,004	(2,200)	4,145,804	0	4,944,999	799,195
Vocational Education Program	409,809	0	409,809	0	409,809	0
<u>Support Services</u>						
Health Services	252,858	0	252,858	0	261,972	9,114
Other Student Support	973,737	0	973,737	0	1,015,471	41,734
Regular Instruction Program	1,694,564	0	1,694,564	0	1,935,727	241,163
Special Education Program	2,042,020	0	2,042,020	0	2,203,909	161,889
Vocational Education Program	500	0	500	0	500	0
Transportation	327,820	0	327,820	0	417,199	89,379
Total Expenditures	\$ 14,102,889	\$ (2,200)	\$ 14,100,689	\$ 0	\$ 16,106,383	\$ 2,005,694
Excess (Deficiency) of Revenues Over Expenditures	\$ 174,945	\$ 2,200	\$ 177,145	\$ 0	\$ 198,271	\$ (21,126)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (175,433)	\$ 0	\$ (175,433)	\$ 0	\$ (198,271)	\$ 22,838
Total Other Financing Sources	\$ (175,433)	\$ 0	\$ (175,433)	\$ 0	\$ (198,271)	\$ 22,838
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (488)	\$ 2,200	\$ 1,712	\$ 0	\$ 0	\$ 1,712
Fund Balance, July 1, 2013	1,002,200	(2,200)	1,000,000	0	787,710	212,290
Fund Balance, June 30, 2014	\$ 1,001,712	\$ 0	\$ 1,001,712	\$ 0	\$ 787,710	\$ 214,002

Exhibit K-10

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 6,667,520	\$ 0	\$ 6,667,520	\$ 7,074,000	\$ 6,765,253	\$ (97,733)
Other Local Revenues	8,289	0	8,289	6,500	7,816	473
State of Tennessee	174,007	0	174,007	175,000	174,007	0
Federal Government	10,412,224	0	10,412,224	11,035,000	10,305,983	106,241
Total Revenues	\$ 17,262,040	\$ 0	\$ 17,262,040	\$ 18,290,500	\$ 17,253,059	\$ 8,981
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 65,811	\$ 0	\$ 65,811	\$ 66,100	\$ 66,100	\$ 289
Operation of Non-instructional Services						
Food Service	17,850,242	(104,705)	17,745,537	18,967,853	17,930,412	184,875
Total Expenditures	\$ 17,916,053	\$ (104,705)	\$ 17,811,348	\$ 19,033,953	\$ 17,996,512	\$ 185,164
Excess (Deficiency) of Revenues Over Expenditures	\$ (654,013)	\$ 104,705	\$ (549,308)	\$ (743,453)	\$ (743,453)	\$ 194,145
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (48,225)	\$ 0	\$ (48,225)	\$ (56,000)	\$ (56,000)	\$ 7,775
Total Other Financing Sources	\$ (48,225)	\$ 0	\$ (48,225)	\$ (56,000)	\$ (56,000)	\$ 7,775
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (702,238)	\$ 104,705	\$ (597,533)	\$ (799,453)	\$ (799,453)	\$ 201,920
	5,083,406	(104,705)	4,978,701	4,978,701	4,978,701	0
Fund Balance, June 30, 2014	\$ 4,381,168	\$ 0	\$ 4,381,168	\$ 4,179,248	\$ 4,179,248	\$ 201,920

Exhibit K-11

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,461,341 \$	0 \$	0 \$	2,461,341 \$	2,401,660 \$	2,401,660 \$	59,681
Total Revenues	\$ 2,461,341 \$	0 \$	0 \$	2,461,341 \$	2,401,660 \$	2,401,660 \$	59,681
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 48,291 \$	0 \$	0 \$	48,291 \$	50,425 \$	50,425 \$	2,134
Capital Projects							
Education Capital Projects	2,345,352	(416,184)	265,769	2,194,937	2,415,958	2,873,662	678,725
Total Expenditures	\$ 2,393,643 \$	(416,184) \$	265,769 \$	2,243,228 \$	2,466,383 \$	2,924,087 \$	680,859
Excess (Deficiency) of Revenues Over Expenditures	\$ 67,698 \$	416,184 \$	(265,769) \$	218,113 \$	(64,723) \$	(522,427) \$	740,540
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 67,698 \$	416,184 \$	(265,769) \$	218,113 \$	(64,723) \$	(522,427) \$	740,540
	1,663,149	(416,184)	0	1,246,965	1,663,150	1,663,150	(416,185)
Fund Balance, June 30, 2014	\$ 1,730,847 \$	0 \$	(265,769) \$	1,465,078 \$	1,598,427 \$	1,140,723 \$	324,355

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2014

	<u>Private- Purpose Trust Fund</u> <u>Endowment Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 28,783
Total Assets	<u>\$ 28,783</u>
<u>NET POSITION</u>	
Held in Trust for Scholarships	<u>\$ 28,783</u>

Exhibit K-13

Rutherford County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
For the Year Ended June 30, 2014

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 72
Total Additions	<u>\$ 72</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 72
Total Deductions	<u>\$ 72</u>
Change in Net Position	\$ 0
Net Position, July 1, 2013	<u>28,783</u>
Net Position, June 30, 2014	<u><u>\$ 28,783</u></u>

MISCELLANEOUS SCHEDULES

Rutherford County, Tennessee
 Schedule of Changes in Long-term Notes, Capital Lease, and Bonds
 For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-14
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Refunding Notes, Series 2011	\$ 9,600,000	1.65 %	1-7-11	12-5-13	\$ 9,600,000	\$ 0	\$ 300,000	\$ 9,300,000	\$ 0
Refunding Notes, Series 2013	9,300,000	0.59	12-5-13	6-12-14	0	9,300,000	0	9,300,000	0
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficiency Note	1,109,188	3	7-22-10	4-1-16	648,854	0	222,756	0	426,098
Energy Efficiency Note	500,000	0	7-22-10	4-1-18	345,248	0	71,424	0	273,824
Total Notes Payable					<u>\$ 10,594,102</u>	<u>\$ 9,300,000</u>	<u>\$ 594,180</u>	<u>\$ 18,600,000</u>	<u>\$ 699,922</u>
CAPITAL LEASE PAYABLE									
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficient Water Upgrade	1,461,013	3.7	6-15-12	7-15-19	\$ 1,372,849	\$ 0	\$ 190,512	\$ 0	\$ 1,182,337
Total Capital Lease Payable					<u>\$ 1,372,849</u>	<u>\$ 0</u>	<u>\$ 190,512</u>	<u>\$ 0</u>	<u>\$ 1,182,337</u>
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-16	\$ 12,355,000	\$ 0	\$ 3,890,000	\$ 0	\$ 8,465,000
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	4-1-15	3,500,000	0	1,700,000	0	1,800,000
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	4-1-16	4,885,000	0	1,550,000	0	3,335,000
General Obligation Bonds	64,220,000	4.375 to 5	6-1-06	6-1-16	6,555,000	0	1,980,000	0	4,575,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-28	34,900,000	0	1,750,000	0	33,150,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	6-30-29	35,475,000	0	1,665,000	0	33,810,000
Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	88,800,000	0	1,215,000	0	87,585,000
Refunding Bonds	41,875,000	2.037	1-7-11	4-1-20	26,875,000	0	8,605,000	0	18,270,000
School Facilities, Public Improvement and Refunding	69,280,000	2.4245	2-15-12	4-1-32	66,850,000	0	2,490,000	0	64,360,000

(Continued)

Rutherford County, Tennessee
Schedule of Changes in Long-term Notes, Capital Lease, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-14
BONDS PAYABLE (CONT.)									
Refunding Bonds	\$ 38,410,000	2.4214 %	2-27-13	4-1-30	\$ 38,410,000	\$ 0	\$ 0	\$ 0	\$ 38,410,000
Refunding Bonds	27,290,000	1.5833	2-27-13	4-1-21	27,290,000	0	200,000	0	27,090,000
School Facilities, Public Improvement and Refunding	31,000,000	2 to 5	6-12-14	4-1-34	0	31,000,000	0	0	31,000,000
Public Improvements	2,570,000	1.2 to 4.1	6-12-14	4-1-34	0	2,570,000	0	0	2,570,000
Total Bonds Payable					\$ 345,895,000	\$ 33,570,000	\$ 25,045,000	\$ 0	\$ 354,420,000

Exhibit L-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2015	\$ 300,948	\$ 9,648	\$ 310,596
2016	267,998	2,715	270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
Total	\$ 699,922	\$ 12,363	\$ 712,285

Year Ending June 30	Capital Lease		Total
	Principal	Interest	
2015	\$ 197,626	\$ 41,935	\$ 239,561
2016	205,005	34,555	239,560
2017	212,660	26,900	239,560
2018	220,602	18,959	239,561
2019	228,840	10,721	239,561
2020	117,604	2,178	119,782
Total	\$ 1,182,337	\$ 135,248	\$ 1,317,585

Year Ending June 30	Bonds		Total
	Principal	Interest	
2015	\$ 27,180,000	\$ 13,640,959	\$ 40,820,959
2016	27,185,000	12,698,407	39,883,407
2017	27,175,000	11,457,955	38,632,955
2018	28,195,000	10,510,322	38,705,322
2019	26,270,000	9,498,480	35,768,480
2020	25,390,000	8,457,927	33,847,927
2021	25,240,000	7,487,977	32,727,977
2022	22,435,000	6,412,914	28,847,914
2023	21,675,000	5,356,340	27,031,340
2024	17,620,000	4,407,439	22,027,439
2025	18,190,000	3,683,052	21,873,052
2026	18,730,000	3,069,940	21,799,940
2027	14,315,000	2,346,412	16,661,412

(Continued)

Exhibit L-2

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

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2028	\$ 14,680,000	\$ 1,850,619	\$ 16,530,619
2029	12,375,000	1,337,455	13,712,455
2030	9,795,000	916,295	10,711,295
2031	6,525,000	594,020	7,119,020
2032	6,755,000	386,819	7,141,819
2033	2,300,000	166,370	2,466,370
2034	2,390,000	84,790	2,474,790
Total	<u>\$ 354,420,000</u>	<u>\$ 104,364,492</u>	<u>\$ 458,784,492</u>

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2014

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>\$ 7,293</u>
Total Investments				<u><u>\$ 7,293</u></u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2014

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-14
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	8-17-19	6 %	\$ 338,777
Construction/Renovations	Smyrna/Rutherford County Airport	2,570,000	4-17-14	4-1-34	3.6	2,570,000
General Debt Service Fund:						
Rockvale Utility District Waterlines	City of Murfreesboro, Tennessee	1,820,785	Various	Various	0	1,820,785
Total						<u>\$ 4,729,562</u>

Exhibit L-5

Rutherford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 215,600
Ambulance Service	"	"	250,000
General Capital Projects	General	Operations	709
Drug Control	"	"	100,000
Employee Insurance - Health	"	"	386,043
Workers' Compensation	"	"	180,002
Total Transfers Primary Government			<u>\$ 1,132,354</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Other Capital Projects	Capital projects	\$ 623,800
School Federal Projects	General Purpose School	Indirect cost	175,433
Central Cafeteria	"	Salaries and maintenance	48,225
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 847,458</u>

Rutherford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

Official	Authorization for Salary	\$	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$	126,513	60,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, TCA		120,489	100,000	"
Director of Schools	State Board of Education and Local Board of Education		143,100 (1)	50,000	"
Trustee	Section 8-24-102, TCA		99,578	10,904,500	"
Assessor of Property	Section 8-24-102, TCA		99,578	60,000	"
Director of Finance	County Commission		110,380 (2)	100,000	"
County Clerk	Section 8-24-102, TCA		99,578	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA		109,536 (3)	100,000	"
Clerk and Master	and County Commission				
	Section 8-24-102, TCA, Chancery				
Register of Deeds	Court Judge and County Commission		100,078 (4)	100,000	Ohio Farmers Insurance Company
Sheriff	Section 8-24-102, TCA		99,578	100,000	Hartford Fire Insurance Company
	Section 8-24-102, TCA		121,089 (5)	25,000	"
<u>Other Bonds</u>					
Employee Blanket Bond				350,000	Brit Global Specialty

- (1) Includes a \$1,000 career ladder payment.
- (2) Includes longevity pay of \$425 and a salary supplement of \$1,800.
- (3) Includes \$9,958 for serving more than one court.
- (4) Includes longevity pay of \$500. Does not include special commissioner fees of \$870.
- (5) Includes a law enforcement training supplement of \$600.

Exhibit L-7

Rutherford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2014

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 40,224,113	\$ 0	\$ 3,480,046	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	413,516	0	58,650	0	0	0
Circuit/Clerk & Master Collections - Prior Years	504,907	0	71,612	0	0	0
Interest and Penalty	126,662	0	17,392	0	0	0
Pick-up Taxes	59,206	0	6,405	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,987	0	328	0	0	0
Payments in-Lieu-of Taxes - Other	8,463,077	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	485,660	1,456,977	0	0	0	0
Hotel/Motel Tax	1,550,545	0	0	0	0	0
Wheel Tax	3,090,218	0	0	0	0	0
Litigation Tax - General	254,111	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	632,506	0	0	0	0	0
Business Tax	1,088,307	0	94,164	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	1,859,625	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	135,590	0	0	0	0	0
Wholesale Beer Tax	883,470	0	0	0	0	0
Interstate Telecommunications Tax	8,193	0	0	0	0	0
Total Local Taxes	\$ 59,783,693	\$ 1,456,977	\$ 3,728,597	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	General	Special Revenue Funds				
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 101,591	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	29,642	0	0	0	0	0
Cable TV Franchise	834,215	0	0	0	0	0
<u>Permits</u>						
Building Permits	607,145	0	0	0	0	0
Plumbing Permits	79,781	0	0	0	0	0
Food Handling Permits	150	0	0	0	0	0
Other Permits	49,915	0	0	0	0	0
Total Licenses and Permits	\$ 1,702,439	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 36,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	483,395	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	90,751
Drug Court Fees	18,212	0	0	0	0	0
Jail Fees	255,110	0	0	0	0	0
Data Entry Fee - Circuit Court	2,487	0	0	0	0	0
Courtroom Security Fee	748	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	4,898	0	0	0	0	0
Data Entry Fee - Criminal Court	2,496	0	0	0	0	0
Courtroom Security Fee	5,973	0	0	0	0	0
Victims Assistance Assessments	25,016	0	0	0	0	0

(Continued)

Exhibit L-7

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

	General	Special Revenue Funds					
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court</u>							
Fines	\$ 495,022	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Game and Fish Fines	1,518	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	128,129
Drug Court Fees	76,631	0	0	0	0	0	0
DUI Treatment Fines	54,259	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	90,303	0	0	0	0	0	0
Courtroom Security Fee	17,404	0	0	0	0	0	0
Victims Assistance Assessments	173,522	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	5,071	0	0	0	0	0	0
Drug Control Fines	192	0	0	0	0	0	0
Drug Court Fees	9,018	0	0	0	0	0	0
Jail Fees	215,312	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	8,847	0	0	0	0	0	0
Courtroom Security Fee	3,131	0	0	0	0	0	0
<u>Chancery Court</u>							
Data Entry Fee - Chancery Court	20,184	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Fines	118,203	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Victims Assistance Assessments	27,362	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	352,357
Total Fines, Forfeitures, and Penalties	\$ 2,151,251	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 571,237

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	465,703	0	0	0	0
Surcharge - Host Agency	0	850,294	0	0	0	0
Patient Charges	0	0	6,537,023	0	0	0
Past Due Collections - Ambulance	0	0	46,399	0	0	0
Zoning Studies	75,477	0	0	0	0	0
Work Release Charges for Board Fees	83,549	0	0	0	0	0
Subdivision Lot Fees	56,800	0	0	0	0	0
Archives and Records Management Fee - County Clerk	125,374	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	326,810	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	107,306	0	0	0	0	0
Probation Fees	39,374	0	0	0	0	0
Data Processing Fee - Sheriff	17,935	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	6,610	0	0	0	0	0
Data Processing Fee - County Clerk	30,842	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEAs	354,917	0	0	0	0	0
TBI Criminal Background Fees	33,570	0	0	0	0	0
Other Charges for Services	0	0	83,874	0	0	0
Other Charges for Services	1,258,664	1,315,997	6,667,296	0	0	0
Total Charges for Current Services	\$ 1,258,664	\$ 1,315,997	\$ 6,667,296	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 128,032	\$ 0	\$ 0	\$ 13,392	\$ 45	\$ 791	
Lease/Rentals	213,680	0	0	0	0	0	
Sale of Materials and Supplies	13,834	0	1,630	0	0	0	
Commissary Sales	210,986	0	0	0	0	0	
Sale of Maps	12,370	0	0	0	0	0	
Sale of Recycled Materials	12,391	357,401	0	0	0	0	
Sale of Animals/Livestock	111,998	0	0	0	0	0	
Miscellaneous Refunds	16,253	0	0	70,000	0	0	
<u>Nonrecurring Items</u>							
Sale of Equipment	29,337	63,527	0	0	0	104,095	
Sale of Property	88,321	0	0	0	0	0	
Damages Recovered from Individuals	14,769	0	0	0	0	0	
Contributions and Gifts	59,572	0	12,000	0	0	0	
Performance Bond Forfeitures	61,401	0	0	0	0	0	
<u>Other Local Revenues</u>							
Other Local Revenues	2,702	0	0	0	0	0	
Total Other Local Revenues	\$ 975,646	\$ 420,928	\$ 13,630	\$ 83,392	\$ 45	\$ 104,886	
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
Circuit Court Clerk	\$ 635,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Trustee	4,452,852	0	0	0	0	0	
<u>Fees in-Lieu-of Salary</u>							
County Clerk	2,921,316	0	0	0	0	0	
Clerk and Master	637,382	0	0	0	0	0	

(Continued)

Exhibit L-7

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

	General	Special Revenue Funds					
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
<u>Fees Received from County Officials (Cont.)</u>							
<u>Fees in-Lieu-of Salary (Cont.)</u>							
Register	\$ 1,527,596	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Sheriff	80,209	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 10,254,355	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	9,974	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	124,200	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	1,799,705	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	0	95,100	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	253,522	0	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0	0
Alcoholic Beverage Tax	317,152	0	0	0	0	0	0
Mixed Drink Tax	19,489	0	0	0	0	0	0
Emergency Hospital - Prisoners	15,688	0	0	0	0	0	0
Contracted Prisoner Boarding	2,670,702	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Other State Grants	\$ 587,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Revenues	166,828	261,079	0	0	0	0
Total State of Tennessee	\$ 5,996,462	\$ 366,153	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Title I Grants to Local Education Agencies	\$ 75,717	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	20,060	0	0	0	0	0
Civil Defense Reimbursement	64,350	0	0	0	0	0
Homeland Security Grants	92,182	0	0	0	0	0
Law Enforcement Grants	30,821	0	0	0	0	0
Other Federal through State	649,191	0	0	0	0	0
Direct Federal Revenue						
Police Service (Lake Area)	37,642	0	0	0	0	0
Asset Forfeiture Funds	52,787	0	0	0	140,251	0
Other Direct Federal Revenue	216,602	0	0	0	0	0
Total Federal Government	\$ 1,239,352	\$ 0	\$ 0	\$ 0	\$ 140,251	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 34,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	206,974	0	55,000	0	0	0
Contracted Services	573,168	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	28,000	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
Other	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 843,083	\$ 0	\$ 55,000	\$ 0	\$ 0	\$ 0
Total	\$ 84,204,945	\$ 3,560,055	\$ 10,464,523	\$ 83,392	\$ 140,296	\$ 676,123

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)				Debt Service Fund		Capital Projects Fund		Total
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects				
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 769,995	\$ 35,187,671	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,661,825	
Trustee's Collections - Prior Year	0	9,950	422,069	0	0	0	0	904,185	
Circuit/Clerk & Master Collections - Prior Years	0	12,148	515,351	0	0	0	0	1,104,018	
Interest and Penalty	0	3,048	129,281	0	0	0	0	276,383	
Pick-up Taxes	0	1,247	55,175	0	0	0	0	122,033	
Payments in-Lieu-of Taxes - T.V.A.	0	75	3,443	0	0	0	0	7,833	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	0	8,463,077	
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	485,659	0	0	0	0	0	2,428,296	
Hotel/Motel Tax	0	0	0	0	0	0	0	1,550,545	
Wheel Tax	0	3,090,218	0	0	0	0	0	6,180,436	
Litigation Tax - General	0	0	673,519	0	0	0	0	927,630	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	863,637	0	0	0	0	863,637	
Litigation Tax - Courthouse Security	0	0	0	0	0	0	0	632,506	
Business Tax	0	20,833	952,060	0	0	0	0	2,155,364	
Mineral Severance Tax	0	327,556	0	0	0	0	0	327,556	
Adequate Facilities/Development Tax	0	0	1,859,625	0	0	0	0	3,719,250	
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	0	135,590	
Wholesale Beer Tax	0	0	0	0	0	0	0	883,470	
Interstate Telecommunications Tax	0	0	0	0	0	0	0	8,193	
Total Local Taxes	\$ 0	\$ 4,720,729	\$ 40,661,831	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,351,827	

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)				Debt Service Fund		Capital Projects Fund		Total
	Constituti- onal Officers - Fees	Highway / Public Works	General		General Debt Service	General			
			0 \$	0 \$		0 \$	0 \$		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Registration	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	101,591	
Animal Vaccination	0	0	0	0	0	0	0	29,642	
Cable TV Franchise	0	0	0	0	0	0	0	834,215	
<u>Permits</u>									
Building Permits	0	0	0	0	0	0	0	607,145	
Plumbing Permits	0	0	0	0	0	0	0	79,781	
Food Handling Permits	0	0	0	0	0	0	0	150	
Other Permits	0	0	0	0	0	0	0	49,915	
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,702,439	
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	36,937	
Officers Costs	0	0	0	0	0	0	0	483,395	
Drug Control Fines	0	0	0	0	0	0	0	90,751	
Drug Court Fees	0	0	0	0	0	0	0	18,212	
Jail Fees	0	0	0	0	0	0	0	255,110	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	2,487	
Courtroom Security Fee	0	0	0	0	0	0	0	748	
<u>Criminal Court</u>									
DUI Treatment Fines	0	0	0	0	0	0	0	4,898	
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	2,496	
Courtroom Security Fee	0	0	0	0	0	0	0	5,973	
Victims Assistance Assessments	0	0	0	0	0	0	0	25,016	

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Capital Projects Fund				
				General Debt Service	General Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>General Sessions Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	495,022
Game and Fish Fines	0	0	0	0	0	0	0	1,518
Drug Control Fines	0	0	0	0	0	0	0	128,129
Drug Court Fees	0	0	0	0	0	0	0	76,631
DUI Treatment Fines	0	0	0	0	0	0	0	54,259
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	90,303
Courtroom Security Fee	0	0	0	0	0	0	0	17,404
Victims Assistance Assessments	0	0	0	0	0	0	0	173,522
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	5,071
Drug Control Fines	0	0	0	0	0	0	0	192
Drug Court Fees	0	0	0	0	0	0	0	9,018
Jail Fees	0	0	0	0	0	0	0	215,312
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	8,847
Courtroom Security Fee	0	0	0	0	0	0	0	3,131
<u>Chancery Court</u>								
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	20,184
<u>Other Courts - In-county</u>								
Fines	0	0	0	0	0	0	0	118,203
<u>Judicial District Drug Program</u>								
Victims Assistance Assessments	0	0	0	0	0	0	0	27,362
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	352,357
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,722,488

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Capital Projects Fund				
				General Debt Service	General Capital Projects			
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	465,703
Surcharge - Host Agency	0	0	0	0	0	0	0	850,294
Patient Charges	0	0	0	0	0	0	0	6,537,023
Past Due Collections - Ambulance	0	0	0	0	0	0	0	46,399
Zoning Studies	0	0	0	0	0	0	0	75,477
Work Release Charges for Board Fees	0	0	0	0	0	0	0	83,549
Subdivision Lot Fees	0	0	0	0	0	0	0	56,800
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	125,374
Greenbelt Late Application Fee	0	0	0	0	0	0	0	100
Telephone Commissions	0	0	0	0	0	0	0	326,810
Constitutional Officers' Fees and Commissions	3,166,981	0	0	0	0	0	0	3,166,981
Special Commissioner Fees/Special Master Fees	870	0	0	0	0	0	0	870
Data Processing Fee - Register	0	0	0	0	0	0	0	107,306
Probation Fees	0	0	0	0	0	0	0	39,374
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	17,935
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	6,610
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	30,842
<u>Education Charges</u>								
Contract for Administrative Services with Other LEAs	0	0	0	0	0	0	0	354,917
TBI Criminal Background Fees	0	0	0	0	0	0	0	33,570
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	0	0	0	0	0	83,874
Total Charges for Current Services	\$ 3,167,851	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	12,409,808

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	0 \$	11,539 \$	42,702 \$	31 \$				196,532
Lease/Rentals	0	0	130,200	0				343,880
Sale of Materials and Supplies	0	58,703	0	0				74,167
Commissary Sales	0	0	0	0				210,986
Sale of Maps	0	0	0	0				12,370
Sale of Recycled Materials	0	0	0	0				369,792
Sale of Animals/Livestock	0	0	0	0				111,998
Miscellaneous Refunds	0	0	0	0				86,253
<u>Nonrecurring Items</u>								
Sale of Equipment	0	0	0	0				196,959
Sale of Property	0	0	0	0				88,321
Damages Recovered from Individuals	0	0	0	0				14,769
Contributions and Gifts	0	0	0	0				71,572
Performance Bond Forfeitures	0	0	0	0				61,401
<u>Other Local Revenues</u>								
Total Other Local Revenues	0 \$	70,242 \$	172,902 \$	31 \$				2,702
								1,841,702
<u>Fees Received from County Officials</u>								
<u>Excess Fees</u>								
Circuit Court Clerk	0 \$	0 \$	0 \$	0 \$				635,000
Trustee	0	0	0	0				4,452,852
<u>Fees in-Lieu-of Salary</u>								
County Clerk	0	0	0	0				2,921,316
Clerk and Master	0	0	0	0				637,382

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Capital Projects Fund		Total		
				General Debt Service	Capital Projects			
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees in-Lieu-of Salary (Cont.)</u>								
Register	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,527,596
Sheriff	0	0	0	0	0	0	0	80,209
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	10,254,355
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Solid Waste Grants	0	0	0	0	0	0	0	9,974
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	124,200
Health and Welfare Grants	0	0	0	0	0	0	0	1,799,705
<u>Public Works Grants</u>								
State Aid Program	0	11,319	0	0	0	0	0	11,319
Litter Program	0	0	0	0	0	0	0	95,100
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	253,522
Beer Tax	0	0	0	0	0	0	0	17,806
Alcoholic Beverage Tax	0	0	0	0	0	0	0	317,152
Mixed Drink Tax	0	0	0	0	0	0	0	19,489
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	15,688
Contracted Prisoner Boarding	0	0	0	0	0	0	0	2,670,702
Gasoline and Motor Fuel Tax	0	3,596,888	0	0	0	0	0	3,596,888
Petroleum Special Tax	0	189,481	0	0	0	0	0	189,481
Registrar's Salary Supplement	0	0	0	0	0	0	0	15,164

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
<u>State of Tennessee (Cont.)</u>								
<u>Other State Revenues (Cont.)</u>								
Other State Grants	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	587,206
Other State Revenues	0	0	0	0	0	0	0	427,907
Total State of Tennessee	0 \$	3,797,688 \$	0 \$	0 \$	0 \$	0 \$	0 \$	10,160,303
<u>Federal Government</u>								
<u>Federal Through State</u>								
Title I Grants to Local Education Agencies	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	75,717
Community Development	0	0	0	0	0	0	0	20,060
Civil Defense Reimbursement	0	0	0	0	0	0	0	64,350
Homeland Security Grants	0	0	0	0	0	0	0	92,182
Law Enforcement Grants	0	0	0	0	0	0	0	30,821
Other Federal through State	0	0	0	0	0	0	0	649,191
<u>Direct Federal Revenue</u>								
Police Service (Lake Area)	0	0	0	0	0	0	0	37,642
Asset Forfeiture Funds	0	0	0	0	0	0	0	193,038
Other Direct Federal Revenue	0	0	0	0	277,600	277,600	277,600	494,202
Total Federal Government	0 \$	0 \$	0 \$	0 \$	0 \$	277,600 \$	277,600 \$	1,657,203
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	34,691
Contributions	0	0	0	550,157	1,220,235	1,220,235	1,220,235	2,032,366
Contracted Services	0	0	0	0	0	0	0	573,168
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	0	28,000

(Continued)

Exhibit L-7

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects	Total
Other Governments and Citizens Groups (Cont.)							
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 550,157	\$ 550,157	\$ 1,220,235	\$ 1,220,235	\$ 2,668,475
Total	\$ 3,167,851	\$ 8,588,659	\$ 41,384,890	\$ 41,384,890	\$ 1,497,866	\$ 1,497,866	\$ 153,768,600

Exhibit L-8

Rutherford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Rutherford County School Department
 For the Year Ended June 30, 2014

	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	\$ 61,459,601	\$ 0	\$ 0	\$ 2,325,319	\$ 0	\$ 63,784,920		
Trustee's Collections - Prior Year	694,689	0	0	27,405	0	722,094		
Circuit/Clerk & Master Collections - Prior Years	848,049	0	0	33,461	0	881,510		
Interest and Penalty	212,480	0	0	8,394	0	220,874		
Pick-up Taxes	93,902	0	0	3,619	0	97,521		
Payments in-Lieu-of Taxes - T.V.A.	6,045	0	0	228	0	6,273		
Payments in-Lieu-of Taxes - Local Utilities	942,860	0	0	0	0	942,860		
<u>County Local Option Taxes</u>								
Local Option Sales Tax	45,970,499	0	0	0	0	45,970,499		
Wheel Tax	3,537,931	0	0	0	0	3,537,931		
Business Tax	1,662,876	0	0	62,915	0	1,725,791		
Mixed Drink Tax	508,546	0	0	0	539,519	1,048,065		
<u>Statutory Local Taxes</u>								
Interstate Telecommunications Tax	22,960	0	0	0	0	22,960		
<u>Total Local Taxes</u>	\$ 115,960,438	\$ 0	\$ 0	\$ 2,461,341	\$ 539,519	\$ 118,961,298		
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Marriage Licenses	\$ 12,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,293		
<u>Total Licenses and Permits</u>	\$ 12,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,293		
<u>Charges for Current Services</u>								
<u>Education Charges</u>								
Tuition - Summer School	\$ 80,596	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,596		

(Continued)

Exhibit L-8

Rutherford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Rutherford 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>								
Tuition - Other	\$ 57,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,731
Lunch Payments - Children	0	0	4,851,796	0	0	0	0	4,851,796
Lunch Payments - Adults	0	0	257,316	0	0	0	0	257,316
Income from Breakfast	0	0	703,077	0	0	0	0	703,077
A la carte Sales	0	0	855,331	0	0	0	0	855,331
Contract for Administrative Services with Other LEAs	4,300	0	0	0	0	0	0	4,300
<u>Other Charges for Services</u>								
Other Charges for Services	33,384	0	0	0	0	0	0	33,384
<u>Total Charges for Current Services</u>	<u>\$ 176,011</u>	<u>\$ 0</u>	<u>\$ 6,667,520</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,843,531</u>
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 57,694	\$ 0	\$ 5,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,994
Lease/Rentals	5,500	0	0	0	0	0	0	5,500
Sale of Materials and Supplies	85,161	0	0	0	0	0	0	85,161
Miscellaneous Refunds	33,740	0	0	0	0	0	0	33,740
<u>Nonrecurring Items</u>								
Sale of Equipment	9,701	0	2,989	0	0	0	0	12,690
Sale of Property	1,500	0	0	0	0	0	0	1,500
Contributions and Gifts	172,380	0	0	0	0	0	0	172,380
<u>Other Local Revenues</u>								
Other Local Revenues	32,584	0	0	0	0	0	0	32,584
<u>Total Other Local Revenues</u>	<u>\$ 398,260</u>	<u>\$ 0</u>	<u>\$ 8,289</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 406,549</u>

(Continued)

Exhibit L-8

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

	Special Revenue Funds			Capital Projects Funds			Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects		
<u>State of Tennessee</u>							
<u>State Education Funds</u>							
Basic Education Program	\$ 169,787,003	\$ 0	\$ 0	\$ 0	\$ 0	\$ 169,787,003	
Early Childhood Education	995,177	0	0	0	0	995,177	
School Food Service	0	0	174,007	0	0	174,007	
Energy Efficient School Initiative	146,787	0	0	0	0	146,787	
Driver Education	222,450	0	0	0	0	222,450	
Other State Education Funds	2,819,336	0	0	0	0	2,819,336	
Career Ladder Program	801,892	0	0	0	0	801,892	
Career Ladder - Extended Contract	112,495	0	0	0	0	112,495	
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	2,246,782	0	0	0	0	2,246,782	
Other State Grants	21,004	0	0	0	0	21,004	
Total State of Tennessee	\$ 177,152,926	\$ 0	\$ 174,007	\$ 0	\$ 0	\$ 177,326,933	
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	0	\$ 7,458,175	\$ 0	\$ 0	\$ 7,458,175	
USDA - Commodities	0	0	627,515	0	0	627,515	
Breakfast	0	0	2,205,743	0	0	2,205,743	
USDA - Other	0	0	120,791	0	0	120,791	
Vocational Education - Basic Grants to States	0	466,710	0	0	0	466,710	
Title I Grants to Local Education Agencies	0	4,614,888	0	0	0	4,614,888	
Special Education - Grants to States	675,376	7,403,722	0	0	0	8,079,098	
Special Education Preschool Grants	0	80,281	0	0	0	80,281	
English Language Acquisition Grants	0	229,192	0	0	0	229,192	

(Continued)

Exhibit L-8

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Rutherford 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>Federal Through State (Cont.)</u>								
Education for Homeless Children and Youth	\$ 0 \$	115,000 \$	0 \$	0 \$	0 \$	0 \$	0 \$	115,000
Eisenhower Professional Development State Grants	0	656,302	0	0	0	0	0	656,302
Race-to-the-Top - ARRA	0	711,739	0	0	0	0	0	711,739
Other Federal through State	289,968	0	0	0	0	0	0	289,968
Direct Federal Revenue	537,227	0	0	0	0	0	0	537,227
ROTC Reimbursement	1,502,571	14,277,834	10,412,224	0	0	0	0	26,192,629
Total Federal Government	\$ 1,502,571	\$ 14,277,834	\$ 10,412,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,192,629
<u>Other Governments and Citizens Groups</u>								
Other Governments								
Contributions	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	17,755,499
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	17,755,499
Total	\$ 295,202,499	\$ 14,277,834	\$ 17,262,040	\$ 2,461,341	\$ 18,295,018	\$ 347,498,732		

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	81,050	
Other Per Diem and Fees		74,400	
Social Security		8,308	
Employer Medicare		2,255	
Dues and Memberships		35,308	
Other Contracted Services		6,000	
Total County Commission			\$ 207,321

Board of Equalization

Board and Committee Members Fees	\$	6,700	
Social Security		415	
Employer Medicare		97	
Legal Notices, Recording, and Court Costs		301	
Total Board of Equalization			7,513

County Mayor/Executive

County Official/Administrative Officer	\$	126,513	
Assistant(s)		84,670	
Secretary(ies)		119,362	
Part-time Personnel		3,600	
Longevity Pay		2,100	
Social Security		19,627	
State Retirement		42,125	
Employee and Dependent Insurance		30,064	
Disability Insurance		576	
Employer Medicare		4,736	
Communication		165	
Dues and Memberships		2,754	
Operating Lease Payments		7,560	
Legal Services		55,000	
Legal Notices, Recording, and Court Costs		4,824	
Maintenance Agreements		883	
Maintenance and Repair Services - Office Equipment		679	
Postal Charges		1,211	
Printing, Stationery, and Forms		1,236	
Travel		934	
Other Contracted Services		30,000	
Duplicating Supplies		455	
Office Supplies		2,641	
Other Charges		23,607	
Office Equipment		11,481	
Total County Mayor/Executive			576,803

Personnel Office

County Official/Administrative Officer	\$	89,540	
Assistant(s)		74,094	
Part-time Personnel		14,547	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Longevity Pay	\$	125	
Social Security		10,919	
State Retirement		20,769	
Employee and Dependent Insurance		12,601	
Disability Insurance		302	
Employer Medicare		2,554	
Communication		506	
Dues and Memberships		370	
Evaluation and Testing		26,728	
Maintenance Agreements		1,068	
Postal Charges		327	
Travel		1,163	
Other Contracted Services		300	
Gasoline		156	
Instructional Supplies and Materials		23	
Office Supplies		1,727	
Other Supplies and Materials		800	
Other Charges		4,129	
Total Personnel Office			\$ 262,748

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		37,247	
Longevity Pay		800	
Social Security		6,540	
State Retirement		13,959	
Employee and Dependent Insurance		22,983	
Disability Insurance		202	
Employer Medicare		1,529	
Communication		42	
Legal Services		107,335	
Total County Attorney			262,637

Election Commission

County Official/Administrative Officer	\$	89,620	
Part-time Personnel		9,520	
Longevity Pay		1,750	
Overtime Pay		8,453	
Other Salaries and Wages		230,948	
Election Commission		9,825	
Election Workers		140,773	
In-Service Training		4,345	
Social Security		27,222	
State Retirement		41,914	
Employee and Dependent Insurance		54,969	
Disability Insurance		591	
Unemployment Compensation		67	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	6,367	
Communication		4,313	
Data Processing Services		343	
Dues and Memberships		569	
Legal Notices, Recording, and Court Costs		14,598	
Maintenance Agreements		20,554	
Maintenance and Repair Services - Office Equipment		402	
Maintenance and Repair Services - Vehicles		512	
Postal Charges		12,980	
Printing, Stationery, and Forms		3,089	
Rentals		800	
Travel		2,936	
Data Processing Supplies		3,200	
Diesel Fuel		29	
Office Supplies		14,877	
Data Processing Equipment		381,747	
Furniture and Fixtures		3,975	
Office Equipment		3,614	
Total Election Commission	\$		1,094,902

Register of Deeds

County Official/Administrative Officer	\$	99,578	
Deputy(ies)		566,891	
Part-time Personnel		15,573	
Longevity Pay		5,975	
In-Service Training		455	
Social Security		40,240	
State Retirement		85,278	
Employee and Dependent Insurance		150,402	
Disability Insurance		1,231	
Employer Medicare		9,576	
Communication		1,048	
Data Processing Services		37,347	
Maintenance Agreements		3,874	
Postal Charges		4,275	
Travel		276	
Data Processing Supplies		7,387	
Office Supplies		4,335	
Data Processing Equipment		83,201	
Total Register of Deeds			1,116,942

Planning

County Official/Administrative Officer	\$	66,351	
Assistant(s)		153,712	
Supervisor/Director		75,401	
Secretary(ies)		106,324	
Part-time Personnel		9,246	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Longevity Pay	\$	1,475	
Board and Committee Members Fees		26,400	
In-Service Training		15,791	
Social Security		26,267	
State Retirement		51,107	
Employee and Dependent Insurance		78,779	
Disability Insurance		735	
Employer Medicare		6,143	
Communication		2,136	
Dues and Memberships		11,571	
Legal Notices, Recording, and Court Costs		4,125	
Maintenance Agreements		8,682	
Maintenance and Repair Services - Office Equipment		138	
Postal Charges		2,609	
Printing, Stationery, and Forms		1,149	
Data Processing Supplies		3,538	
Gasoline		4,236	
Office Supplies		4,955	
Periodicals		1,517	
Other Supplies and Materials		693	
Data Processing Equipment		3,186	
Total Planning			\$ 666,266

Codes Compliance

Communication	\$	353	
Total Codes Compliance			353

Geographical Information Systems

Data Processing Personnel	\$	222,107	
Part-time Personnel		28,721	
Longevity Pay		1,400	
Overtime Pay		3,678	
Social Security		15,219	
State Retirement		28,856	
Employee and Dependent Insurance		42,217	
Disability Insurance		410	
Employer Medicare		3,559	
Data Processing Services		24,060	
Dues and Memberships		219	
Maintenance Agreements		234,779	
Postal Charges		117	
Travel		8,554	
Data Processing Supplies		7,968	
Data Processing Equipment		59,343	
Other Capital Outlay		268,502	
Total Geographical Information Systems			949,709

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	68,041	
Clerical Personnel		31,616	
Custodial Personnel		93,901	
Maintenance Personnel		172,280	
Part-time Personnel		230,242	
Longevity Pay		2,725	
Overtime Pay		6,005	
Social Security		36,468	
State Retirement		47,351	
Employee and Dependent Insurance		119,822	
Disability Insurance		889	
Unemployment Compensation		3,805	
Employer Medicare		8,529	
Communication		45,809	
Contracts with Government Agencies		91,779	
Maintenance and Repair Services - Buildings		56,954	
Travel		5,245	
Other Contracted Services		85,874	
Custodial Supplies		42,990	
Gasoline		18,277	
Utilities		551,232	
Other Supplies and Materials		98,115	
Building Improvements		263,685	
Data Processing Equipment		12,316	
Maintenance Equipment		22,304	
Total County Buildings			\$ 2,116,254

Other General Administration

Supervisor/Director	\$	73,947	
Teachers		106,681	
Salary Supplements		4,500	
Longevity Pay		1,525	
Social Security		11,291	
State Retirement		23,656	
Employee and Dependent Insurance		17,076	
Disability Insurance		333	
Employer Medicare		2,641	
Communication		2	
Maintenance Agreements		772	
Riprap		1,052	
Other Supplies and Materials		945	
Total Other General Administration			244,421

Preservation of Records

County Official/Administrative Officer	\$	46,340	
Part-time Personnel		5,128	
Longevity Pay		150	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Social Security	\$	3,045	
State Retirement		5,892	
Employee and Dependent Insurance		13,964	
Disability Insurance		85	
Employer Medicare		712	
Communication		601	
Dues and Memberships		550	
Maintenance Agreements		320	
Postal Charges		208	
Library Books/Media		44	
Office Supplies		1,698	
Other Supplies and Materials		4,156	
Other Charges		27,514	
Total Preservation of Records			\$ 110,407

Risk Management

Supervisor/Director	\$	80,270	
Clerical Personnel		176,905	
Longevity Pay		1,475	
Other Salaries and Wages		125,918	
Board and Committee Members Fees		3,800	
Social Security		23,036	
State Retirement		48,738	
Employee and Dependent Insurance		68,754	
Disability Insurance		706	
Employer Medicare		5,407	
Communication		1,308	
Maintenance Agreements		1,094	
Postal Charges		3,981	
Travel		2,268	
Gasoline		632	
Office Supplies		7,153	
Building and Contents Insurance		110,964	
Liability Insurance		376,942	
Other Charges		18,294	
Total Risk Management			1,057,645

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	110,380	
Accountants/Bookkeepers		488,973	
Salary Supplements		6,300	
Clerical Personnel		26,883	
Part-time Personnel		32,584	
Longevity Pay		5,975	
Overtime Pay		2,816	
Other Salaries and Wages		75,053	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Board and Committee Members Fees	\$	1,000	
Social Security		45,103	
State Retirement		88,193	
Employee and Dependent Insurance		107,374	
Disability Insurance		1,256	
Employer Medicare		10,549	
Audit Services		78,781	
Communication		189	
Dues and Memberships		2,030	
Maintenance Agreements		1,070	
Maintenance and Repair Services - Equipment		604	
Postal Charges		10,880	
Travel		3,342	
Other Contracted Services		910	
Gasoline		379	
Office Supplies		23,475	
Data Processing Equipment		2,825	
Total Accounting and Budgeting			\$ 1,126,924

Property Assessor's Office

County Official/Administrative Officer	\$	99,578	
Deputy(ies)		570,449	
Salary Supplements		3,465	
Part-time Personnel		3,201	
Longevity Pay		4,350	
Overtime Pay		329	
In-Service Training		2,750	
Social Security		40,455	
State Retirement		86,006	
Employee and Dependent Insurance		138,414	
Disability Insurance		1,217	
Employer Medicare		9,507	
Communication		879	
Dues and Memberships		2,600	
Maintenance Agreements		31,665	
Postal Charges		11,682	
Travel		338	
Other Contracted Services		51,950	
Data Processing Supplies		2,750	
Office Supplies		23,230	
Other Supplies and Materials		1,834	
Data Processing Equipment		89,819	
Furniture and Fixtures		7,375	
Total Property Assessor's Office			1,183,843

Reappraisal Program

Deputy(ies)	\$	554,999	
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(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Longevity Pay	\$	3,300	
Social Security		33,365	
State Retirement		70,604	
Employee and Dependent Insurance		125,068	
Disability Insurance		1,027	
Employer Medicare		7,803	
Communication		8,764	
Data Processing Services		94,488	
Postal Charges		50,000	
Data Processing Supplies		2,768	
Gasoline		13,456	
Other Supplies and Materials		3,686	
Data Processing Equipment		46,965	
Total Reappraisal Program			\$ 1,016,293

County Trustee's Office

Communication	\$	450	
Data Processing Services		7,950	
Legal Notices, Recording, and Court Costs		200	
Maintenance Agreements		792	
Postal Charges		36,322	
Office Supplies		16,628	
Other Supplies and Materials		416	
Tax Relief Program		549,066	
Data Processing Equipment		866	
Total County Trustee's Office			612,690

County Clerk's Office

County Official/Administrative Officer	\$	99,578	
Deputy(ies)		1,379,510	
Part-time Personnel		12,781	
Longevity Pay		12,475	
Social Security		90,187	
State Retirement		188,062	
Employee and Dependent Insurance		285,615	
Disability Insurance		2,739	
Employer Medicare		21,092	
Communication		18,524	
Data Processing Services		16,950	
Maintenance Agreements		3,854	
Maintenance and Repair Services - Buildings		1,700	
Maintenance and Repair Services - Equipment		1,743	
Postal Charges		53,726	
Travel		82	
Other Contracted Services		673	
Gasoline		1,512	
Office Supplies		44,994	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Other Supplies and Materials	\$	1,736	
Data Processing Equipment		8,485	
Office Equipment		13,347	
Total County Clerk's Office			\$ 2,259,365

Data Processing

County Official/Administrative Officer	\$	105,996	
Data Processing Personnel		657,256	
Part-time Personnel		56,211	
Longevity Pay		2,675	
Overtime Pay		8,395	
Social Security		50,035	
State Retirement		98,217	
Employee and Dependent Insurance		123,072	
Disability Insurance		1,374	
Employer Medicare		11,702	
Communication		170,839	
Data Processing Services		261,894	
Dues and Memberships		2,074	
Maintenance Agreements		158,252	
Postal Charges		3	
Travel		5,857	
Data Processing Supplies		43,820	
Gasoline		547	
Data Processing Equipment		511,095	
Total Data Processing			2,269,314

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	43,838	
Communication		2,972	
Data Processing Services		155,509	
Legal Services		13,576	
Maintenance Agreements		10,594	
Postal Charges		24,628	
Office Supplies		43,229	
Other Supplies and Materials		1,486	
Other Charges		124,985	
Data Processing Equipment		226,443	
Furniture and Fixtures		4,273	
Total Circuit Court			651,533

Circuit Court Judge

Assistant(s)	\$	50,497	
Deputy(ies)		126,977	
Longevity Pay		275	
Social Security		10,653	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Judge (Cont.)

State Retirement	\$	22,506	
Employee and Dependent Insurance		41,924	
Disability Insurance		330	
Employer Medicare		2,492	
Maintenance and Repair Services - Office Equipment		300	
Postal Charges		178	
Other Supplies and Materials		494	
Total Circuit Court Judge	\$		256,626

General Sessions Court

Judge(s)	\$	468,878	
Assistant(s)		51,000	
Deputy(ies)		114,127	
Part-time Personnel		29,094	
Longevity Pay		2,575	
Overtime Pay		1,992	
Other Salaries and Wages		351,686	
Social Security		54,550	
State Retirement		125,616	
Employee and Dependent Insurance		115,776	
Disability Insurance		1,543	
Employer Medicare		14,470	
Communication		2,544	
Data Processing Services		15,400	
Dues and Memberships		2,627	
Evaluation and Testing		31,950	
Maintenance Agreements		2,296	
Maintenance and Repair Services - Office Equipment		366	
Postal Charges		3	
Travel		4,793	
Library Books/Media		306	
Office Supplies		7,241	
Uniforms		675	
Office Equipment		6,093	
Total General Sessions Court			1,405,601

Drug Court

Assistant(s)	\$	48,772	
Supervisor/Director		60,753	
Secretary(ies)		24,608	
Part-time Personnel		27,250	
Longevity Pay		900	
Other Salaries and Wages		147,141	
Social Security		18,435	
State Retirement		35,761	
Employee and Dependent Insurance		63,535	
Disability Insurance		519	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Employer Medicare	\$	4,312	
Communication		3,294	
Dues and Memberships		200	
Licenses		1,010	
Maintenance Agreements		939	
Postal Charges		316	
Travel		975	
Office Supplies		2,999	
Other Supplies and Materials		19,290	
In Service/Staff Development		1,515	
Total Drug Court			\$ 462,524

Chancery Court

County Official/Administrative Officer	\$	99,578	
Deputy(ies)		430,558	
Attendants		33,067	
Part-time Personnel		43,085	
Longevity Pay		3,950	
Overtime Pay		3,353	
Jury and Witness Expense		1,696	
Social Security		37,261	
State Retirement		72,315	
Employee and Dependent Insurance		85,140	
Disability Insurance		1,045	
Employer Medicare		8,714	
Communication		2,966	
Data Processing Services		18,098	
Dues and Memberships		2,330	
Legal Notices, Recording, and Court Costs		18,046	
Maintenance Agreements		6,533	
Maintenance and Repair Services - Equipment		239	
Postal Charges		20,684	
Travel		1,266	
Other Contracted Services		350	
Office Supplies		15,995	
Office Equipment		8,707	
Total Chancery Court			914,976

Juvenile Court

Judge(s)	\$	156,292	
Deputy(ies)		36,508	
Secretary(ies)		36,675	
Part-time Personnel		23,430	
Longevity Pay		100	
Other Salaries and Wages		82,150	
Social Security		18,049	
State Retirement		39,526	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Employee and Dependent Insurance	\$	26,628	
Disability Insurance		483	
Employer Medicare		4,798	
Communication		763	
Dues and Memberships		3,074	
Maintenance Agreements		646	
Postal Charges		167	
Travel		1,243	
Other Contracted Services		54,577	
Library Books/Media		2,597	
Office Supplies		3,231	
Uniforms		325	
Other Supplies and Materials		2,972	
Total Juvenile Court			\$ 494,234

District Attorney General

Assistant(s)	\$	57,830	
Longevity Pay		225	
Social Security		3,382	
State Retirement		7,358	
Employee and Dependent Insurance		13,326	
Disability Insurance		107	
Employer Medicare		791	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			87,734

Office of Public Defender

Assistant(s)	\$	43,908	
Social Security		2,635	
State Retirement		5,564	
Employee and Dependent Insurance		8,903	
Disability Insurance		81	
Employer Medicare		616	
Dues and Memberships		400	
Postal Charges		519	
Travel		461	
Other Supplies and Materials		145	
Total Office of Public Defender			63,232

Probation Services

County Official/Administrative Officer	\$	64,633	
Assistant(s)		48,436	
Youth Service Officer(s)		161,574	
Secretary(ies)		30,326	
Longevity Pay		1,650	
In-Service Training		1,050	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Social Security	\$	18,227	
State Retirement		38,860	
Employee and Dependent Insurance		63,586	
Disability Insurance		562	
Employer Medicare		4,263	
Communication		1,572	
Contracts with Private Agencies		464,144	
Data Processing Services		4,500	
Maintenance Agreements		668	
Postal Charges		32	
Travel		3,924	
Office Supplies		1,537	
Other Supplies and Materials		792	
Office Equipment		4,000	
Total Probation Services			\$ 914,336

Victims Assistance Programs

Assistant(s)	\$	46,212	
Part-time Personnel		37,579	
Other Salaries and Wages		44,946	
In-Service Training		960	
Social Security		7,940	
State Retirement		11,553	
Employee and Dependent Insurance		4,809	
Disability Insurance		162	
Employer Medicare		1,857	
Communication		610	
Dues and Memberships		400	
Maintenance Agreements		1,195	
Postal Charges		1	
Other Contracted Services		4,315	
Office Supplies		2,151	
Total Victims Assistance Programs			164,690

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	120,489	
Assistant(s)		488,276	
Deputy(ies)		37,872	
Detective(s)		1,006,082	
Captain(s)		371,871	
Lieutenant(s)		936,822	
Youth Service Officer(s)		1,948,222	
Sergeant(s)		1,729,418	
Accountants/Bookkeepers		278,691	
Salary Supplements		123,600	
Dispatchers/Radio Operators		665,026	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Clerical Personnel	\$	508,906	
Part-time Personnel		442,176	
Longevity Pay		61,050	
Overtime Pay		959,950	
Other Salaries and Wages		3,287,708	
In-Service Training		160,519	
Social Security		777,562	
State Retirement		1,588,482	
Employee and Dependent Insurance		2,472,102	
Disability Insurance		20,834	
Unemployment Compensation		19,725	
Employer Medicare		181,992	
Communication		291,404	
Contracts with Private Agencies		33,658	
Data Processing Services		178,091	
Dues and Memberships		9,747	
Maintenance Agreements		29,197	
Maintenance and Repair Services - Equipment		59,445	
Maintenance and Repair Services - Vehicles		105,646	
Postal Charges		11,835	
Printing, Stationery, and Forms		11,872	
Rentals		2,400	
Veterinary Services		9,740	
Other Contracted Services		7,895	
Animal Food and Supplies		11,496	
Data Processing Supplies		13,268	
Gasoline		796,893	
Instructional Supplies and Materials		12,208	
Law Enforcement Supplies		117,366	
Office Supplies		44,196	
Periodicals		6,301	
Uniforms		195,766	
Vehicle Parts		177,433	
Other Supplies and Materials		38,567	
Judgments		23,374	
Other Charges		6,218	
Communication Equipment		97,598	
Data Processing Equipment		315,226	
Law Enforcement Equipment		213,763	
Motor Vehicles		1,618,552	
Office Equipment		14,653	
Other Equipment		58,841	
Total Sheriff's Department			\$ 22,700,024
<u>Special Patrols</u>			
Nightwatchmen	\$	34,416	
Social Security		2,106	

(Continued)

Exhibit L-9

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Special Patrols (Cont.)</u>		
State Retirement	\$ 4,317	
Employer Medicare	492	
Total Special Patrols		\$ 41,331
<u>Traffic Control</u>		
Maintenance and Repair Services - Equipment	\$ 717	
Utilities	12,298	
Total Traffic Control		13,015
<u>Administration of the Sexual Offender Registry</u>		
Longevity Pay	\$ 350	
Overtime Pay	6,097	
Other Salaries and Wages	41,358	
Social Security	2,784	
State Retirement	6,057	
Employee and Dependent Insurance	7,276	
Disability Insurance	75	
Employer Medicare	651	
Office Supplies	106	
Other Charges	1,600	
Total Administration of the Sexual Offender Registry		66,354
<u>Jail</u>		
Assistant(s)	\$ 72,543	
Captain(s)	59,067	
Lieutenant(s)	309,356	
Sergeant(s)	434,701	
Guards	3,769,920	
Clerical Personnel	41,358	
Maintenance Personnel	133,374	
Part-time Personnel	35,768	
Longevity Pay	25,725	
Overtime Pay	233,165	
Other Salaries and Wages	502,096	
In-Service Training	22,992	
Social Security	334,380	
State Retirement	705,574	
Employee and Dependent Insurance	1,329,185	
Disability Insurance	9,743	
Unemployment Compensation	6,909	
Employer Medicare	78,320	
Dues and Memberships	464	
Maintenance Agreements	57,691	
Maintenance and Repair Services - Buildings	296,724	
Maintenance and Repair Services - Equipment	43,397	
Printing, Stationery, and Forms	12,099	
Transportation - Other than Students	30,027	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Contracted Services	\$	3,847,484	
Custodial Supplies		111,670	
Data Processing Supplies		16,333	
Food Preparation Supplies		119,810	
Food Supplies		1,066,555	
Law Enforcement Supplies		14,470	
Office Supplies		19,806	
Prisoners Clothing		77,645	
Uniforms		91,628	
Utilities		679,321	
Other Supplies and Materials		7,399	
Building Improvements		237,192	
Communication Equipment		9,393	
Data Processing Equipment		96,327	
Food Service Equipment		3,374	
Maintenance Equipment		14,514	
Office Equipment		3,825	
Total Jail			\$ 14,961,324

Workhouse

County Official/Administrative Officer	\$	68,898
Captain(s)		63,308
Lieutenant(s)		46,332
Sergeant(s)		262,254
Guards		1,078,247
Secretary(ies)		30,507
Clerical Personnel		134,715
Part-time Personnel		15,063
Longevity Pay		5,200
Overtime Pay		14,877
Board and Committee Members Fees		4,500
In-Service Training		14,949
Social Security		103,042
State Retirement		214,773
Employee and Dependent Insurance		399,693
Disability Insurance		2,998
Unemployment Compensation		6,042
Employer Medicare		24,116
Communication		6,298
Dues and Memberships		687
Evaluation and Testing		1,742
Operating Lease Payments		780
Maintenance Agreements		30,932
Maintenance and Repair Services - Buildings		48,137
Maintenance and Repair Services - Equipment		19,937
Maintenance and Repair Services - Vehicles		6,050
Postal Charges		223

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Other Contracted Services	\$	688,648	
Custodial Supplies		25,509	
Data Processing Supplies		4,408	
Equipment and Machinery Parts		981	
Gasoline		10,500	
Law Enforcement Supplies		5,287	
Office Supplies		5,167	
Prisoners Clothing		23,336	
Uniforms		7,116	
Utilities		234,685	
Other Supplies and Materials		13,051	
Office Equipment		3,416	
Other Equipment		22,890	
Total Workhouse			\$ 3,649,294

Juvenile Services

County Official/Administrative Officer	\$	71,312
Captain(s)		58,013
Lieutenant(s)		34,767
Sergeant(s)		221,758
Guards		237,909
Secretary(ies)		68,500
Attendants		493,338
Part-time Personnel		7,944
Longevity Pay		4,500
Overtime Pay		41,292
Other Salaries and Wages		42,874
In-Service Training		3,091
Social Security		77,729
State Retirement		153,081
Employee and Dependent Insurance		205,716
Disability Insurance		2,102
Unemployment Compensation		1,151
Employer Medicare		18,179
Communication		2,445
Data Processing Services		7,206
Dues and Memberships		335
Maintenance Agreements		7,304
Maintenance and Repair Services - Equipment		2,889
Maintenance and Repair Services - Vehicles		2,525
Medical and Dental Services		75,000
Postal Charges		420
Printing, Stationery, and Forms		1,481
Travel		20
Other Contracted Services		52,654
Gasoline		389
Instructional Supplies and Materials		8,572

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Office Supplies	\$	1,038	
Uniforms		2,455	
Other Supplies and Materials		32,864	
Other Charges		1,438	
Office Equipment		3,961	
Other Equipment		15,755	
Total Juvenile Services			\$ 1,962,007

Rural Fire Protection

County Official/Administrative Officer	\$	66,891	
Salary Supplements		600	
Longevity Pay		125	
Other Salaries and Wages		106,108	
Social Security		10,365	
State Retirement		21,900	
Employee and Dependent Insurance		34,737	
Disability Insurance		280	
Employer Medicare		2,424	
Communication		35,794	
Contributions		2,000	
Dues and Memberships		610	
Evaluation and Testing		8,285	
Maintenance Agreements		16,312	
Maintenance and Repair Services - Buildings		6,782	
Maintenance and Repair Services - Equipment		2,444	
Maintenance and Repair Services - Vehicles		83,864	
Pest Control		1,583	
Postal Charges		12	
Travel		2,767	
Other Contracted Services		375,000	
Custodial Supplies		1,765	
Diesel Fuel		46,003	
Drugs and Medical Supplies		2,484	
Gasoline		10,170	
Instructional Supplies and Materials		1,994	
Office Supplies		2,316	
Uniforms		17,455	
Utilities		38,233	
Other Supplies and Materials		26,967	
Administration Equipment		29,952	
Communication Equipment		455	
Furniture and Fixtures		9,992	
Motor Vehicles		154,650	
Other Equipment		70,438	
Total Rural Fire Protection			1,191,757

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Disaster Relief

County Official/Administrative Officer	\$	73,202	
Assistant(s)		57,706	
Supervisor/Director		48,014	
Secretary(ies)		37,537	
Longevity Pay		550	
Social Security		13,034	
State Retirement		27,501	
Employee and Dependent Insurance		37,899	
Disability Insurance		395	
Employer Medicare		3,048	
Communication		29,787	
Dues and Memberships		957	
Maintenance Agreements		2,816	
Maintenance and Repair Services - Vehicles		2,295	
Postal Charges		5	
Printing, Stationery, and Forms		45	
Rentals		2,700	
Travel		392	
Other Contracted Services		13,247	
Data Processing Supplies		99	
Diesel Fuel		474	
Electricity		9,952	
Gasoline		6,778	
Office Supplies		1,335	
Uniforms		478	
Other Supplies and Materials		9,655	
Communication Equipment		42,179	
Data Processing Equipment		28,711	
Furniture and Fixtures		2,242	
Other Equipment		92,182	
Total Disaster Relief			\$ 545,215

Inspection and Regulation

County Official/Administrative Officer	\$	76,759
Deputy(ies)		371,847
Salary Supplements		4,500
Clerical Personnel		110,729
Longevity Pay		4,625
Social Security		34,342
State Retirement		72,037
Employee and Dependent Insurance		93,264
Disability Insurance		1,038
Employer Medicare		8,032
Communication		5,500
Dues and Memberships		1,485
Maintenance Agreements		623
Postal Charges		613

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Printing, Stationery, and Forms	\$	1,200	
Travel		2,080	
Other Contracted Services		420	
Gasoline		13,965	
Office Supplies		5,277	
Uniforms		580	
Other Supplies and Materials		1,211	
In Service/Staff Development		2,316	
Motor Vehicles		20,870	
Office Equipment		5,537	
Total Inspection and Regulation			\$ 838,850

Public Health and Welfare

Local Health Center

Longevity Pay	\$	1,875	
Other Salaries and Wages		235,573	
Social Security		14,161	
State Retirement		30,093	
Employee and Dependent Insurance		66,532	
Disability Insurance		431	
Employer Medicare		3,312	
Communication		15,532	
Contracts with Government Agencies		96,281	
Maintenance and Repair Services - Buildings		14,552	
Maintenance and Repair Services - Equipment		1,989	
Travel		2,587	
Other Contracted Services		53,407	
Drugs and Medical Supplies		14,667	
Utilities		67,273	
Other Supplies and Materials		13,112	
Communication Equipment		29,632	
Total Local Health Center			661,009

Rabies and Animal Control

County Official/Administrative Officer	\$	64,281	
Supervisor/Director		71,273	
Attendants		448,025	
Part-time Personnel		86,664	
Longevity Pay		1,250	
Overtime Pay		35,698	
Other Salaries and Wages		65,742	
In-Service Training		3,998	
Social Security		46,929	
State Retirement		86,878	
Employee and Dependent Insurance		139,192	
Disability Insurance		1,182	
Employer Medicare		10,975	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Advertising	\$	326	
Communication		16,865	
Dues and Memberships		1,590	
Maintenance Agreements		16,319	
Maintenance and Repair Services - Buildings		16,830	
Maintenance and Repair Services - Vehicles		9,719	
Postal Charges		238	
Travel		3,743	
Veterinary Services		1,141	
Other Contracted Services		75,350	
Animal Food and Supplies		10,267	
Custodial Supplies		11,521	
Drugs and Medical Supplies		59,315	
Gasoline		45,700	
Office Supplies		6,943	
Uniforms		2,327	
Utilities		46,355	
Other Supplies and Materials		9,743	
Refunds		401	
Communication Equipment		268	
Data Processing Equipment		4,743	
Motor Vehicles		44,497	
Other Equipment		37,874	
Total Rabies and Animal Control			\$ 1,484,162

Nursing Home

Site Development	\$	4,891	
Total Nursing Home			4,891

Dental Health Program

Dues and Memberships	\$	400	
Medical and Dental Services		10,561	
Total Dental Health Program			10,961

Other Local Health Services

Medical Personnel	\$	1,250,341	
Longevity Pay		5,925	
Social Security		74,805	
State Retirement		151,213	
Employee and Dependent Insurance		316,098	
Disability Insurance		2,231	
Employer Medicare		17,494	
Travel		18,593	
Total Other Local Health Services			1,836,700

General Welfare Assistance

Contributions	\$	51,000	
Total General Welfare Assistance			51,000

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management

Contracts with Private Agencies	\$ 33,007	
Total Sanitation Management		\$ 33,007

Other Public Health and Welfare

Medical and Dental Services	\$ 15,600	
Other Contracted Services	251,220	
Liability Insurance	1,681	
Total Other Public Health and Welfare		268,501

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 32,000	
Total Adult Activities		32,000

Senior Citizens Assistance

Contributions	\$ 1,500	
Total Senior Citizens Assistance		1,500

Libraries

Contributions	\$ 1,233,500	
Total Libraries		1,233,500

Parks and Fair Boards

Supervisor/Director	\$ 31,000	
Other Salaries and Wages	165,313	
Board and Committee Members Fees	2,850	
Social Security	10,426	
Employer Medicare	2,888	
Contributions	155,054	
Matching Share	22,400	
Postal Charges	108	
Travel	2,112	
Other Contracted Services	39,970	
Equipment and Machinery Parts	14,933	
Office Supplies	230	
Other Supplies and Materials	1,435	
Total Parks and Fair Boards		448,719

Other Social, Cultural, and Recreational

Contributions	\$ 551,053	
Total Other Social, Cultural, and Recreational		551,053

Agriculture and Natural Resources

Agriculture Extension Service

Teachers	\$ 41,359	
Secretary(ies)	46,328	
Longevity Pay	825	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Other Salaries and Wages	\$	62,941	
Board and Committee Members Fees		1,550	
Social Security		9,067	
State Retirement		19,194	
Employee and Dependent Insurance		29,374	
Disability Insurance		278	
Employer Medicare		2,124	
Advertising		1,052	
Communication		2,546	
Contracts with Government Agencies		354,067	
Data Processing Services		264	
Postal Charges		2,990	
Other Contracted Services		350	
Fertilizer, Lime, and Seed		1,956	
Gasoline		3,369	
Office Supplies		2,689	
Utilities		96,485	
Other Supplies and Materials		27,947	
Total Agriculture Extension Service			\$ 706,755

Soil Conservation

Assistant(s)	\$	39,963	
Part-time Personnel		27,365	
Longevity Pay		375	
Social Security		4,095	
State Retirement		5,112	
Employee and Dependent Insurance		11,585	
Disability Insurance		74	
Employer Medicare		958	
Contributions		15,000	
Total Soil Conservation			104,527

Storm Water Management

Assistant(s)	\$	49,188	
Part-time Personnel		10,628	
Other Salaries and Wages		29,925	
In-Service Training		1,350	
Social Security		5,523	
State Retirement		10,025	
Employee and Dependent Insurance		11,911	
Disability Insurance		149	
Employer Medicare		1,292	
Communication		2,723	
Contracts with Private Agencies		33,576	
Dues and Memberships		189	
Printing, Stationery, and Forms		169	
Travel		731	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Storm Water Management (Cont.)

Data Processing Supplies	\$	678	
Gasoline		3,350	
Office Supplies		2,195	
Uniforms		268	
Other Supplies and Materials		3,773	
Data Processing Equipment		1,575	
Total Storm Water Management	\$		169,218

Other Operations

Tourism

Contributions	\$	510,163	
Total Tourism			510,163

Other Economic and Community Development

Contracts with Other Public Agencies	\$	4,200	
Other Contracted Services		15,860	
Total Other Economic and Community Development			20,060

Other Charges

Mechanic(s)	\$	47,136	
Laborers		69,844	
Longevity Pay		775	
Overtime Pay		271	
Social Security		7,298	
State Retirement		14,958	
Employee and Dependent Insurance		16,365	
Disability Insurance		216	
Employer Medicare		1,707	
Communication		1,002	
Evaluation and Testing		1,317	
Equipment and Machinery Parts		1,376	
Gasoline		5,155	
Utilities		19,725	
Vehicle Parts		25,929	
Other Supplies and Materials		8,587	
Total Other Charges			221,661

Employee Benefits

Other Fringe Benefits	\$	383,593	
Workers' Compensation Insurance		1,176,500	
Total Employee Benefits			1,560,093

Payments to Cities

Contracts with Government Agencies	\$	2,058,331	
Total Payments to Cities			2,058,331

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Judgments	\$ 1,300,000	
Trustee's Commission	1,077,455	
Total Miscellaneous		\$ 2,377,455

Total General Fund \$ 82,872,273

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Laborers	\$ 27,358	
Part-time Personnel	13,551	
Longevity Pay	175	
Overtime Pay	113	
Other Salaries and Wages	42,111	
Social Security	4,967	
State Retirement	8,837	
Employee and Dependent Insurance	15,902	
Disability Insurance	128	
Employer Medicare	1,162	
Gasoline	13,097	
Instructional Supplies and Materials	2,461	
Other Supplies and Materials	5,487	
Total Sanitation Education/Information		\$ 135,349

Convenience Centers

Supervisor/Director	\$ 70,430	
Foremen	42,304	
Truck Drivers	437,524	
Laborers	375,743	
Clerical Personnel	36,304	
Longevity Pay	2,250	
Overtime Pay	19,598	
Social Security	59,291	
State Retirement	76,314	
Employee and Dependent Insurance	168,453	
Disability Insurance	1,056	
Employer Medicare	13,867	
Advertising	1,074	
Communication	16,432	
Contracts with Private Agencies	12,999	
Maintenance and Repair Services - Buildings	1,650	
Maintenance and Repair Services - Equipment	23,224	
Maintenance and Repair Services - Vehicles	89,168	
Postal Charges	18	
Rentals	8,700	
Towing Services	795	
Travel	1,871	

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Crushed Stone	\$	741	
Diesel Fuel		261,567	
Equipment and Machinery Parts		30,884	
Gasoline		6,516	
Lubricants		6,736	
Office Supplies		251	
Tires and Tubes		66,648	
Uniforms		6,440	
Utilities		20,998	
Fencing		4,585	
Other Supplies and Materials		10,938	
Communication Equipment		560	
Motor Vehicles		215,996	
Site Development		7,817	
Solid Waste Equipment		25,941	
Total Convenience Centers			\$ 2,125,683

Other Waste Collection

Laborers	\$	26,100	
Part-time Personnel		32,492	
Overtime Pay		400	
Social Security		3,618	
State Retirement		3,355	
Employee and Dependent Insurance		5,692	
Disability Insurance		48	
Employer Medicare		846	
Communication		362	
Contracts with Private Agencies		3,910	
Maintenance and Repair Services - Equipment		305	
Other Contracted Services		8,952	
Other Supplies and Materials		2,171	
Site Development		6,150	
Total Other Waste Collection			94,401

Landfill Operation and Maintenance

Mechanic(s)	\$	39,099	
Clerical Personnel		31,616	
Longevity Pay		300	
Overtime Pay		2,023	
Social Security		4,215	
State Retirement		9,246	
Employee and Dependent Insurance		29,944	
Disability Insurance		130	
Employer Medicare		986	
Advertising		390	
Communication		2,801	
Contracts with Private Agencies		181,577	

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Engineering Services	\$	17,861	
Maintenance and Repair Services - Equipment		1,934	
Postal Charges		17	
Rentals		1,325	
Travel		946	
Disposal Fees		233,000	
Crushed Stone		10,313	
Data Processing Supplies		1,685	
Diesel Fuel		7,210	
Equipment Parts - Light		328	
Equipment and Machinery Parts		4,242	
Fertilizer, Lime, and Seed		513	
Lubricants		1,099	
Uniforms		1,921	
Utilities		7,747	
Other Supplies and Materials		4,594	
Total Landfill Operation and Maintenance			\$ 597,062

Postclosure Care Costs

Contracts with Private Agencies	\$	172,736	
Engineering Services		28,348	
Contracts for Postclosure Care Costs		50,514	
Fertilizer, Lime, and Seed		2,450	
Testing		12,072	
Other Supplies and Materials		4,246	
Total Postclosure Care Costs			270,366

Other Operations

Employee Benefits

Other Fringe Benefits	\$	3,150	
Workers' Compensation Insurance		24,040	
Total Employee Benefits			27,190

Miscellaneous

Building and Contents Insurance	\$	3,215	
Judgments		11,000	
Liability Insurance		7,748	
Trustee's Commission		29,987	
Total Miscellaneous			51,950

Total Solid Waste/Sanitation Fund \$ 3,302,001

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	89,220	
Supervisor/Director		1,262,224	

(Continued)

Exhibit L-9

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Accountants/Bookkeepers	\$	209,990	
Paraprofessionals		3,848,065	
Dispatchers/Radio Operators		415,990	
Maintenance Personnel		30,507	
Part-time Personnel		430,000	
Longevity Pay		30,700	
Overtime Pay		208,178	
In-Service Training		45,253	
Social Security		391,909	
State Retirement		769,609	
Employee and Dependent Insurance		1,211,920	
Disability Insurance		8,267	
Unemployment Compensation		407	
Employer Medicare		91,656	
Other Fringe Benefits		22,113	
Communication		126,419	
Contracts with Private Agencies		51,511	
Evaluation and Testing		3,090	
Maintenance and Repair Services - Buildings		30,038	
Maintenance and Repair Services - Vehicles		174,636	
Medical and Dental Services		13,100	
Pest Control		5,268	
Postal Charges		1,547	
Printing, Stationery, and Forms		1,205	
Travel		3,339	
Other Contracted Services		334,426	
Custodial Supplies		12,501	
Data Processing Supplies		6,636	
Drugs and Medical Supplies		295,344	
Gasoline		223,547	
Instructional Supplies and Materials		7,416	
Office Supplies		10,804	
Uniforms		43,279	
Utilities		107,473	
Other Supplies and Materials		31,485	
Judgments		60,000	
Refunds		50,797	
Trustee's Commission		138,163	
In Service/Staff Development		22,589	
Other Charges		60,565	
Communication Equipment		259,436	
Data Processing Equipment		36,663	
Motor Vehicles		452,144	
Health Equipment		321,007	
Other Equipment		55,004	
Total Ambulance/Emergency Medical Services			\$ 12,005,440

Total Ambulance Service Fund

\$ 12,005,440

(Continued)

Exhibit L-9

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

Industrial/Economic Development Fund

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$	130,000	
Contributions		96,500	
Trustee's Commission		134	
Total Industrial Development			\$ 226,634

Payments to Cities

Contracts with Government Agencies	\$	17,030	
Total Payments to Cities			17,030

Total Industrial/Economic Development Fund \$ 243,664

Special Purpose Fund

Public Safety

Sheriff's Department

In-Service Training	\$	12,800	
Confidential Drug Enforcement Payments		68,066	
Maintenance and Repair Services - Vehicles		4,107	
Law Enforcement Supplies		776	
Uniforms		1,753	
Data Processing Equipment		1,160	
Motor Vehicles		15,198	
Other Equipment		18,424	
Total Sheriff's Department			\$ 122,284

Total Special Purpose Fund 122,284

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$	20,725	
Confidential Drug Enforcement Payments		150,000	
Maintenance and Repair Services - Vehicles		18,227	
Animal Food and Supplies		680	
Law Enforcement Supplies		2,020	
Uniforms		994	
Other Supplies and Materials		12,900	
Trustee's Commission		5,752	
Building Improvements		198,238	
Law Enforcement Equipment		113,045	
Motor Vehicles		93,931	
Total Drug Enforcement			\$ 616,512

Total Drug Control Fund 616,512

(Continued)

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 518,735	
Total County Trustee's Office		\$ 518,735

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 2,490,159	
Total Circuit Court		2,490,159

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 870	
Total Chancery Court		<u>870</u>

Total Constitutional Officers - Fees Fund		\$ 3,009,764
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 120,489	
Assistant(s)	70,760	
Secretary(ies)	91,776	
Longevity Pay	1,525	
Board and Committee Members Fees	24,600	
Social Security	18,528	
State Retirement	36,110	
Employee and Dependent Insurance	47,046	
Disability Insurance	484	
Employer Medicare	4,369	
Communication	5,933	
Dues and Memberships	7,720	
Janitorial Services	7,500	
Legal Notices, Recording, and Court Costs	1,520	
Maintenance and Repair Services - Office Equipment	165	
Postal Charges	793	
Printing, Stationery, and Forms	1,781	
Travel	417	
Electricity	22,671	
Natural Gas	11,621	
Office Supplies	1,326	
Water and Sewer	8,432	
Building and Contents Insurance	7,725	
Liability Insurance	69,432	
Trustee's Commission	92,294	
Other Charges	10,000	
Office Equipment	1,964	
Total Administration		\$ <u>666,981</u>

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	257,935	
Equipment Operators		885,937	
Truck Drivers		187,730	
Longevity Pay		13,050	
Overtime Pay		10,271	
Social Security		80,016	
State Retirement		171,940	
Employee and Dependent Insurance		361,599	
Disability Insurance		2,443	
Employer Medicare		18,713	
Engineering Services		7,440	
Other Contracted Services		59,989	
Asphalt		2,940,153	
Crushed Stone		3,620	
General Construction Materials		1,162	
Pipe - Metal		31,719	
Road Signs		36,318	
Salt		33,834	
Uniforms		12,095	
Total Highway and Bridge Maintenance			\$ 5,115,964

Operation and Maintenance of Equipment

Foremen	\$	48,138	
Mechanic(s)		193,718	
Laborers		65,997	
Longevity Pay		2,425	
Overtime Pay		3,933	
Social Security		18,776	
State Retirement		39,873	
Employee and Dependent Insurance		80,418	
Disability Insurance		578	
Employer Medicare		4,391	
Maintenance and Repair Services - Equipment		79,671	
Other Contracted Services		17,272	
Diesel Fuel		210,252	
Equipment and Machinery Parts		141,291	
Garage Supplies		4,083	
Gasoline		57,084	
Lubricants		10,875	
Tires and Tubes		58,252	
Other Supplies and Materials		14,276	
Total Operation and Maintenance of Equipment			1,051,303

Other Charges

Assistant(s)	\$	25,013	
Salary Supplements		10,000	
Foremen		41,223	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Equipment Operators	\$	96,007	
Secretary(ies)		41,215	
Longevity Pay		1,375	
In-Service Training		2,362	
Social Security		12,210	
State Retirement		27,262	
Employee and Dependent Insurance		70,532	
Disability Insurance		362	
Employer Medicare		2,856	
Communication		1,087	
Legal Notices, Recording, and Court Costs		309	
Maintenance and Repair Services - Equipment		7,353	
Printing, Stationery, and Forms		500	
Travel		2,634	
Other Contracted Services		2,388	
Data Processing Supplies		268	
Diesel Fuel		15,240	
Equipment and Machinery Parts		3,740	
Gasoline		6,732	
General Construction Materials		1,543	
Lubricants		92	
Office Supplies		770	
Tires and Tubes		4,513	
Other Supplies and Materials		1,067	
Other Equipment		1,424	
Total Other Charges			\$ 380,077

Employee Benefits

Other Fringe Benefits	\$	125,962	
Workers' Compensation Insurance		55,320	
Total Employee Benefits			181,282

Capital Outlay

Bridge Construction	\$	15,040	
Building Improvements		2,237	
Highway Equipment		277,149	
Total Capital Outlay			294,426

Total Highway/Public Works Fund \$ 7,690,033

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	766,898	
Other Debt Issuance Charges		302	
Other Debt Service		4,510	
Total Other General Administration			\$ 771,710

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Principal on Debt

General Government

Principal on Bonds	\$ 4,435,618	
Principal on Notes	2,835,000	
Total General Government		\$ 7,270,618

Education

Principal on Bonds	\$ 20,609,382	
Principal on Notes	16,359,180	
Principal on Capital Leases	190,512	
Total Education		37,159,074

Interest on Debt

General Government

Interest on Bonds	\$ 2,013,743	
Interest on Notes	20,379	
Total General Government		2,034,122

Education

Interest on Bonds	\$ 11,904,163	
Interest on Notes	131,899	
Interest on Capital Leases	49,049	
Total Education		12,085,111

Other Debt Service

General Government

Underwriter's Discount	\$ 55,424	
Other Debt Issuance Charges	70,007	
Total General Government		125,431

Education

Underwriter's Discount	\$ 69,441	
Other Debt Issuance Charges	121,693	
Total Education		191,134

Total General Debt Service Fund \$ 59,637,200

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Land	\$ 44,437	
Total Administration of Justice Projects		\$ 44,437

Public Safety Projects

Architects	\$ 3,940	
Engineering Services	475	
Rentals	119	
Refunds	166	
Building Construction	79,361	

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Safety Projects (Cont.)</u>		
Building Improvements	\$	135,489
Communication Equipment		1,325,948
Data Processing Equipment		22,281
Site Development		1,453
Total Public Safety Projects		<u>1,569,232</u>
<u>Public Health and Welfare Projects</u>		
Furniture and Fixtures	\$	2,077
Land		110
Total Public Health and Welfare Projects		<u>2,187</u>
<u>Highway and Street Capital Projects</u>		
Contracts with Government Agencies	\$	2,659,784
Highway Construction		150,008
Total Highway and Street Capital Projects		<u>2,809,792</u>
Total General Capital Projects Fund		\$ 4,425,648
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$	17,755,499
Total Education Capital Projects		<u>17,755,499</u>
Total Education Capital Projects Fund		<u>17,755,499</u>
Total Governmental Funds - Primary Government		<u>\$ 191,680,318</u>

Exhibit L-10

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 102,733,145	
Career Ladder Program	416,489	
Career Ladder Extended Contracts	46,053	
Educational Assistants	3,832,743	
Other Salaries and Wages	1,137,375	
Social Security	6,507,431	
State Retirement	9,707,499	
Life Insurance	106,572	
Medical Insurance	21,115,067	
Unemployment Compensation	70,653	
Employer Medicare	1,523,758	
Other Fringe Benefits	199,962	
Contracts for Substitute Teachers - Certified	503,377	
Contracts for Substitute Teachers - Non-certified	1,142,614	
Other Contracted Services	68,358	
Instructional Supplies and Materials	2,573,971	
Textbooks	4,681,729	
Other Supplies and Materials	230,486	
Fee Waivers	72,461	
Other Charges	290,102	
Regular Instruction Equipment	2,737,142	
Total Regular Instruction Program		\$ 159,696,987

Alternative Instruction Program

Teachers	\$ 1,133,183	
Career Ladder Program	4,000	
Educational Assistants	97,291	
Social Security	74,438	
State Retirement	113,570	
Life Insurance	1,312	
Medical Insurance	219,524	
Employer Medicare	17,409	
Other Fringe Benefits	2,303	
Contracts for Substitute Teachers - Certified	2,836	
Contracts for Substitute Teachers - Non-certified	9,054	
Other Contracted Services	4,371	
Instructional Supplies and Materials	21,989	
Other Equipment	1,086	
Total Alternative Instruction Program		1,702,366

Special Education Program

Teachers	\$ 10,551,428	
Career Ladder Program	60,335	
Educational Assistants	3,548,838	
Speech Pathologist	1,332,867	
Other Salaries and Wages	163,551	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	932,871	
State Retirement		1,523,161	
Life Insurance		20,435	
Medical Insurance		3,744,464	
Unemployment Compensation		46,935	
Employer Medicare		218,999	
Other Fringe Benefits		29,983	
Maintenance and Repair Services - Equipment		1,561	
Contracts for Substitute Teachers - Certified		39,404	
Contracts for Substitute Teachers - Non-certified		239,232	
Other Contracted Services		1,088,015	
Instructional Supplies and Materials		98,320	
Textbooks		33,083	
Other Supplies and Materials		40,697	
Other Charges		1,595	
Special Education Equipment		49,315	
Total Special Education Program			\$ 23,765,089

Vocational Education Program

Teachers	\$	7,846,805	
Career Ladder Program		22,380	
Clerical Personnel		179,990	
Social Security		481,942	
State Retirement		717,974	
Life Insurance		7,500	
Medical Insurance		1,514,443	
Unemployment Compensation		11,282	
Employer Medicare		113,279	
Other Fringe Benefits		14,793	
Maintenance and Repair Services - Equipment		45,332	
Contracts for Substitute Teachers - Certified		32,199	
Contracts for Substitute Teachers - Non-certified		138,888	
Other Contracted Services		80,713	
Instructional Supplies and Materials		253,980	
T&I Construction Materials		3,108	
Textbooks		96,721	
Other Supplies and Materials		92,257	
Vocational Instruction Equipment		165,815	
Total Vocational Education Program			11,819,401

Adult Education Program

Teachers	\$	335,072	
Other Salaries and Wages		17,903	
Social Security		16,775	
State Retirement		20,279	
Life Insurance		151	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Medical Insurance	\$	25,271	
Employer Medicare		3,923	
Other Fringe Benefits		411	
Other Contracted Services		5,243	
Instructional Supplies and Materials		4,279	
Other Supplies and Materials		3,598	
Total Adult Education Program			\$ 432,905

Support Services

Attendance

Supervisor/Director	\$	84,804	
Career Ladder Program		4,200	
Social Workers		242,539	
Clerical Personnel		74,357	
Other Salaries and Wages		56,907	
Social Security		24,698	
State Retirement		41,506	
Life Insurance		314	
Medical Insurance		65,300	
Employer Medicare		6,530	
Other Fringe Benefits		748	
Travel		4,470	
Other Contracted Services		222,729	
Other Supplies and Materials		11,746	
In Service/Staff Development		4,325	
Attendance Equipment		2,617	
Total Attendance			847,790

Health Services

Medical Personnel	\$	2,265,694	
Other Salaries and Wages		414,655	
Social Security		160,365	
State Retirement		319,791	
Life Insurance		2,419	
Medical Insurance		441,918	
Employer Medicare		37,853	
Other Fringe Benefits		4,711	
Travel		15,245	
Contracts for Substitute Teachers - Non-certified		313	
Other Contracted Services		2,270	
Drugs and Medical Supplies		8,220	
Other Supplies and Materials		42,838	
In Service/Staff Development		5,006	
Health Equipment		113,262	
Total Health Services			3,834,560

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	25,500	
Guidance Personnel		4,434,544	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		226,266	
Other Salaries and Wages		530,523	
Social Security		311,678	
State Retirement		464,682	
Life Insurance		4,652	
Medical Insurance		869,719	
Unemployment Compensation		1,484	
Employer Medicare		73,612	
Other Fringe Benefits		9,266	
Contracts with Government Agencies		286,357	
Evaluation and Testing		338,663	
Travel		11,534	
Contracts for Substitute Teachers - Certified		6,641	
Contracts for Substitute Teachers - Non-certified		14,387	
Other Contracted Services		145,905	
Other Supplies and Materials		7,836	
In Service/Staff Development		7,683	
Other Equipment		16,967	
Total Other Student Support			\$ 7,789,899

Regular Instruction Program

Supervisor/Director	\$	714,371	
Career Ladder Program		52,182	
Career Ladder Extended Contracts		2,000	
Librarians		2,744,584	
Materials Supervisor		42,672	
Instructional Computer Personnel		1,600,192	
Secretary(ies)		73,950	
Clerical Personnel		75,311	
Educational Assistants		548,175	
Other Salaries and Wages		704,781	
In-Service Training		500	
Social Security		391,847	
State Retirement		600,831	
Life Insurance		5,967	
Medical Insurance		1,157,601	
Employer Medicare		92,604	
Other Fringe Benefits		11,912	
Maintenance and Repair Services - Equipment		1,035	
Travel		46,447	
Contracts for Substitute Teachers - Certified		10,111	
Contracts for Substitute Teachers - Non-certified		25,325	
Other Contracted Services		85,332	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	143,395	
Other Supplies and Materials		64,696	
In Service/Staff Development		83,379	
Other Charges		1,000	
Other Equipment		35,954	
Total Regular Instruction Program			\$ 9,316,154

Alternative Instruction Program

Supervisor/Director	\$	167,534	
Career Ladder Program		7,000	
Guidance Personnel		103,219	
Librarians		54,290	
Clerical Personnel		51,848	
Other Salaries and Wages		156,655	
Social Security		32,425	
State Retirement		49,697	
Life Insurance		483	
Medical Insurance		95,033	
Employer Medicare		7,584	
Other Fringe Benefits		957	
Contracts for Substitute Teachers - Certified		666	
Contracts for Substitute Teachers - Non-certified		499	
Other Contracted Services		75	
Library Books/Media		1,657	
Other Supplies and Materials		6,147	
In Service/Staff Development		2,118	
Other Equipment		2,580	
Total Alternative Instruction Program			740,467

Special Education Program

Supervisor/Director	\$	91,140	
Career Ladder Program		16,900	
Psychological Personnel		437,973	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		35,040	
Other Salaries and Wages		27,761	
In-Service Training		500	
Social Security		37,078	
State Retirement		55,921	
Life Insurance		424	
Medical Insurance		82,257	
Employer Medicare		8,671	
Other Fringe Benefits		1,115	
Travel		62,365	
Other Contracted Services		10,483	
Other Supplies and Materials		59,034	

(Continued)

Exhibit L-10

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

<u>General Purpose School Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Special Education Program (Cont.)</u>		
In Service/Staff Development	\$	19,011
Other Charges		2,780
Other Equipment		5,892
Total Special Education Program		<u>958,345</u>
	\$	
<u>Vocational Education Program</u>		
Supervisor/Director	\$	91,140
Clerical Personnel		15,940
Other Salaries and Wages		33,678
Social Security		8,688
State Retirement		13,107
Life Insurance		82
Medical Insurance		4,144
Employer Medicare		2,032
Other Fringe Benefits		235
Travel		14,518
Other Contracted Services		10,000
Other Supplies and Materials		3,399
In Service/Staff Development		6,182
Total Vocational Education Program		<u>203,145</u>
<u>Adult Programs</u>		
Supervisor/Director	\$	9,114
Clerical Personnel		62,769
Social Security		3,852
State Retirement		7,092
Life Insurance		71
Medical Insurance		10,297
Employer Medicare		901
Other Fringe Benefits		105
Travel		726
Other Contracted Services		21
Other Supplies and Materials		416
In Service/Staff Development		6,630
Total Adult Programs		<u>101,994</u>
<u>Board of Education</u>		
Secretary to Board	\$	123,494
Other Salaries and Wages		15,069
Board and Committee Members Fees		70,897
Social Security		12,777
State Retirement		15,953
Life Insurance		70
Medical Insurance		2,168,181
Employer Medicare		2,988
Other Fringe Benefits		634,194

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	46,044	
Dues and Memberships		9,302	
Legal Services		61,623	
Other Contracted Services		4,759	
Liability Insurance		317,872	
Trustee's Commission		1,997,580	
Workers' Compensation Insurance		526,381	
In Service/Staff Development		26,433	
Criminal Investigation of Applicants - TBI		40,068	
Total Board of Education			\$ 6,073,685

Director of Schools

County Official/Administrative Officer	\$	143,100	
Other Salaries and Wages		187,537	
Social Security		18,403	
State Retirement		36,506	
Life Insurance		172	
Medical Insurance		41,554	
Employer Medicare		4,699	
Other Fringe Benefits		547	
Communication		100,459	
Dues and Memberships		7,766	
Postal Charges		37,097	
Travel		1,187	
Other Contracted Services		18,670	
In Service/Staff Development		7,767	
Other Charges		46,436	
Administration Equipment		6,874	
Total Director of Schools			658,774

Office of the Principal

Principals	\$	3,702,212	
Career Ladder Program		71,200	
Accountants/Bookkeepers		756,930	
Career Ladder Extended Contracts		38,000	
Assistant Principals		4,484,823	
Secretary(ies)		1,107,013	
Clerical Personnel		1,273,755	
Social Security		684,795	
State Retirement		1,113,634	
Life Insurance		10,231	
Medical Insurance		2,164,928	
Unemployment Compensation		4,900	
Employer Medicare		161,057	
Other Fringe Benefits		20,242	
Communication		272,347	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Dues and Memberships	\$	40,560	
Contracts for Substitute Teachers - Certified		4,046	
Contracts for Substitute Teachers - Non-certified		13,504	
Other Contracted Services		114,661	
Office Supplies		11,930	
Other Charges		144,665	
Administration Equipment		43,460	
Total Office of the Principal			\$ 16,238,893

Fiscal Services

Supervisor/Director	\$	222,027	
Accountants/Bookkeepers		304,690	
Purchasing Personnel		94,650	
Social Security		37,692	
State Retirement		73,520	
Life Insurance		576	
Medical Insurance		113,912	
Employer Medicare		8,861	
Other Fringe Benefits		1,136	
Travel		1,163	
Other Contracted Services		1,150	
Office Supplies		18,841	
Other Supplies and Materials		595	
In Service/Staff Development		4,371	
Administration Equipment		1,227	
Total Fiscal Services			884,411

Human Services/Personnel

Supervisor/Director	\$	101,442	
Clerical Personnel		140,013	
Other Salaries and Wages		80,035	
Social Security		19,059	
State Retirement		33,883	
Life Insurance		266	
Medical Insurance		82,731	
Employer Medicare		4,458	
Other Fringe Benefits		583	
Travel		959	
Other Contracted Services		66,156	
Other Supplies and Materials		4,422	
In Service/Staff Development		7,935	
Administration Equipment		2,547	
Total Human Services/Personnel			544,489

Operation of Plant

Custodial Personnel	\$	5,918,287	
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(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Salaries and Wages	\$	32,440	
Social Security		354,790	
State Retirement		705,751	
Life Insurance		9,742	
Medical Insurance		1,585,472	
Unemployment Compensation		23,138	
Employer Medicare		82,975	
Other Fringe Benefits		10,415	
Other Contracted Services		641,332	
Custodial Supplies		736,445	
Electricity		9,198,413	
Natural Gas		1,384,485	
Water and Sewer		1,166,137	
Other Supplies and Materials		6,401	
Building and Contents Insurance		366,280	
Other Charges		45,362	
Plant Operation Equipment		28,331	
Total Operation of Plant			\$ 22,296,196

Maintenance of Plant

Supervisor/Director	\$	420,417	
Secretary(ies)		119,509	
Maintenance Personnel		2,037,470	
Social Security		154,359	
State Retirement		327,070	
Life Insurance		2,625	
Medical Insurance		589,485	
Employer Medicare		36,099	
Other Fringe Benefits		4,720	
Laundry Service		21,018	
Maintenance and Repair Services - Buildings		540,286	
Maintenance and Repair Services - Equipment		623,402	
Matching Share		6,511	
Other Contracted Services		488,651	
Other Supplies and Materials		825,264	
Vehicle and Equipment Insurance		40,833	
In Service/Staff Development		3,062	
Other Charges		7,256	
Maintenance Equipment		102,944	
Total Maintenance of Plant			6,350,981

Transportation

Supervisor/Director	\$	72,431	
Clerical Personnel		128,233	
Attendants		332,058	
Other Salaries and Wages		38,469	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	32,865	
State Retirement		62,821	
Life Insurance		914	
Medical Insurance		163,633	
Employer Medicare		7,886	
Other Fringe Benefits		995	
Contracts with Private Agencies		404,244	
Contracts with Vehicle Owners		13,868,183	
Travel		25	
Other Contracted Services		31,647	
Other Supplies and Materials		21,762	
Vehicle and Equipment Insurance		80,000	
Other Charges		25,629	
Administration Equipment		259	
Food Service Equipment		1,832	
Transportation Equipment		41,839	
Total Transportation			\$ 15,315,725

Central and Other

Supervisor/Director	\$	84,160	
Computer Programmer(s)		961,819	
Clerical Personnel		33,483	
Other Salaries and Wages		109,808	
Social Security		72,397	
State Retirement		150,951	
Life Insurance		975	
Medical Insurance		165,398	
Employer Medicare		16,932	
Other Fringe Benefits		2,200	
Data Processing Services		27,106	
Maintenance and Repair Services - Equipment		14,227	
Travel		9,986	
Other Contracted Services		46,920	
Data Processing Supplies		257,962	
Other Supplies and Materials		99,243	
In Service/Staff Development		2,321	
Data Processing Equipment		30,938	
Other Equipment		48,893	
Total Central and Other			2,135,719

Operation of Non-instructional Services

Community Services

Other Charges	\$	27,993	
Total Community Services			27,993

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education

Teachers	\$	1,082,659	
Career Ladder Program		7,000	
Educational Assistants		457,818	
Social Security		92,249	
State Retirement		155,087	
Life Insurance		2,207	
Medical Insurance		387,651	
Employer Medicare		21,574	
Other Fringe Benefits		3,007	
Travel		317	
Contracts for Substitute Teachers - Certified		6,386	
Contracts for Substitute Teachers - Non-certified		29,935	
Other Contracted Services		1,840	
Food Supplies		4,268	
Instructional Supplies and Materials		14,952	
Other Supplies and Materials		1,178	
In Service/Staff Development		5,329	
Total Early Childhood Education			\$ 2,273,457

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	46,432	
Other Capital Outlay		27,980	
Total Regular Capital Outlay			74,412

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	550,157	
Total Education			550,157

Total General Purpose School Fund \$ 294,633,994

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,695,090	
Educational Assistants		664,677	
Other Salaries and Wages		1,200	
Social Security		141,190	
State Retirement		232,671	
Life Insurance		3,129	
Medical Insurance		586,393	
Employer Medicare		33,493	
Other Fringe Benefits		4,522	
Contracts for Substitute Teachers - Certified		24,408	
Contracts for Substitute Teachers - Non-certified		62,232	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Contracted Services	\$	104,372	
Instructional Supplies and Materials		339,752	
Other Supplies and Materials		145,807	
Regular Instruction Equipment		214,641	
Total Regular Instruction Program			\$ 4,253,577

Special Education Program

Teachers	\$	1,031,233	
Educational Assistants		1,211,602	
Speech Pathologist		212,430	
Other Salaries and Wages		81,503	
Social Security		150,062	
State Retirement		273,250	
Life Insurance		4,418	
Medical Insurance		764,876	
Employer Medicare		35,095	
Other Fringe Benefits		5,176	
Contracts for Substitute Teachers - Certified		2,593	
Contracts for Substitute Teachers - Non-certified		40,421	
Other Contracted Services		229,162	
Instructional Supplies and Materials		87,047	
Other Supplies and Materials		12,390	
Other Charges		500	
Special Education Equipment		6,246	
Total Special Education Program			4,148,004

Vocational Education Program

Instructional Supplies and Materials	\$	51,625	
Other Supplies and Materials		31,743	
Vocational Instruction Equipment		326,441	
Total Vocational Education Program			409,809

Support Services

Health Services

Other Salaries and Wages	\$	175,194	
Social Security		10,493	
State Retirement		21,699	
Life Insurance		133	
Medical Insurance		42,561	
Employer Medicare		2,454	
Other Fringe Benefits		324	
Total Health Services			252,858

Other Student Support

Social Workers	\$	443,479	
Other Salaries and Wages		110,360	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	33,384	
State Retirement		47,788	
Life Insurance		462	
Medical Insurance		107,505	
Employer Medicare		7,808	
Other Fringe Benefits		979	
Travel		27,376	
Other Contracted Services		11,623	
Other Supplies and Materials		114,054	
In Service/Staff Development		26,615	
Other Charges		42,304	
Total Other Student Support			\$ 973,737

Regular Instruction Program

Supervisor/Director	\$	88,965	
Secretary(ies)		36,754	
Other Salaries and Wages		316,963	
In-Service Training		53,650	
Social Security		29,295	
State Retirement		44,426	
Life Insurance		309	
Medical Insurance		74,205	
Employer Medicare		7,008	
Other Fringe Benefits		793	
Travel		4,630	
Contracts for Substitute Teachers - Certified		6,345	
Contracts for Substitute Teachers - Non-certified		20,559	
Other Supplies and Materials		11,892	
In Service/Staff Development		952,172	
Other Equipment		46,598	
Total Regular Instruction Program			1,694,564

Special Education Program

Psychological Personnel	\$	749,633	
Clerical Personnel		33,483	
Other Salaries and Wages		649,863	
Social Security		86,292	
State Retirement		129,262	
Life Insurance		1,070	
Medical Insurance		200,578	
Employer Medicare		20,181	
Other Fringe Benefits		2,618	
Other Contracted Services		74	
Other Supplies and Materials		65,014	
In Service/Staff Development		103,952	
Total Special Education Program			2,042,020

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$	500	
Total Vocational Education Program			\$ 500

Transportation

Other Salaries and Wages	\$	181,425	
Social Security		10,649	
State Retirement		21,630	
Life Insurance		429	
Medical Insurance		78,309	
Employer Medicare		2,490	
Other Fringe Benefits		353	
Contracts with Parents		908	
Contracts with Vehicle Owners		5,220	
Maintenance and Repair Services - Vehicles		914	
Gasoline		3,758	
Transportation Equipment		21,735	
Total Transportation			<u>327,820</u>

Total School Federal Projects Fund			\$ 14,102,889
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Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$	11,511	
Workers' Compensation Insurance		54,300	
Total Board of Education			\$ 65,811

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	1,723,684	
Accountants/Bookkeepers		80,827	
Cafeteria Personnel		4,330,007	
Other Salaries and Wages		31,936	
Social Security		370,836	
State Retirement		368,271	
Life Insurance		6,377	
Medical Insurance		1,128,189	
Unemployment Compensation		3,355	
Employer Medicare		86,900	
Other Fringe Benefits		15,864	
Maintenance and Repair Services - Equipment		50,903	
Transportation - Other than Students		102,012	
Travel		13,372	
Other Contracted Services		464,683	
Food Preparation Supplies		819,685	
Food Supplies		6,642,049	

(Continued)

Exhibit L-10

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Office Supplies	\$	26,387
Uniforms		11,909
USDA - Commodities		627,515
Other Supplies and Materials		298,262
In Service/Staff Development		29,858
Food Service Equipment		617,361
Total Food Service		<u>\$ 17,850,242</u>
Total Central Cafeteria Fund		\$ 17,916,053
<u>Education Capital Projects Fund</u>		
<u>Support Services</u>		
<u>Board of Education</u>		
Trustee's Commission	\$	48,291
Total Board of Education		\$ 48,291
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	1,050
Engineering Services		2,600
Maintenance and Repair Services - Buildings		2,191,818
Maintenance and Repair Services - Equipment		149,884
Total Education Capital Projects		<u>2,345,352</u>
Total Education Capital Projects Fund		2,393,643
<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$	409,495
Contributions		1,359,931
Engineering Services		78,138
Building Construction		6,324,637
Furniture and Fixtures		65,216
Regular Instruction Equipment		1,081,850
Site Development		71,495
Other Capital Outlay		163,719
Total Education Capital Projects		<u>\$ 9,554,481</u>
Total Other Capital Projects Fund		<u>9,554,481</u>
Total Governmental Funds - Rutherford County School Department		<u>\$ 338,601,060</u>

Exhibit L-11

Rutherford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 10,553,552	\$ 10,553,552
Trustee's Collections - Prior Years	0	140,001	140,001
Circuit/Clerk and Master Collections - Prior Years	0	141,362	141,362
Interest and Penalty	0	36,827	36,827
Pick-up Taxes	0	16,217	16,217
Payments in-Lieu-of Taxes - T.V.A.	0	1,096	1,096
Payments in-Lieu-of Taxes - Local Utilities	0	125,886	125,886
Local Option Sales Tax	50,881,505	7,582,275	58,463,780
Wheel Tax	0	581,974	581,974
Business Tax	0	295,071	295,071
Interstate Telecommunications Tax	0	3,774	3,774
Marriage Licenses	0	2,020	2,020
Total Cash Receipts	\$ 50,881,505	\$ 19,480,055	\$ 70,361,560
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 50,372,690	\$ 19,269,889	\$ 69,642,579
Contributions	0	29,618	29,618
Trustee's Commission	508,815	303,762	812,577
Total Cash Disbursements	\$ 50,881,505	\$ 19,603,269	\$ 70,484,774
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (123,214)	\$ (123,214)
Cash Balance, July 1, 2013	0	283,543	283,543
Cash Balance, June 30, 2014	\$ 0	\$ 160,329	\$ 160,329

STATISTICAL SECTION

This part of Rutherford County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. Certain information about the discretely presented Rutherford County School Department is included because, in our judgment, this information is beneficial in assessing the economic condition of the primary government.

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5a	254-265
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	266-270
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	11-12	271-272
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	13-14	273-274
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	15-17	275-277

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Rutherford County, Tennessee										
Net Position by Component										
Primary Government and Discretely Presented Component Unit										
Last Ten Fiscal Years (in thousands) (Note 3)										
(accrual basis of accounting)										
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental Activities										
Net Investment in Capital Assets	\$ 162,068	\$ 146,463	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	\$ 210,959	\$ 212,340
Restricted for:										
Capital Projects	14,397	29,782	17,761	7,674	2,071	403	3,650	3,251	1,858	2,568
Debt Service	31,323	32,053	31,703	30,879	32,067	34,939	-	-	-	2,909
General	-	-	-	-	-	-	-	588	407	379
Finance	-	-	-	-	-	-	-	22	22	36
Administration of Justice	-	-	-	-	-	-	-	951	860	1,052
Public Safety	-	-	-	-	-	-	1,576	1,092	1,013	951
Public Health and Welfare	-	-	-	-	-	-	-	99	54	126
Ambulance Service	-	-	-	-	-	5,216	-	-	-	-
Highways/Public Works	6,034	6,412	6,725	6,924	6,823	6,579	1,351	-	-	-
Solid Waste/Sanitation	4,519	5,084	4,649	4,091	4,166	4,257	-	-	-	-
Industrial/Economic Development	-	-	665	871	581	760	-	-	-	-
Drug Control	-	-	1,187	1,199	1,138	880	709	-	-	-
Adequate Facilities/Development Tax	5,827	5,873	5,925	4,340	4,269	-	-	-	-	-
District Attorney	-	-	-	-	210	241	286	-	-	-
Alcohol and Drug Treatment	-	-	-	-	139	-	-	-	-	-
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	872	820	1,412	2,124	-	-	-	-
Victims Assistance Programs	-	-	-	-	169	229	281	-	-	-
Computer System - Register	-	-	590	-	647	691	589	-	-	-
Other Purposes	2,924	6,468	475	1,187	46	112	61	-	-	-
Unrestricted (2)	(254,549)	(278,388)	(250,973)	(267,988)	(325,800)	(300,698)	(225,824)	(255,927)	(230,810)	(228,754)
Total Governmental Activities Net Position	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)	\$ (42,468)	\$ (15,637)	\$ (8,393)
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental Activities										
Net Investment in Capital Assets	\$ 273,716	\$ 301,332	\$ 331,320	\$ 361,986	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	\$ 430,779	\$ 432,042
Restricted for:										
Capital Projects	38,446	51,723	15,927	14,976	46,795	10,924	1,482	30,143	4,288	13,720
Education	-	-	-	-	-	-	292	-	-	-
Textbooks	-	3,556	-	-	-	-	-	-	-	-
Advances to Other	-	1,080	1,002	1,569	-	-	-	-	-	-
School Federal Projects	-	-	1,569	384	394	828	86	289	2	2
Central Cafeteria	-	-	-	3,160	4,198	4,902	5,151	5,059	4,851	4,087
Career Ladder	-	-	-	-	-	335	-	-	-	-
Driver Education	-	-	-	-	260	-	-	256	116	-
Other Purposes	1,986	3,098	268	244	25	-	-	10	117	240
Unrestricted	16,968	14,592	19,856	14,475	(226)	(2,383)	(8,963)	(13,787)	(22,095)	(30,149)
Total Governmental Activities Net Position	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565	\$ 436,528	\$ 418,058	\$ 419,942

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Rutherford County Board of Education is not part of the primary government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (3) GASB Statement No. 54 was implemented for the fiscal year ended June 30, 2011, which affects the comparability of restricted net position in prior periods.

Table 2

Rutherford County, Tennessee
Changes in Net Position
Last Ten Fiscal Years (in thousands) (Note 2)
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038	\$ 16,706	\$ 18,668
Finance	5,480	5,727	5,874	5,889	6,989	7,366	7,748	8,387	8,450	8,960
Administration of Justice	4,753	5,331	6,265	4,760	6,496	6,844	6,659	6,854	7,668	7,571
Public Safety	26,807	28,398	34,122	32,701	39,703	38,545	39,080	41,151	43,798	46,244
Public Health and Welfare	10,792	15,762	17,313	16,622	17,927	17,768	18,458	19,369	19,958	20,089
Social, Cultural and Recreational Services	1,186	1,352	1,350	1,380	2,458	2,786	1,838	2,112	2,264	2,267
Agriculture and Natural Resources	1,439	802	918	724	864	1,036	1,085	1,141	1,092	1,167
Other Operations (Note 2)	6,880	6,104	6,899	6,876	13,523	-	-	-	-	-
Highways/Public Works	13,859	9,750	11,855	14,437	14,529	16,925	9,264	11,206	10,474	12,246
Education (Payments to Component Unit)	67,167	70,937	23,940	62,793	99,547	33,085	35,351	89,448	42,373	67,262
Interest on Long-term Debt	13,123	14,510	16,617	16,447	16,221	17,064	13,850	15,177	14,840	13,998
Other Debt Service	1,146	-	-	154	-	-	-	-	323	-
Total Governmental Activities Expenses	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883	\$ 167,946	\$ 198,472
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,226	\$ 5,460	\$ 4,757	\$ 4,206	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699	\$ 4,185	\$ 4,146
Finance	5,514	5,273	6,819	6,483	6,695	6,759	7,158	7,454	7,727	8,032
Administration of Justice	5,525	5,271	5,879	6,243	5,723	6,145	5,803	6,400	6,584	6,397
Public Safety	3,874	525	3,904	3,473	5,222	3,621	2,643	4,910	5,961	4,218
Public Health and Welfare	5,616	5,291	7,647	6,866	7,900	8,024	8,335	10,091	9,173	10,144
Social, Cultural and Recreational Services	8	5	1	1	58	-	1	1	1	-
Agriculture and Natural Resources	126	118	113	-	19	-	23	41	38	80
Other Operations	-	-	-	-	82	-	-	-	-	-
Highways/Public Works	-	-	-	128	104	76	-	-	69	47
Education	21,634	24,969	28,930	34,080	34,122	37,070	40,077	38,887	41,164	50,718
Operating Grants and Contributions	6,279	11,045	7,002	7,158	6,950	8,161	9,591	8,591	7,822	7,628
Capital Grants and Contributions	2,327	4,873	5,041	5,050	13,745	14,707	1,936	1,770	2,732	4,274
Total Governmental Activities Program Revenues	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913	\$ 85,434	\$ 95,682

Rutherford County, Tennessee

Changes in Net Position (Cont.)

Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue Governmental Activities	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)	\$ (128,970)	\$ (82,512)	\$ (102,790)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 22,520	\$ 23,957	\$ 21,929	\$ 24,852	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132	\$ 41,259	\$ 45,676
Property Tax Levied for Debt Services	25,016	27,009	30,523	33,151	38,072	39,729	37,780	36,077	36,121	36,193
Payments in-Lieu-of Taxes	-	-	-	6,188	6,526	5,535	7,084	6,751	14,346	8,356
Local Option Sales Tax	4,007	4,279	4,812	4,767	2,037	2,035	1,671	1,583	2,189	2,454
Hotel/Motel Tax	-	-	-	986	932	951	1,067	1,216	1,400	1,550
Wheel Tax	-	-	-	5,707	5,701	5,696	5,729	5,860	5,999	6,180
Business Tax	-	-	-	1,385	1,269	1,424	1,709	1,824	2,189	2,155
Litigation Tax	-	-	-	1,062	1,863	2,242	2,232	2,423	2,449	2,424
Development Tax	-	-	-	3,960	2,579	1,395	865	2,051	3,210	3,719
Mineral Severance Tax	-	-	-	-	359	232	220	257	249	328
Bank Excise Tax	-	-	-	-	-	-	77	68	86	136
Wholesale Beer Tax	-	-	-	-	861	837	811	825	832	883
Interstate Telecommunications Tax	-	-	-	-	2	1	1	5	7	8
Other Local Taxes	16,366	15,953	22,115	1,492	-	-	-	-	-	-
Unrestricted Grants and Contributions	6,011	6,014	1,054	1,073	892	655	618	1,351	648	1,903
Investment Earnings	2,501	5,114	8,500	5,671	2,603	1,218	654	407	311	197
Gain on Disposal of Capital Assets	2,500	62	-	-	-	-	-	-	-	-
Miscellaneous	325	-	424	130	264	119	63	140	241	190
Total Governmental Activities	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774	\$ 101,970	\$ 111,536	\$ 112,352
Change in Net Position	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)	\$ (50,916)	\$ 31,774	\$ 27,404	\$ (27,000)	\$ 29,024	\$ 9,562

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Most of the activities previously reported in Other Operations have been reclassified to General Government in fiscal year 2010.

Table 2a

Rutherford County, Tennessee
Changes in Net Position - Rutherford County Board of Education
 Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ 196,516	\$ 204,893	\$ 225,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction	-	-	-	155,377	177,210	177,407	195,749	192,333	201,313	215,249
Support Services	-	-	-	94,371	107,541	95,279	106,283	104,722	108,466	109,528
Operation of Non-instructional Services	-	-	-	14,510	13,763	15,857	17,093	19,011	18,593	19,573
Interest on Long-term Debt	-	-	-	120	100	79	65	68	62	-
Total Governmental Activities Expenses	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134	\$ 328,434	\$ 344,350
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 258	\$ 218	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760	\$ 6,684	\$ 6,967
Operating Grants and Contributions	16,650	17,002	18,018	21,131	20,249	29,948	31,830	28,696	24,158	26,724
Capital Grants and Contributions	43,554	46,255	-	36,322	71,724	-	803	48,267	-	277
Total Governmental Activities Program Revenues	\$ 60,462	\$ 63,475	\$ 18,233	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723	\$ 30,842	\$ 33,968
Net (Expense)/Revenue Governmental Activities	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)	\$ (297,592)	\$ (310,382)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 42,453	\$ 45,473	\$ 49,366	\$ 50,464	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080	\$ 61,721	\$ 65,551
Payments in-Lieu-of Taxes	-	-	-	650	734	828	841	871	890	-
Local Option Sales Tax	29,887	32,888	34,922	37,195	36,185	35,408	37,871	40,662	43,798	46,243
Wheel Tax	-	-	-	3,202	3,215	3,214	3,255	3,320	3,430	3,538
Business Tax	-	-	-	1,227	1,077	1,120	1,360	1,442	1,750	1,726
Mixed Drink Tax	-	-	-	-	-	-	-	-	-	1,048
Interstate Telecommunications Tax	-	-	-	-	-	-	-	-	-	23
Other Local Taxes	3,709	3,946	4,804	-	19	13	10	14	19	-
Unrestricted Grants and Contributions	93,215	101,632	110,660	132,260	139,098	140,711	154,124	157,772	167,392	195,538
Investment Earnings	460	1,171	1,624	1,396	731	327	185	108	89	63
Gain on Disposal of Capital Assets	-	573	-	514	-	-	-	-	-	-
Miscellaneous	498	-	359	360	143	197	145	105	45	46
Total Governmental Activities	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374	\$ 279,134	\$ 313,776
Change in Net Position	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963	\$ (18,458)	\$ 3,394

Notes:

(1) Rutherford County Schools do not engage in any business-type activities.

Table 3

Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source
General Government
Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

Fiscal Year	Property Tax for General Purposes	Property Tax for Debt Service	Payment in Lieu of Taxes	Sales Tax - Primary Government	Hotel/Motel Tax	Wheel Tax	Business Tax	Litigation Tax	Develop. Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom. Tax	Other Local Tax - Primary Govt.	Total
2005	\$ 22,520	\$ 25,015	\$ -	\$ 4,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,366	\$ 67,908
2006	23,958	27,009	-	4,279	-	-	-	-	-	-	-	-	-	15,953	71,199
2007	21,929	30,523	-	4,812	-	-	-	-	-	-	-	-	-	22,115	79,379
2008	24,853	33,151	6,188	4,768	985	5,707	1,385	1,062	3,960	-	-	-	-	1,492	83,551
2009	27,428	38,072	6,526	2,037	932	5,701	1,269	1,863	2,579	359	861	-	2	-	87,629
2010	36,393	39,729	5,535	2,035	951	5,696	1,424	2,242	1,395	232	837	-	1	-	96,470
2011	39,193	37,780	7,084	1,671	1,067	5,729	1,709	2,232	865	220	811	77	1	-	98,439
2012	41,132	36,077	6,751	1,583	1,216	5,860	1,824	2,422	2,051	257	825	68	5	-	100,071
2013	41,259	36,121	14,346	2,189	1,400	5,999	2,189	2,449	3,210	249	832	86	7	-	110,336
2014	45,676	36,193	8,356	2,454	1,551	6,180	2,155	2,424	3,719	328	883	136	8	-	110,063

Table 3a

Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source
Rutherford County Board of Education
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax for Ruth. Co. Schools	Payment in Lieu of Taxes	Sales Tax - Ruth. Co. Schools	Wheel Tax	Business Tax	Mixed Drink Tax	Interstate Telecom. Tax	Other Local Tax - Ruth. Co. Schools	Total
2005	\$ 42,453	\$ -	\$ 29,887	\$ -	\$ -	\$ -	\$ -	\$ 3,709	\$ 76,049
2006	45,473	-	32,888	-	-	-	-	3,946	82,307
2007	49,366	-	34,922	-	-	-	-	4,804	89,092
2008	50,464	650	37,195	3,202	1,227	-	20	-	92,758
2009	55,512	734	36,185	3,215	1,077	-	19	-	96,742
2010	59,597	828	35,408	3,214	1,120	-	13	-	100,180
2011	61,012	841	37,871	3,255	1,360	-	10	-	104,349
2012	61,080	871	40,663	3,321	1,442	-	14	-	107,391
2013	61,721	890	43,798	3,430	1,750	-	19	-	111,608
2014	65,551	949	46,244	3,538	1,726	1,048	22	-	119,078

Rutherford County, Tennessee
General Government Fund Balances - Primary Government
Last Ten Fiscal Years

Table 4

	2005	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014
(modified accrual basis of accounting) (amounts expressed in thousands)										
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43	\$ 46	\$ 34	\$ 24
Reserved	2,978	3,387	3,794	2,700	2,983	4,013	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	589	588	407	379
Finance	-	-	-	-	-	-	11	22	21	36
Administration of Justice	-	-	-	-	-	-	419	636	861	1,052
Public Safety	-	-	-	-	-	-	1,629	428	116	72
Public Health and Welfare	-	-	-	-	-	-	-	99	46	126
Other Operations	-	-	-	-	-	-	32	-	-	-
Capital Projects	-	-	-	-	-	-	2,980	1,742	1,858	2,030
Committed	-	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	155	471	132	183
Finance	-	-	-	-	-	-	51	129	102	255
Administration of Justice	-	-	-	-	-	-	5	-	1	3
Public Safety	-	-	-	-	-	-	524	315	401	341
Public Health and Welfare	-	-	-	-	-	-	291	94	81	96
Agriculture and Natural Resources	-	-	-	-	-	-	229	208	211	248
Other Operations	-	-	-	-	-	-	20	7	2	-
Assigned for Other Purposes	-	-	-	-	-	-	2,210	3,838	3,443	1,471
Unassigned	-	-	-	-	-	-	14,524	14,687	16,332	19,532
Unreserved	16,936	20,580	19,931	17,025	12,794	18,694	-	-	-	-
Total General Fund	\$ 19,914	\$ 23,967	\$ 23,725	\$ 19,725	\$ 15,777	\$ 22,707	\$ 23,712	\$ 23,310	\$ 24,048	\$ 25,848
All Other Governmental Funds										
Reserved	\$ 501	\$ 508	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	286	314	-	-
Administration of Justice	-	-	-	-	-	-	709	664	897	878
Public Safety	-	-	-	-	-	-	669	-	8	-
Highways/Public Works	-	-	-	-	-	-	1,351	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	2,909
Capital Projects	-	-	-	-	-	-	-	5,750	3,149	7,026
Committed	-	-	-	-	-	-	-	-	-	-
Public Health and Welfare	-	-	-	-	-	-	29	20	-	-
Highways/Public Works	-	-	-	-	-	-	-	1,780	1,640	1,831
Capital Projects	-	-	-	-	-	-	741	-	-	-
Debt Service	-	-	-	-	-	-	-	1,821	1,821	1,821
Assigned	-	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	110	110	110	110
Administration of Justice	-	-	-	-	-	-	173	246	72	230
Public Health and Welfare	-	-	-	-	-	-	7,402	8,681	10,325	8,800
Other Operations	-	-	-	-	-	-	715	1,268	1,049	479
Highways/Public Works	-	-	-	-	-	-	5,507	5,532	6,680	7,391
Debt Service	-	-	-	-	-	-	35,734	33,994	33,329	33,979
Unreserved, Reported In:										
Special Revenue Funds	18,308	19,805	19,540	17,753	17,581	14,376	-	-	-	-
Debt Service Fund	30,267	31,183	30,928	30,705	32,182	33,214	-	-	-	-
Capital Projects Funds	14,382	29,708	17,719	9,084	1,020	196	-	-	-	-
Total All Other Governmental Funds	\$ 63,458	\$ 81,204	\$ 69,023	\$ 58,762	\$ 53,727	\$ 50,414	\$ 53,426	\$ 60,180	\$ 59,080	\$ 65,454

(Note 1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was effective and implemented for the fiscal year ended June 30, 2011. Restricted Fund Balances were reported as Reserved Fund Balances in prior periods. Committed, Assigned and Unassigned Fund Balances were reported as Unreserved Fund Balances in prior periods.

Table 4a

Rutherford County, Tennessee
 General Government Fund Balances - Rutherford County Board of Education
 Last Ten Fiscal Years

(modified accrual basis of accounting)
 (amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123	\$ -	\$ -	\$ -	\$ -
Nonspendable: Prepaid Items	-	-	-	-	-	-	-	-	-	4
Restricted	-	-	-	-	-	-	797	266	233	240
Committed	-	-	-	-	-	-	11	-	-	-
Assigned	-	-	-	-	-	-	6,873	9,253	11,996	12,275
Unassigned	-	-	-	-	-	-	12,641	14,890	15,266	15,189
Unreserved	9,875	11,283	12,832	11,396	10,948	16,318	-	-	-	-
Total General Purpose School Fund	\$ 15,633	\$ 18,333	\$ 18,631	\$ 13,128	\$ 12,164	\$ 19,441	\$ 20,322	\$ 24,409	\$ 27,511	\$ 27,708
All other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249	\$ 200	\$ 233	\$ 294
Reserved	5,659	21,178	15,802	23,167	37,366	8,409	-	-	-	-
Restricted										
Education	-	-	-	-	-	-	4,989	5,348	4,853	4,089
Capital Projects	-	-	-	-	-	-	1,482	30,144	4,287	13,719
Committed										
Education	-	-	-	-	-	-	1,000	1,000	1,000	1,000
Capital Projects	-	-	-	-	-	-	571	-	-	-
Unreserved, Reported In:										
Debt Service Fund	-	68	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	3,141	3,972	4,695	-	-	-	-
Capital Projects Funds	33,399	31,229	1,127	(7,787)	10,049	3,549	-	-	-	-
Total All Other School Funds	\$ 39,058	\$ 52,475	\$ 16,929	\$ 18,521	\$ 51,387	\$ 16,653	\$ 8,291	\$ 36,692	\$ 10,373	\$ 19,102

(Note 1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was effective and implemented for the fiscal year ended June 30, 2011. Restricted Fund Balances were reported as Reserved Fund Balances in prior fiscal periods. Committed, Assigned and Unassigned Fund Balances were reported as Unreserved Fund Balances in prior periods.

Table 5

Rutherford County, Tennessee
 Changes in Fund Balances - Governmental Funds - Primary Government
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,352
Licenses and Permits	1,679	2,040	1,830	1,688	1,263	1,295	1,276	1,421	1,643	1,702
Fines and Forfeitures	2,638	2,979	2,479	2,875	2,724	2,490	2,479	2,531	3,051	2,723
Charges for Service	9,822	10,349	12,004	12,283	11,998	12,511	10,856	11,750	11,564	12,410
Other Local Revenue	3,613	6,423	9,566	7,069	3,588	2,667	1,880	3,215	1,680	1,842
Fees from Co. Officials	6,327	7,147	7,730	7,147	6,559	6,621	9,407 (1)	10,232 (1)	10,904 (1)	10,254 (1)
State Revenues	8,898	10,695	11,187	11,382	10,518	9,162	9,856	11,259	11,529	10,160
Federal Revenues	1,805	3,138	1,533	432	602	1,297	1,817	2,080	1,836	1,657
Other Govt/Citizens	452	1,004	804	508	3,559	2,299	1,045	887	2,157	2,669
Total Revenues	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043	\$ 128,899	\$ 136,396	\$ 137,470	\$ 143,567	\$ 147,018	\$ 153,769
Expenditures										
General Government	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)	\$ 8,757 (1)	\$ 9,754 (1)	\$ 9,446 (1)
Finance	5,452	5,953	6,417	6,876	6,968	7,065	7,437 (1)	7,993 (1)	8,439 (1)	8,987 (1)
Admin. of Justice	4,780	5,258	6,073	6,206	6,311	6,487	6,700	6,803	7,674	7,906
Public Safety	25,910	29,316	32,044	34,455	35,961	35,072	37,477	41,091	42,411	46,708
Public Health/Welfare	11,591	13,614	16,018	16,656	15,843	15,867	16,639	17,387	17,460	19,579
Social, Cultural/Rec.	1,086	1,252	1,350	1,381	1,418	1,422	1,476	2,112	2,264	2,267
Agriculture and Natural Resource	1,418	690	735	772	755	780	874	964	908	980
Other Operations	12,010	9,271	6,878	6,913	7,088	8,535	7,540	5,288	5,439	7,071
Highway and Bridge	6,478	7,000	8,254	8,928	7,688	7,811	7,395	8,659	7,850	7,690
Debt Service:										
Principal	17,719	20,004	24,539	24,515	22,670	22,375	31,935	23,115	30,177	44,430
Interest	14,065	14,769	16,897	16,341	16,441	17,815	14,277	15,339	14,587	14,119
Other charges	1,146	237	-	349	432	-	858	504	7,662	317
Capital Projects	46,579	52,523	13,632	54,019	85,202	4,709	1,062	52,130	4,853	22,181
Total Expenditures	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903	\$ 214,110	\$ 135,028	\$ 141,613	\$ 190,142	\$ 159,478	\$ 191,681
Excess of Revenues Over (Under) Expenditures	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)	\$ (85,211)	\$ 1,368	\$ (4,143)	\$ (46,575)	\$ (12,460)	\$ (37,912)

(*) Excess fees are shown as other financing sources.

(1) Effective October 1, 2010, all fees from the Offices of Register of Deeds and County Clerk were remitted to the county, and the salaries for their operations are included in the primary government.

Table 5

Rutherford County, Tennessee
 Changes in Fund Balances - Governmental Funds - Primary Government
 Last Ten Fiscal Years (Cont.)
 (amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers In	\$ 6,421	\$ 7,819	\$ 7,287	\$ 6,509	\$ 3,238	\$ 6,413	\$ 1,873	\$ 3,749	\$ 1,209	\$ 1,132
Transfers Out	(6,911)	(7,580)	(6,971)	(6,130)	(2,843)	(5,997)	(1,389)	(3,254)	(678)	(566)
Insurance Recovery	-	-	113	-	100	12	49	14	253	43
Capital Lease Issued	-	-	-	-	-	-	-	-	947	-
Bond Proceeds	53,500	64,220	-	42,700	41,325	-	-	49,259	-	24,270
Note Proceeds	-	-	-	-	31,000	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	-	-	-	-	-
Proceeds on Refunded Bonds	60,165	-	-	-	-	-	140,275	20,021	65,700	18,600
Payments to Refunded Bond Escrow Agent	(64,792)	-	-	-	-	-	(153,003)	(21,420)	(60,420)	-
Premiums on Debt Issued	6,501	3,018	-	473	3,408	-	20,355	4,557	5,402	2,608
Sale of Capital Assets	4,000	-	-	47	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 58,884	\$ 67,477	\$ 429	\$ 43,599	\$ 76,228	\$ 428	\$ 8,160	\$ 52,926	\$ 12,413	\$ 46,087
Net Change in Fund Balances	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)	\$ 1,796	\$ 4,017	\$ 6,351	\$ (47)	\$ 8,175

Debt Service as a Percentage of Noncapital Expenditures

Capital Expenditures	22.7%	22.2%	34.2%	25.1%	19.2%	30.9%	33.2%	21.1%	29.0%	31.6%
	13,739	9,096	18,652	22,426	10,514	4,924	2,299	7,583	5,048	6,314

General Governmental TAX Revenues by Source
 Last Ten Fiscal Years (expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property Tax and PILOT	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212	\$ 84,076	\$ 90,540
Sales Tax	4,011	4,246	4,770	4,762	2,296	2,016	1,814	1,452	2,157	2,428
Hotel/Motel Tax	645	748	843	986	932	951	1,067	1,216	1,400	1,551
Wheel Tax	4,897	5,167	5,370	5,707	5,701	5,695	5,729	5,860	5,999	6,180
Litigation Tax	909	965	975	1,062	1,863	2,242	2,231	2,422	2,449	2,424
Business Tax	1,040	1,147	1,236	1,385	1,269	1,424	1,709	1,824	2,189	2,155
Mineral Severance	534	524	690	642	359	232	221	257	249	328
Development Tax	7,702	6,697	6,229	3,960	2,579	1,395	866	2,051	3,210	3,719
Bank Excise Tax	406	372	501	307	342	219	77	68	86	135
Wholesale Beer Tax	627	701	800	845	861	837	811	825	832	883
Other Statutory Tax	9	30	29	54	14	8	1	5	7	8
	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,351

Rutherford County, Tennessee
Changes in Fund Balances - Governmental Funds - Rutherford County School Department
 Last Ten Fiscal Years
 (amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961
Licenses and Permits	14	15	16	15	11	11	12	12	11	12
Charges for Service	223	186	186	6,428	7,111	6,594	6,591	6,702	6,595	6,844
Other Local Revenue	1,158	1,924	3,577	6,584	1,255	743	518	432	317	407
State Revenues	94,000	101,319	112,189	133,203	140,433	144,467	153,732	156,628	165,852	177,327
Federal Revenues	14,246	15,477	15,826	15,593	17,784	24,958	32,939	29,669	25,586	26,193
Other Govt/Citizens	43,554	46,255	-	35,322	71,724	-	-	48,257	947	17,755
Total Revenues	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621	\$ 334,962	\$ 276,680	\$ 298,198	\$ 348,883	\$ 311,036	\$ 347,499
Expenditures										
Education										
Instruction	\$ 121,188	\$ 125,759	\$ 140,849	\$ 155,364	\$ 161,908	\$ 167,761	\$ 186,041	\$ 183,565	\$ 192,389	\$ 206,228
Support Services	55,884	63,264	67,680	76,848	82,531	82,355	89,164	90,621	92,795	99,697
Operational Services	4,343	5,211	6,298	13,970	14,089	15,070	17,602	18,696	18,745	20,152
Capital Outlay	150	347	150	666	38	124	2	-	35	74
Debt Service										
Principal	-	300	541	561	581	601	673	933	-	-
Interest	-	27	148	129	109	89	73	75	-	-
Other Debt Service	-	-	-	-	-	-	13	-	1,124	550
Capital Projects	25,681	40,587	40,975	46,557	43,803	38,137	13,724	23,020	29,265	11,900
	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095	\$ 303,059	\$ 304,137	\$ 307,292	\$ 316,910	\$ 334,353	\$ 338,601
Excess of Revenues Over (Under) Expenditures	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)	\$ 31,903	\$ (27,457)	\$ (9,094)	\$ 31,973	\$ (23,317)	\$ 8,898
Other Financing Sources (Uses)										
Transfers In	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724	\$ 907	\$ 244	\$ 278	\$ 847
Transfers Out	(4,766)	(3,972)	(3,942)	(7,433)	(1,836)	(724)	(907)	(244)	(278)	(847)
Insurance Recovery	-	-	-	1	-	-	4	-	100	29
Bond Proceeds	-	4,035	-	-	-	-	-	-	-	-
Note Proceeds	-	-	500	-	-	-	1,609	-	-	-
Capital Leases Issued	-	-	-	-	-	-	-	514	-	-
Premiums on Bonds Sold	-	55	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	562	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ -	\$ 4,090	\$ 500	\$ 563	\$ -	\$ -	\$ 1,613	\$ 514	\$ 100	\$ 29
Net Change in Fund Balances	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)	\$ 31,903	\$ (27,457)	\$ (7,481)	\$ 32,487	\$ (23,217)	\$ 8,927
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.2%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.2%
Capital Expenditures	22,677	79,765	68,239	38,735	30,257	30,607	8,243	21,028	26,066	14,800

General Governmental TAX Revenues by Source - Rutherford County School Department

Last Ten Fiscal Years (expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property Tax and PILOT	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093	\$ 62,966	\$ 66,656
Sales Tax	29,689	32,452	35,001	37,056	36,381	35,359	37,676	40,313	43,563	45,970
Wheel Tax	2,752	2,900	3,006	3,202	3,215	3,214	3,255	3,321	3,430	3,538
Business Tax	929	1,022	1,164	1,227	1,077	1,120	1,360	1,442	1,750	1,726
	-	-	-	-	-	-	-	-	-	1,048
Other Statutory Tax	26	26	25	20	19	13	11	14	19	23
	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961

Table 6

Rutherford County, Tennessee
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Equalization Ratio	Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
2005	2004	\$2.8000	\$10,802,285,100	\$3,086,158,845	\$941,673,640	\$282,527,970	\$217,588,269	\$119,673,548	95.73%	\$12,495,087,234	\$3,488,360,363	27.92%
2006	2005	2.8000	11,466,156,500	3,267,027,185	1,178,800,896	353,671,780	226,489,474	124,569,211	95.73%	13,445,572,830	3,745,268,176	27.86%
2007	2006	2.4400	14,321,064,170	4,060,991,015	1,283,411,880	385,023,564	250,798,762	137,939,319	100%	15,855,274,812	4,583,953,898	28.91%
2008	2007	2.4400	15,268,248,000	4,336,757,155	1,282,688,603	384,827,843	269,837,543	148,410,649	100%	16,820,774,146	4,869,995,647	28.95%
2009	2008	2.5600	17,530,931,700	4,581,398,590	1,282,688,603	397,694,143	271,754,296	149,464,863	95.16%	20,056,089,322	5,128,557,596	25.57%
2010	2009	2.7350	18,384,728,400	4,813,887,200	1,402,580,731	403,644,400	279,699,422	153,834,682	100.00%	20,067,008,553	5,371,366,282	26.77%
2011	2010	2.4652	20,423,301,900	5,472,574,875	1,333,641,764	400,109,784	293,610,342	161,485,688	100.00%	22,050,554,006	6,034,170,347	27.37%
2012	2011	2.4652	20,633,088,200	5,537,544,840	1,299,222,491	389,784,765	310,078,927	170,543,410	100.00%	22,242,389,618	6,097,873,015	27.42%
2013	2012	2.4652	20,974,337,000	5,555,708,640	1,296,736,046	389,047,357	319,269,575	175,598,266	100.00%	22,590,342,621	6,120,354,263	27.09%
2014	2013	2.5652	21,149,775,795	5,556,719,200	1,380,529,310	414,179,684	317,885,769	174,885,573	100.00%	22,848,190,874	6,145,784,457	26.90%

Sources: Trustee Tax Rolls, Assessor Geographic Tax Rolls, Public Service Commission

Table 7

Rutherford County, Tennessee
 Property Tax Rates (per \$100 assessed value)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Year Ending June 30	Rutherford County				Percent of Direct Tax Rate Collected for			Overlapping Rate			Total Direct & Overlapping Rate (3)	
	County Operating	Education	Debt Service	Total County Rate	(1) Average Daily Attendance Factor	(2) Net County Rate	Benefit of the City of Murfreesboro	City of Murfreesboro	Town of Smyrna	City of LaVergne		City of Eagleville
2005	\$0.6400	\$1.4400	\$0.7200	\$2.8000	0.1575	\$2.57	8.21%	\$1.7200	\$0.6900	\$0.5000	\$0.7200	\$6.4300
2006	0.6400	1.4400	0.7200	2.8000	0.1582	2.57	8.21%	1.7200	0.6900	0.5000	0.8700	6.5800
2007	0.4800	1.2900	0.6700	2.4400	0.1603	2.23	8.61%	1.4070	0.6800	0.5000	0.8700	5.8970
2008	0.5100	1.2400	0.6900	2.4400	0.1586	2.24	8.20%	1.4070	0.8600	0.5000	0.9200	6.1270
2009	0.5400	1.2800	0.7400	2.5600	0.1545	2.36	7.73%	1.4070	0.8600	0.5000	0.9200	6.2470
2010	0.6800	1.3150	0.7400	2.7350	0.1537	2.53	7.39%	1.4070	0.8600	0.5000	0.9200	6.4220
2011	0.6509	1.1881	0.6262	2.4652	0.1482	2.2891	7.14%	1.2703	0.7595	0.5000	0.7512	5.7462
2012	0.6809	1.1881	0.5962	2.4652	0.1498	2.2872	7.22%	1.2703	0.7595	1.0000	0.7512	6.2462
2013	0.6809	1.1881	0.5962	2.4652	0.1430	2.2953	6.89%	1.2703	0.7595	1.0000	0.7512	6.2462
2014	0.7409	1.2381	0.5862	2.5652	0.1424	2.3889	6.87%	1.2703	0.9095	1.0000	0.7512	6.4962

Source: Rutherford County Trustee, Rutherford County Assessor and City/Town Recorders,

(1) Average daily attendance factor is the weighted full time equivalent determined by the Tennessee Department of Education and is based on the number of students attending school systems. By law, Rutherford County must share locally generated revenue with the City of Murfreesboro for its school system.

(2) Net county rate is arrived at by multiplying the portion of the tax rate designated for school purposes by the ADA factor and subtracting from the total county rate.

(3) Overlapping rates are those of local governments that apply to property owners within Rutherford County. Not all overlapping rates apply to all Rutherford County property rates for the city/town apply only to the portion of the Rutherford County property owners whose property is located within the geographic boundaries of the city/town.

** Reappraisal year

Table 8

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2014

Taxpayer	Type of Business	2013			2004			Percentage of Total Taxes Levied (2)	Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2013 Tax Liability	Rank	Assessed Valuation	2004 Tax Liability		
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 649,219,552	\$ 5,427,444	1	\$ 219,637,464	\$ 4,042,645 (1)	4.13%	
Middle Tennessee Electric Public Utility-Electric Company		2	63,460,478	1,627,889	3	36,115,893	1,011,245	1.03%	
Pillsbury Co./General Mills Bakery Goods		3	51,940,334	1,400,985	4	26,143,259	732,010	0.75%	
Bridgestone Tire Maker		4	52,481,414	1,346,253	2	37,934,645	1,062,170	1.09%	
Swanson Development Commercial Properties		5	31,983,505	820,448				0.52%	
CF Murfreesboro Assoc. Retail Mall (The Avenues)		6	31,415,589	805,873				0.51%	
HCA Health Services Stone Crest Medical Center		7	26,059,785	668,486	7	18,119,075	507,334	0.52%	
Transwestern Stones River Shopping Mall (Stones River Mall)		8	23,583,880	604,978	8	14,097,680	394,734	0.40%	
CH Realty (formerly Southpark, Nashville, LLC) Warehousing		9	21,660,000	555,623	6	21,577,920	604,181	0.62%	
Prologis Real Estate Development		10	19,480,000	499,702				0.32%	
BellSouth Public Utility-Telephone Co.					5	21,989,484	615,706	0.62%	
Rich-Healy Bakery Goods					9	13,493,750	377,825	0.39%	
Ozburn Hessey Storage Co. Warehousing					10	11,444,240	320,439	0.33%	
							<u>8.73%</u>	<u>9.88%</u>	

Source: Trustee Tax Rolls, In-Lieu-of Tax Agreements

- (1) The taxes represent \$867,228 (2004 tax year) and \$593,033 (2013 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amount of \$3,175,418 (2004) and \$4,834,411 (2013) represents net tax payments collected through payment in-lieu of tax agreements.
- (2) This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2014

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of		
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes to Total Tax Levy	
2004 (2)	\$97,889,256	\$94,864,349	96.91%	\$2,960,410	\$97,824,759	99.93%	\$64,497	0.07%
2005 (2)	105,297,727	101,990,111	96.86%	3,274,627	105,264,738	99.97%	32,989	0.03%
2006 (2)	111,419,529	108,059,865	96.98%	3,263,703	111,323,568	99.91%	95,961	0.09%
2007	119,023,978	113,890,715	95.69%	4,989,738	118,880,453	99.88%	143,525	0.12%
2008	131,273,518	125,819,556	95.85%	5,272,618	125,819,556	95.85%	181,344	0.14%
2009	147,086,182	140,414,404	95.46%	6,300,711	140,414,404	95.46%	371,067	0.25%
2010	149,180,338	142,559,175	95.56%	6,201,525	142,559,175	95.56%	419,638	0.28%
2011	149,526,088	143,397,179	95.90%	5,698,481	143,397,179	95.90%	430,428	0.29%
2012	149,938,381	145,139,838	96.80%	3,677,711	145,139,838	96.80%	1,120,832	0.75%
2013	157,643,335	153,702,248	97.50%	(1)	153,702,248	97.50%	3,894,727	2.47%

Source: Trustee tax collection records and tax rolls, clerk and master tax collection records.

(1) Taxes are current until August 1st of the following year.

(2) Current-year collections include an adjustment of Bridgestone's prepaid taxes of \$978,296.

Table 10

Rutherford County, Tennessee
Assessed and Estimated Actual Value of In-Lieu-of Tax Agreements
and Tax Payments
Last Ten Fiscal Years

Fiscal Year	Ending	Tax			Tax
June 30	Year	Estimated	Assessed	Payments	
2005	2004	\$1,246,266,807	\$423,810,464	\$3,381,739	
2006	2005	1,559,590,910	435,054,895	3,520,688	
2007	2006	1,782,216,289	497,386,703	4,075,584	
2008	2007	1,787,186,089	516,705,426	4,267,223	
2009	2008	1,517,417,740	511,705,624	4,678,883	
2010	2009	1,573,637,743	539,332,403	5,552,281	
2011	2010	1,476,530,477	519,267,644	4,784,111	
2012	2011	1,465,228,011	515,936,044	4,624,731	
2013	2012	1,505,018,217	530,373,686	4,901,701	
2014	2013	2,153,933,838	735,080,954	6,351,606	

Source: In-lieu-of tax agreements

NOTE: The value of properties subject to in-lieu-of tax payments is included in the agreements with each company. The county received payments from 11 companies in 2013-2014 with Nissan representing approximately 76.25% of the total. Section 7-53-305, TCA is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

In-lieu-of tax revenues are included in the General Fund. The revenues reflected in the financial statements include payments received from Nissan for the Town of Smyrna, Tennessee. These payments have not been reflected in the this table.

Fiscal year 2011 and 2012 have been revised to reflect appealed amounts that have been settled during fiscal year ended 2013.

Table 11

Rutherford County, Tennessee
Ratio of Net General Obligation Bonded Debt
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt (3)	Assessed Value	% of Net Bonded Debt to Assessed Value	(1) Population	Bonded Debt per Capita	% of Bonded Debt to Total Personal Income (2)		% of Net Bonded Debt to Total Personal Income (2)	
								Value	Income (2)	Debt per Capita	Income (2)
2005	\$318,888,534	\$30,266,866	\$288,621,668	\$3,488,360,363	8.27%	210,025	\$1,518	5.30%		\$1,374	4.80%
2006	366,839,085	31,251,284	335,587,801	3,745,268,176	8.96%	218,292	1,680	5.66%		1,537	5.18%
2007	338,565,000	30,928,426	307,636,574	4,583,953,898	6.71%	228,829	1,480	4.87%		1,344	4.42%
2008	356,750,000	30,704,855	326,045,145	4,869,995,647	6.69%	241,462	1,477	4.72%		1,350	4.31%
2009	406,405,000	32,182,126	374,222,874	5,128,557,596	7.30%	249,270	1,630	5.16%		1,501	4.75%
2010	384,030,000	33,214,372	350,815,628	5,371,366,282	6.53%	257,048	1,494	4.91%		1,365	4.49%
2011	354,180,000	0	354,180,000	6,034,170,347	5.87%	262,604	1,349	4.30%		1,349	4.30%
2012	379,345,000	0	379,345,000	6,097,873,015	6.22%	268,921	1,411	4.34%		1,411	4.34%
2013	356,489,102	0	356,489,102	6,120,354,263	5.82%	274,454	1,299	4.00%		1,299	4.00%
2014	356,302,259	0	356,302,259	6,145,784,457	5.80%	281,029	1,268	3.99%		1,268	3.99%

Sources: Table 6, Tennessee Dept. of Economic & Community Development, Census Bureau

(1) Population figures are estimated for all years except the 2011 fiscal year.

(2) See Table 13 for personal income data

(3) For fiscal periods 2011 through 2014, amounts available in Debt Service funds show \$0 because the funds that are available are not restricted by an outside party.

NOTE: General Bonded Debt on this table includes capital outlay notes.

Table 12

Rutherford County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
As of June 30, 2014

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 354,420,000		
County School District of Rutherford (Notes)	699,922		
County School District of Rutherford (Cap. Lease)	1,182,337		
Less: General Debt Service Funds (2)	<u>(33,978,577)</u>		
Total Direct Debt	\$ 322,323,682	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 227,502,974	40.43%	46.19%
Town of Smyrna	17,785,231	18.37%	16.55%
City of LaVergne	10,380,000	11.68%	13.01%
City of Eagleville	378,959	0.29%	0.26%
Total Overlapping Debt	<u>256,047,164</u>		
Total Direct and Overlapping Debt	<u>\$ 578,370,846</u>		

Source: City Recorders, Table 6, Rutherford County Assessor
 Note (1) The percentages represent the ratio of the overlapping government's property value to the county's property value.
 Note (2) Amounts available in debt service funds do not include a long-term note receivable of \$1,820,785.

Table 13

Rutherford County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population	Per Capita Income	Total Personal Income	(2) Median Age	County School Enrollment	Average Unemployment Rate
2005	210,025	\$28,651	\$6,017,426,275	31.2	31,058	4.4%
2006	218,292	29,700	6,483,272,400	31.2	32,827	4.2%
2007	228,829	30,400	6,956,401,600	31.2	34,512	3.7%
2008	241,462	31,300	7,557,760,600	31.2	35,781	4.4%
2009	249,270	31,600	7,876,932,000	31.2	36,414	7.9%
2010	257,048	30,400	7,814,259,200	31.2	37,152	8.9%
2011	262,604	31,400	8,245,765,600	32.1	38,013	8.4%
2012	268,921	32,500	8,739,932,500	32.1	38,607	7.2%
2013	274,454	33,050	9,070,704,700	32.1	39,671	6.3%
2014	281,029	33,350	9,372,317,150	32.1	40,861	5.8%

Source: University of Tennessee, Center for Business and Economic Research,
Tennessee Department of Education, Bureau of Economic Analysis and
Business and Economic Research Center, TACIR

- (1) Populations are estimated for all years except fiscal year 2011.
(2) The Census Bureau determines the median age for local areas each decade.
The last determination was during the 2010 census and will be determined
again after the 2020 census.

Table 14

Rutherford County, Tennessee
Principal Employers
Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	7,500	1	5.04%	7,000	1	6.54%
Rutherford County Government and Board of Education	6,073	2	4.08%	2,985	2	2.79%
Middle Tennessee State University	2,205	3	1.48%	1,835	5	1.71%
National Health Corp	2,071	4				
City of Murfreesboro and Board of Education	1,912	5	1.29%	1,300	8	1.21%
State Farm Insurance	1,662	6	1.12%			
Ingram Book Company	1,500	7		2,010	3	1.88%
Alvin C. York Veterans Administration Medical Center	1,461	8	0.98%	1,411	7	1.32%
Asurion	1,250	9	0.84%			
Amazon	1,200	10	0.81%			
Bridgestone/Firestone, Inc.				1,887	4	1.76%
Whirlpool Corp.				1,500	6	1.40%
Middle Tennessee Medical Center				1,200	9	1.12%
Verizon				1,200	10	1.12%
Total			<u>15.65%</u>			<u>20.85%</u>

Source: Rutherford County Chamber of Commerce

Table 15

Rutherford County, Tennessee
Full-Time Employees by Function
Last Ten Years

	Employees as of June 30,									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Function:										
General Government	60	67	74	79	81	79	80	79	82	81
Finance	87	85	86	89	88	90	90	91	90	91
Justice	78	81	85	85	89	89	88	90	92	94
Public Safety	397	439	469	478	504	501	504	505	504	518
Health and Welfare	186	205	212	218	217	217	216	216	214	215
Agriculture	12	7	8	8	8	8	7	8	8	7
Other	3	3	3	3	3	3	3	3	3	3
Road and Bridge	71	77	77	77	77	70	72	64	64	64
Total	894	964	1014	1037	1067	1057	1060	1056	1057	1073

COMPONENT UNIT:

Education	2,748	2,779	3,098	3,987	4,129	4,332	4,555	4,609	4,681	4,841
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Source: Rutherford County Finance Department and Rutherford County Board of Education

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>General Government</u>										
Registered Voters	116,705	121,222	123,350	132,477	141,090	144,150	142,856	148,849	149,445	153,131
Building Permits Issued										
Single Family Homes	828	996	811	623	314	388	305	410	582	581
All Other Permits	1,586	2,488	2,471	2,235	1,646	1,549	1,445	1,620	1,837	1,868
<u>Public Safety</u>										
Number of Warrants										
State - Issued	N/A	N/A	N/A	N/A	N/A	N/A	13,436	13,568	14,200	14,707
State - Served	10,216	10,799	11,177	12,140	12,215	12,012	12,722	12,484	12,755	13,469
Civil - Issued	N/A	N/A	N/A	N/A	N/A	N/A	19,394	19,902	19,576	19,750
Civil - Served	17,655	17,516	17,499	19,101	19,966	19,795	19,069	19,054	19,273	19,240
<u>Public Health</u>										
Ambulance - Call Volume	16,978	16,993	17,923	19,378	18,600	19,724	22,119	24,331	24,877	26,015
Response Time - Avg. Minutes	8.50	8.00	7.79	7.83	8.02	7.70	7.60	7.60	7.80	7.80
Animal Control										
Requests for Service	10,937	13,953	14,332	16,415	16,824	16,539	14,328	15,920	16,430	18,628
Animals Impounded	7,421	8,511	8,615	9,193	9,220	8,616	8,208	8,403	7,982	7,740
Animals Adopted	1,774	2,104	2,359	2,457	2,009	2,010	1,658	1,471	1,701	1,754
<u>Road and Bridge</u>										
Street Resurfaced (Miles)	71.7	62.8	58.9	62.3	54.4	57.4	55.9	56.2	37.9	52.3
<u>Sanitation</u>										
(Tons Per Day)										
Refuse Collected	111.8	110.9	103.9	110.9	105.7	106.3	103.8	104.1	100.3	123.0
Recyclables Collected	12.7	11.2	8.1	7.5	8.1	8.3	12.4	14.9	15.0	14.1
Tires Collected	N/A	8.8								

N/A = Information is not available for this time period.

Source: Election Commission, Building Codes, Sheriff's Department, Ambulance Department, PAWS, Highway Department, and Convenience Center Department

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Highways and Streets										
Number of Streets in System	1,763	1,829	1,914	1,962	2,004	2,034	2,039	2,039	2,071	2,108
Number of Miles	946	942	951	956	959	964	965	963	967	976
Number of Bridges	157	157	163	163	163	164	165	165	166	166
Public Safety										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	131	131	131	131	131	131	131	131	131	131
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Special Operations	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	10	10	11	12	12	12	12	12	12	12
Number of Ambulance Units	20	20	22	24	24	25	25	25	25	27
Sanitation/Landfill										
Number of Trucks	13	14	16	16	16	16	17	17	19	19
Health Department Facilities	2	2	2	2	2	2	2	2	2	2
Facilities and Services Not Included in the Primary Government										
Education:										
Form of Administration										
Number of Employees	3,145	3,264	3,487	3,988	4,129	4,332	4,555	4,609	4,681	4,841
Elementary Schools	21	21	22	23	23	24	24	24	24	24
Middle Schools	7	7	8	8	9	9	10	10	10	10
High Schools	7	7	7	7	7	7	7	7	7	8
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	2	2	2	2	2	2	2	2	2	2
Magnet School	-	-	-	-	-	-	1	1	1	1

Source: Rutherford County Highway Dept., Sheriff's Department, Ambulance Department, Convenience Center Department, Board of Education

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements, and have issued our report thereon dated October 8, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Community Care of Rutherford County, Inc., and the Emergency Communications District, as described in our report on Rutherford 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 Rutherford 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 Rutherford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-002, 2014-003, 2014-004, and 2014-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rutherford 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 2014-001 and 2014-006.

Rutherford County's Responses to Findings

Rutherford County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Rutherford 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 Rutherford County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 8, 2014

JPW/yu



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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Rutherford County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Rutherford County's major federal programs for the year ended June 30, 2014. Rutherford County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rutherford County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rutherford 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 Rutherford County's compliance.

Opinion on Each Major Federal Program

In our opinion, Rutherford 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, 2014.

Report on Internal Control Over Compliance

Management of Rutherford 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 Rutherford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

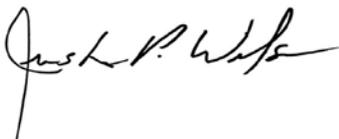
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated October 8, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 8, 2014

JPW/yu

Rutherford County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1)
 For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Soil and Water Conservation	10.902	N/A	\$ 2,125
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	2,205,743
National School Lunch Program	10.555	N/A	7,458,175 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	627,515 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-33797-00	2,077
Passed-through State Department of Human Services:			
Nutrition Cluster:			
Summer Food Service Program for Children	10.559		120,791
Total U.S. Department of Agriculture			<u>\$ 10,416,426</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.Unknown	(2)	\$ 22,500
Total U.S. Department of Defense			<u>\$ 22,500</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	HM10-40	\$ 20,060
Total U.S. Department of Housing and Urban Development			<u>\$ 20,060</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 43,918
Total U.S. Department of the Interior			<u>\$ 43,918</u>
U.S. Department of Justice:			
Direct Program:			
Equitable Sharing Program	16.922	N/A	\$ 140,251
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	4157; 9928	85,411
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	30,821
Total U.S. Department of Justice			<u>\$ 256,483</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-14-GHS296-00	\$ 27,027
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Z-13-GHS265-00	5,483
Alcohol Open Container Requirements	20.607	(2)	123,653
National Priority Safety Programs	20.616	Z-14-GHS294-00	29,729
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-19213	6,440
Total U.S. Department of Transportation			<u>\$ 192,332</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218544-00	\$ 290,041
Passed-through Tennessee Alliance for Children and Families:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	(2)	75,717

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Special Education Cluster:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 4,614,888
Special Education - Grants to States	84.027	N/A	8,081,298
Special Education - Preschool Grants	84.173	N/A	80,281
Career and Technical Education - Basic Grants to States	84.048	(2)	466,710
Education for Homeless Children and Youth	84.196	(2)	115,000
English Language Acquisition Grants	84.365	(2)	229,192
Improving Teacher Quality State Grants	84.367	N/A	656,303
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	710,027
Total U.S. Department of Education			<u>\$ 15,319,457</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00213-28	\$ 347,595
Total U.S. Election Assistance Commission			<u>\$ 347,595</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	34513-83814	\$ 23,854
Total U.S. Department of Health and Human Services			<u>\$ 23,854</u>
U.S. Department of Homeland Security:			
Direct Programs:			
Assistance to Firefighters Grant	97.044	N/A	\$ 277,600
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	160,277
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	2868	64,350
Homeland Security Grant Program	97.067	6263; 2545	56,278 (4)
Passed-through Metropolitan Gov't of Nashville/Davidson County:			
Homeland Security Grant Program	97.067	(2)	35,905 (4)
Total U.S. Department of Homeland Security			<u>\$ 594,410</u>
Total Expenditures of Federal Awards			<u>\$ 27,237,035</u>

State Grants		Contract Number	Expenditures
Juvenile Court Prevention - State Department of Children Services	N/A	(2)	\$ 417,696
Community Early Intervention Services - State Department of Children Services	N/A	35910-20109	46,448
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Adult Education - State Department of Labor and Workforce	N/A	Z-10-218544-00	96,680
Drug Court Discretionary Grant Program - State Department of Finance and Administration	N/A	(2)	104,767
Tennessee Arts Commission Grant- State Department of Finance and Administration	N/A	(2)	21,004
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	61,168
Early Childhood Education - State Department of Education	N/A	(2)	995,177
Coordinated School Health - State Department of Education	N/A	(2)	180,000
Statewide Student Management System - State Department of Education	N/A	(2)	103,005
Safe Schools - State Department of Education	N/A	(2)	201,000
Energy Efficiency Schools Initiative Grant - State Department of Education	N/A	(2)	146,787
Rural Local Health Services - State Department of Health	N/A	(2)	1,799,705
Help America Vote Act Requirements Payments - Tennessee Secretary of State	N/A	(2)	18,294
Law Enforcement Training - State Department of Safety	N/A	(2)	124,200
Litter Program - State Department of Transportation	N/A	Z-13-LIT075	95,100

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants (Cont.)</u>			
Recycling Program - State Department of Environment and Conservation	N/A	(2)	\$ 9,974
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	<u>229,371</u>
Total State Grants			<u>\$ 4,659,376</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$8,085,690.

(4) Total for CFDA No. 97.067 is \$92,183.

Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-002	270	The office had cash drawer and accounting software deficiencies
2013-003	271	Duties were not segregated adequately
2013-004	271	Multiple employees operated from the same cash drawer

RUTHERFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unmodified opinion was issued on the financial statements of Rutherford County.
2. The audit of the financial statements disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) and State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$817,111 threshold was used to distinguish between Type A and Type B federal programs.
9. Rutherford County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF SCHOOL

FINDING 2014-001 **DEFICIENCIES WERE NOTED IN ACCOUNTING FOR NIGHT SCHOOL TUITION COLLECTIONS**
(Noncompliance Under *Government Auditing Standards*)

On September 11, 2014, an investigative report by the Comptroller's Division of Investigations, Special Investigations Unit revealed that during the period July 1, 2010, through June 30, 2012, a former bookkeeper misappropriated night school tuition collections totaling at least \$15,875 at Holloway High Night School. The former bookkeeper responsible for this theft was indicted by the Rutherford County Grand Jury on September 2, 2014. This investigative report is available at www.comptroller.tn.gov.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

When the Accounting Department discovered the deficiencies in accounting for Holloway High Night School collections, the department met with the Holloway High School principal and staff to ensure that they were following proper collection and deposit procedures. The Accounting Department also began to require that copies of the school-issued numbered receipts be brought in to the department so the receipts could be reconciled with the night school deposits.

OFFICE OF COUNTY CLERK

FINDING 2014-002 **VEHICLE REGISTRATION STICKERS WERE STOLEN**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The county clerk filed a fraud reporting form with our office on August 15, 2014, alleging vehicle registration stickers were stolen on August 12, 2014. While reviewing a security video of the office, the county clerk noticed a member of the cleaning staff stealing renewal stickers. These stickers reflected the month in which a car tag was issued. The member of the cleaning staff's employment was immediately terminated; however, the total number of stickers taken and any corresponding value could not be determined.

RECOMMENDATION

Management should review its internal control procedures related to security and maintenance of renewal stickers.

MANAGEMENT'S RESPONSE – COUNTY CLERK

Immediately after I became aware of the decal theft, our office took additional steps to ensure all state issued decals are secured after working hours. After we have completed our workday and prior to the staff leaving for the day, all decals are secured in a locked room protected with a security system. Only supervisors in our Motor Vehicle Division have access to the security code. Also, the cleaning person's employment presumed to have committed the theft was in fact terminated.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2014-003

THE OFFICE HAD ACCOUNTING SOFTWARE DEFICIENCIES

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

Our examination noted the following accounting software deficiencies:

- A. Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction.
- B. Users could receipt collections to a previous date. These collections would not appear on the current day's collection report but would instead create a skip in the receipt number sequence listed on the report. Because users could reset the receipt numbers, a skip in sequence would not be an effective means to account for backdated receipts. Since the vendor did not design the system with adequate controls, inappropriate system activity could occur. Sound business practices dictate that proper application controls be implemented.

These deficiencies are the result of management's failure to correct the finding noted in the prior-year audit report. The office changed to a new software package in September 2014. Controls over the new application will be evaluated in the 2014-15 audit cycle.

RECOMMENDATION

Management should ensure proper application controls are implemented in the new software application.

FINDING 2013-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

FINDING 2013-005

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Office of Circuit, General Sessions, and Juvenile Courts Clerk. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to these control regimens greatly increases the risk that a cash shortage could occur and not be detected in a timely manner. Furthermore, in the event of a cash shortage, the clerk would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency is the result of management's decisions and could result in a loss of control over assets. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The clerk should assign each employee their own cash drawer.

OFFICE OF REGISTER OF DEEDS

FINDING 2014-006

CASH TOTALING \$97.50 WAS UNACCOUNTED

(Noncompliance Under *Government Auditing Standards*)

On August 7, 2014, the register of deeds discovered that petty cash totaling \$97.50 was missing from an office filing cabinet where it had been stored. The register informed the state Comptroller's Office of this cash shortage and filed a Fraud Reporting Form. Subsequently, our office performed an investigation; however, we were unable to determine who may have taken the funds. The register liquidated the cash shortage of \$97.50 from personal funds.

RECOMMENDATION

Cash should be stored in a secured location, which is not accessible to all employees and the general public.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDS

As the register of deeds, I replaced the missing funds from my personal funds. The cash had been secured in a locked filing cabinet drawer in my office. The lock had been forced and has since been replaced. Video footage available showed unauthorized maintenance workers accessed the office after hours. While the footage didn't actually show the drawer being broken into or the funds being taken, we changed the locks to the office. Also, I added a wall safe to the office, and we have ordered a video camera to be installed that would capture all access to the safe. All efforts to secure the daily funds of the Register's Office have been undertaken with urgency and diligence.

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

There were no findings and questioned costs for federal awards.

**RUTHERFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014**

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