

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**RUTHERFORD COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2005**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**RUTHERFORD COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2005**

***DEPARTMENT OF AUDIT***  
***JOHN G. MORGAN***  
***Comptroller of the Treasury***

***DIVISION OF COUNTY AUDIT***  
***RICHARD V. NORMENT***  
***Assistant to the Comptroller***

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***Director***

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***State Auditors***

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

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

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***Audit Highlights***  
Comprehensive Annual Financial Report  
Rutherford County, Tennessee  
For the Year Ended June 30, 2005

***Scope***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rutherford County as of and for the year ended June 30, 2005.

***Results***

Our report on Rutherford County's financial statements was unqualified.

Our audit resulted in nine findings and recommendations, which we have reviewed with Rutherford County management. Detailed findings, recommendations, and management's response are included in the Single Audit Section of this report.

***Findings***

The following are summaries of the audit findings:

**OFFICE OF COUNTY MAYOR**

- ◆ The office solicited bids for a truck using bid specifications that could be met by only one manufacturer.

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**OFFICE OF DIRECTOR OF FINANCE**

- ◆ The Workers' Compensation Fund had a net assets deficit of \$395,906 at June 30, 2005.

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**OFFICE OF HIGHWAY SUPERINTENDENT**

- ◆ The office did not competitively bid for the purchase of a truck.
-

## **OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

- ◆ The office used an unauthorized signature stamp.
  - ◆ The office did not maintain formal user documentation pertaining to the court's software.
- 

## **OFFICE OF REGISTER**

- ◆ The register allowed individuals unsupervised access to her office to research documents after business hours. This unsupervised access seriously weakens internal controls over assets.
- 

## **OFFICE OF SHERIFF**

- ◆ The office did not deposit commissary funds to the office bank account within three days of collection as required by state statute.
- 

## **OTHER FINDINGS**

- ◆ Duties were not segregated adequately among the officials and employees in the Office of Juvenile Court Clerk and the Rutherford Correctional Work Center.
- ◆ County officials had not adopted a central system of purchasing.

*State of Tennessee  
Comptroller of the Treasury  
Department of Audit  
Division of County Audit*

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## INTRODUCTORY SECTION

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## **LETTER OF TRANSMITTAL**

October 31, 2005

To the Honorable Nancy R. Allen, 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, 2005, 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 County 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, Tennessee. 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, Tennessee. 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, Tennessee, 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 Rutherford County, Tennessee's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Rutherford County, Tennessee's 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, Tennessee, for the fiscal year ended June 30, 2005, 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. Rutherford County, Tennessee's financial statements have been audited by State of Tennessee's Comptroller of the Treasury, Division of County Audit. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Rutherford County, Tennessee's financial statements for the fiscal year ended June 30, 2005, 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, Tennessee, 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 require 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. 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 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 G as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, this information is presented on Exhibit H-3 through Exhibit I.

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 for only the Rutherford County Board of Education.

## **ECONOMIC CONDITION**

### **Local Economy**

The economic outlook for Rutherford County is excellent. The strength of the Rutherford County economy can be attributed to our diversity. Rutherford County is one of the fastest growing counties in America with a phenomenal rate of growth of over 43 percent during the past ten years. Population growth has continuously driven a boom in residential construction.

Our largest manufacturing employers include NISSAN USA, Ingram Book Co., Bridgestone/Firestone, Whirlpool Corp., General Mills, and Verizon Wireless. While manufacturing is our strongest economic segment, we are expanding into distribution, transportation, and other service-related industries. We are also home to Tennessee's second largest state university with an enrollment exceeding 22,000, a veteran's hospital, the south central regional office for State Farm Insurance, and numerous other companies.

There are many significant factors that will undoubtedly contribute to the continued growth of our economy. One factor is that Rutherford County is within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates. Also, the City of Murfreesboro is in the process of a massive development project involving city-owned land, noted as the "Gateway" project. Gateway is part of a broader plan to develop about 800 acres up to Interstate 24 and a new interchange into office buildings, retail shopping, and housing similar to that found in neighboring Williamson County. City and business leaders are banking on the development's attracting higher-paying jobs.

Because of the county's location, the county's unemployment rate has been relatively stable. In the past ten years, the rate dropped to a low of 2.7 percent in fiscal 1999 (compared to 4.3 percent for Tennessee and 4.4 percent for the United States) to a high of 4.1 percent in fiscal 2003 (compared to 5.3 percent for Tennessee and 5.9 percent for the United States). It has remained at 4.1 percent for the last three fiscal years.

## **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. Over the last ten years the cost of education ranged from 63-68 percent of the combined total expenditures for the primary government and the board of education.

In the fall of 2004, the Board of Education unveiled an updated ten-year capital projects plan based on assumptions that student population would grow 4.8 percent. It is estimated to require new funding totaling approximately \$466 million over the next ten years in order to build ten elementary schools, seven middle schools and three high schools.

Planned general capital projects include road improvements, a special operations building, workhouse, juvenile detention center, criminal justice center, parking garage, addition to the existing jail, and an archive building. It is estimated that the county will have a need for capital investment in these areas of more than \$90 million over the next five to ten years. As of June 30, 2005, Rutherford County has funded approximately \$14.5 million toward those projects.

## **Long-term financial planning**

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 prepare the operating budgets accordingly.

Unreserved, undesignated fund balance in the General Fund totals almost \$17 million. This represents 32 percent of the General Fund's current year expenditures and exceeds the amount set by policy (15 percent of current year expenditures). According to the commission's policy, the excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

## **Relevant financial policies**

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. Initially the policy dictated that the unreserved, undesignated fund balance in General Debt Service Fund would be maintained at 75 percent of estimated debt service expenditures. The new 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 plus (5) future forecasted needs. The ending fund balance of the General Debt Service Fund meets the new policy.

## **Awards and Acknowledgements**

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, 2004. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order 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 ten 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 Cawthon, Teresa Jolly, Faye Elam, Linda Eckerson, Chrissi Caruthers, Sheryl Sandefur, Susan Thompson, Ted Lindsey and Nancy Jolly. 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

# 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, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



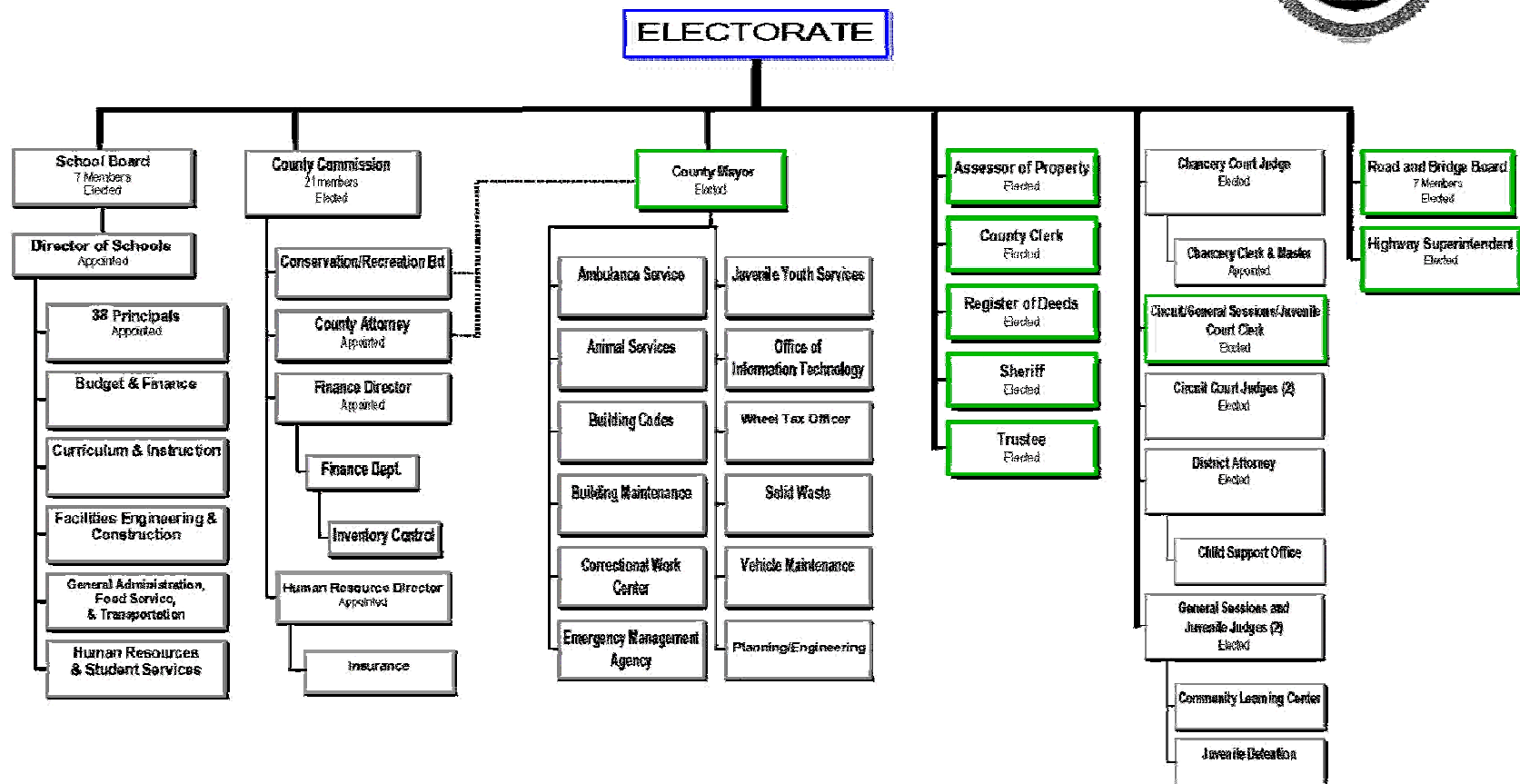
*Nancy L. Ziehl*

President

*Jeffrey R. Enen*

Executive Director

# Rutherford County Government Organizational Chart



As of July, 2005

**Constitutional Offices**

## **Rutherford County Officials**

### **June 30, 2005**

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#### Officials:

Nancy Allen, County Mayor  
Mike Williams, Highway Superintendent  
Harry Gill, Jr., Director of Schools  
Evans Maples, Trustee  
John Barbee, Assessor of Property  
Georgia Lynch, County Clerk  
Eloise Gaither, Circuit, General Sessions, and Juvenile Courts Clerk  
John Bratcher, Clerk and Master  
Jennifer Gerhart, Register  
Truman Jones, Sheriff  
Lisa Nolen, Director of Finance

#### Board of County Commissioners:

Nancy Allen, Chairman	Mike Sparks
Doug Shafer	Richard Sage
Jack Black	Paul Johnson
Will Jordan	John Rodgers
Robert Peay, Jr.	Faye Elam
Carol Cook	Bob Bullen
Joe Jernigan	Jeff Phillips
Gary Farley	Allen McAdoo
Dwight Thorneberry	Joyce Ealy
Steven Sandlin	William Gooch
Anthony Johnson	Tina Jones

#### Highway Commissioners:

Richard Stegall, Chairman	Randal Jones
Michael Anderson	Paul Johnson
Jerry Baxter	David Victory
William Bratcher	

Board of Education:

Rick Wise, Chairman  
Mark Byrnes  
Terry Hodge  
Donald Jernigan

Dorris Jernigan, Sr.  
Grant Kelley  
Gary Patton

Budget, Finance, and Investment Committee:

Joyce Ealy, Chairman  
Bob Bullen  
Anthony Johnson  
Will Jordan

Robert Peay  
Steve Sandlin  
Doug Shafer

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## FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

September 21, 2005

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

To the County Mayor and Board of County Commissioners:

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, 2005, which collectively comprise Rutherford County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rutherford County's management. 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 .08 percent and three percent, respectively, of the assets and revenues of the aggregate discretely presented component units; and the discretely presented Rutherford County Emergency Communications District, which represent one percent and .5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2005, and for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented Community Care of Rutherford County, Inc., and the discretely presented Rutherford County Emergency Communications District, is based 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 auditing 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2005, on our consideration of Rutherford County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

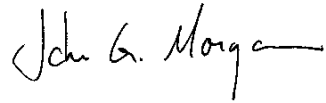
As described in Note V.B., Rutherford County has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures, which modifies the county's disclosures for custodial credit risk and adds disclosures about other types of risk. Additionally, Rutherford County elected early to implement the provisions of GASB Statement No. 44, Economic Condition Reporting: The Statistical Section. This standard improves the understandability and usefulness of the statistical section of the comprehensive annual financial report.

The management's discussion and analysis on pages 19 through 29 and the budgetary comparison information on pages 97 through 101 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 statistical tables 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 the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Very truly yours,

A handwritten signature in black ink, reading "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

**Rutherford County, Tennessee  
Management's Discussion and Analysis  
For the Year Ended June 30, 2005**

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, 2005. 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 of Rutherford County Government exceeded its assets at the close of the most recent fiscal year by \$27,457 (net assets). Of this amount, \$275,016 is long-term debt that is attributable to the Rutherford County Board of Education.
- The government's total net assets decreased by \$19,896. This decrease is directly attributable to the county's issuance of debt for the school system.
- As of the close of the current fiscal year, Rutherford County, Tennessee's governmental funds reported combined ending fund balances of \$83,372, an increase of \$14,509 in comparison with the prior year. Most of this total amount, \$79,893, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$16,936, or 32.19 percent of total General Fund expenditures.
- Rutherford County, Tennessee's total debt increased by \$40,675 (12.36%) during the current fiscal year. The key factor in this increase was the issuance of approximately \$53.5 million bonded debt for school construction and equipment, and other general capital projects.

**Overview of the Financial Statements**

This discussion and analysis are 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 Rutherford County, Tennessee's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the assets and liabilities for Rutherford County, Tennessee, with the differences between the two reported as net assets. Over time, increases or decreases in net assets 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 the government's net assets changed during the most recent fiscal year. All changes in net assets 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). Rutherford County, Tennessee's governmental activities include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; other operations; 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 Exhibit A and Exhibit 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 funds, proprietary funds, and fiduciary funds.

**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 narrower than that of 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 14 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, the General Debt Service Fund, the General Capital Projects Fund and the Education Capital Projects Fund, all of which are considered to be major funds. Data from the other ten 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 Exhibit C-1 and Exhibit D-1 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 predominantly 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 Exhibit E-1, Exhibit E-2, and Exhibit E-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 F-1 and Exhibit F-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 on pages 47-94 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Rutherford County's major fund's budgetary statement (General Fund). This required

supplementary information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with nonmajor 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 Exhibit H-1 through Exhibit J-3 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Rutherford County, Tennessee, liabilities exceed assets by \$27,457 at the close of the fiscal year. The Constitution for the State of Tennessee only allows 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 Rutherford County Government. As of June 30, 2005, Rutherford County had outstanding debt totaling \$275,016 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 assets without a corresponding increase in the county's capital assets.

### Rutherford County, Tennessee Net Assets

	Governmental Activities	
	2004	2005
Assets:		
Current and other assets	\$ 126,573	\$ 151,095
Capital assets	207,145	206,259
Total Assets	<u>\$ 333,718</u>	<u>\$ 357,354</u>
Liabilities:		
Long-term liabilities outstanding	\$ (270,879)	\$ (306,075)
Other Liabilities	(70,400)	(78,736)
Total Liabilities	<u>\$ (341,279)</u>	<u>\$ (384,811)</u>
Net Assets:		
Invested in capital assets, net		
of related debt	\$ 166,358	\$ 162,068
Restricted	47,856	65,024
Unrestricted	(221,775)	(254,549)
Total Net Assets	<u>\$ (7,561)</u>	<u>\$ (27,457)</u>

By far the largest portion of Rutherford County's net assets (\$162,068) 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 its 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 Rutherford County, Tennessee's net assets (\$65,024) 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.

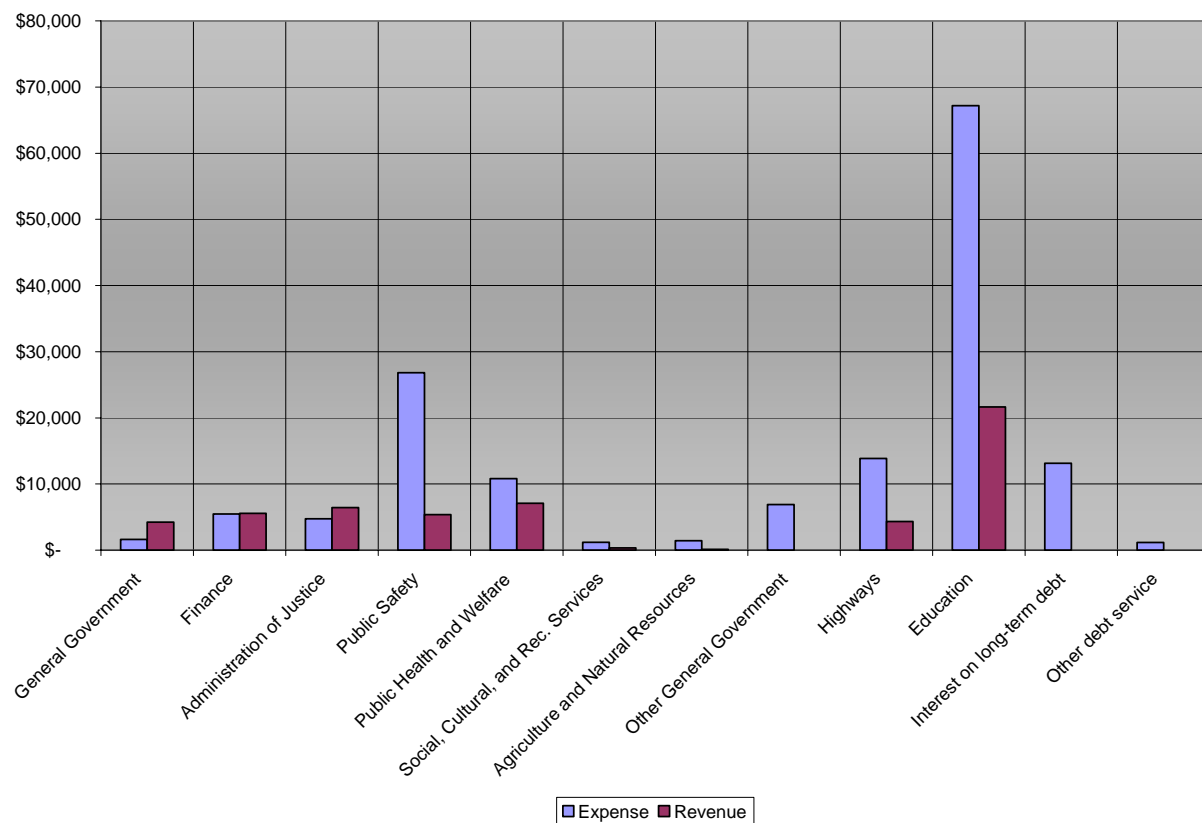
### **Rutherford County's Changes in Net Assets**

**Governmental activities.** Governmental activities decreased Rutherford County Government's net assets by \$19,896. Key elements of this decrease are as follows

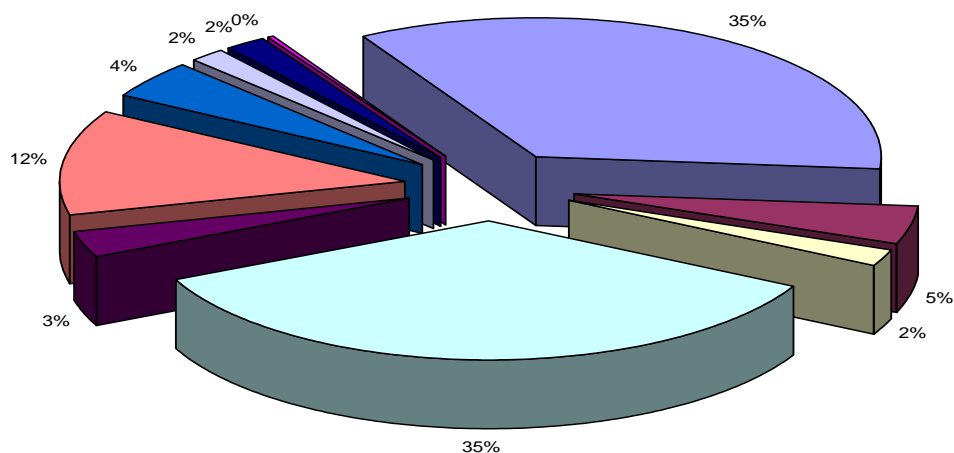
	Governmental Activities	
	2004	2005
Revenues:		
Program revenues:		
Charges for services	\$ 41,190	\$ 46,523
Operating grants and contributions	5,120	6,280
Capital grants and contributions	9,292	2,327
General revenues:		
Property taxes	45,206	47,535
Other taxes	19,298	20,374
Grants and contributions not restricted to specific programs	5,905	6,012
Unrestricted investment earnings	1,065	2,500
Gain on disposal of capital asset	0	2,500
Other	504	325
Total revenues	<u>\$ 127,580</u>	<u>\$ 134,376</u>
Expenses:		
General government	\$ 2,244	\$ 1,639
Finance	4,863	5,480
Administration of justice	4,970	4,753
Public safety	24,925	26,807
Public health and welfare	10,928	10,792
Social, cultural and recreation services	1,203	1,186
Agriculture and natural resources	971	1,440
Other operations	4,811	6,880
Highways	10,784	13,859
Education	40,140	67,167
Interest on long-term debt	13,498	13,123
Other debt service	0	1,146
Total expenses	<u>\$ 119,337</u>	<u>\$ 154,272</u>

	Governmental Activities	
	2004	2005
Increase (decrease) in net assets	\$ 8,243	\$ (19,896)
Net assets, July 1	(18,922)	(7,561)
Prior period adjustment	3,118	0
Net assets, June 30	<u>\$ (7,561)</u>	<u>\$ (27,457)</u>

### Expense and Program Revenues – Governmental Activities



## Revenue by Source-Governmental Activities



Charges for service - 35%	Operating grants & contributions - 5%	Capital grants & contributions - 2%
Property tax - 35%	Local option sales tax - 3%	Other local tax - 12%
Unrestricted grants & contributions - 4%	Unrestricted Investment Earnings - 2%	Gain on disposal of capital asset - 2%
Miscellaneous - 0%		

## 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 particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Rutherford County Government's governmental funds reported combined ending fund balances of \$83,372, an increase of \$14,509 in comparison with the prior year. Most of this total amount (\$79,893) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to (1) to liquidate contracts and purchase orders of the prior period (\$1,835), or (2) for a variety of other restricted purposes (\$1,643).

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unreserved fund balance was \$16,936 while total fund balance reached \$19,914. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 32.19 percent of total General Fund expenditures, while total fund balance represents 37.85 percent of that same amount. The fund balance of Rutherford County Government's General Fund increased by \$1,433 during the current fiscal year.

The General Debt Service Fund has a total fund balance of \$30,267. The increase in fund balance during the current year in the General Debt Service Fund totaled \$1,502. The increase to fund balance resulted from a significant increase in revenues derived from the county's local development tax and greater investment returns. Interest expenditures and principal payments increased during the current period as a result of issuing additional debt.

### **General Fund Budgetary Highlights**

During the fiscal year, there was an increase in appropriations from the original budget. Differences between the original budget and the final amended budget are summarized as follows:

#### **Net Change in Budget - Original vs. Amended**

	<u>2005</u>
General Government	\$ 162
Finance	509
Administration of Justice	206
Public Safety	1,489
Public Health & Welfare	161
Social, Cultural, & Recreational	30
Agriculture	5
Other Operations	849
Transfers Out	<u>1,462</u>
Total Increase in Appropriations	<u><u>\$ 4,873</u></u>

The largest increases were noted in public safety, other operations, and transfers out. During the fiscal year, the county's adult detention center experienced extraordinary high inmate medical costs. Also, homeland security grants were awarded to the county after the budget was adopted. Under other operations and transfers out, the county appropriated additional monies to fund workers compensation expenses, employee's medical claims, and capital projects.

Other increases to the original budget were possible because of additional anticipated revenues. Those revenues included an upturn in sales tax collections, increase in development tax collections which funded several capital projects, and greater investment returns resulting from positive market conditions. At the close of the fiscal year expenditures were significantly less than budgetary estimates.

### **Capital Asset and Debt Administration**

**Capital Assets.** Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2005, amounts to \$206,259 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads,

highways, and bridges). The total decrease in Rutherford County Government's investment in capital assets for the current fiscal year was .4 percent.

	Governmental Activities	
	2004	2005
Land	\$ 67,107	\$ 66,266
Buildings & improvements	44,986	49,099
Infrastructure	84,304	83,661
Other capital assets	6,464	5,924
Construction in progress	4,284	1,309
Total	<u>\$ 207,145</u>	<u>\$ 206,259</u>

Additional information on Rutherford County's capital assets can be found in Note IV.C. on pages 63-65 of this report.

**Long-term debt.** At the end of the current fiscal year, Rutherford County Government had total bonded debt outstanding of \$302,245 and notes outstanding of \$16,644. 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	
	2004	2005	2004	2005	2004	2005
Notes	\$ 20,365	\$ 15,329	\$ 1,863	\$ 1,315	\$ 22,228	\$ 16,644
Bonds	222,616	259,687	38,954	42,558	261,570	302,245
Total	<u>\$ 242,981</u>	<u>\$ 275,016</u>	<u>\$ 40,817</u>	<u>\$ 43,873</u>	<u>\$ 283,798</u>	<u>\$ 318,889</u>

Rutherford County Government's total debt increased by \$35,091 (12.36%) during the current fiscal year. The key factor in this increase was the additional debt totaling \$53,500 which was issued principally for the Rutherford County Board of Education.

During the fiscal year, the government refinanced some of its existing debt to take advantage of favorable interest rates. The result is expected to decrease future debt service payments by \$2,818.

Currently state statutes do not limit the amount of general obligation debt a government entity may issue. Rutherford County Government maintains a "AA" rating from Standard & Poor's and a "Aa2" from Moody's for general obligation debt.

Additional information on the Rutherford County Government's long-term debt can be found in Exhibit M-1 of this report.

### **Economic Factors and Next year's Budget and Rates**

- The average unemployment rate of Rutherford County for the fiscal year ended June 2005 was 4.1 percent, which is the same average rate from the previous fiscal year. This compares favorably to the state's average unemployment rate of 5.7 percent and the national average of 5.3 percent.
- Some of the significant business activity to Rutherford County includes:
  - 1) \$90 million joint venture near the Medical Center Parkway interstate interchange for a mall project.
  - 2) The State of Tennessee's approval of Stonecrest Medical Center's certificate of need for a \$4 million expansion.
  - 3) Emerson Heating Products relocation of its division headquarters to Murfreesboro.
  - 4) Asurion Corporation added 800 employees in Smyrna.
  - 5) Rich Products will be adding 30 jobs with a capital investment of \$11.9 million.
- The first floor occupancy rate of the government's central business district has remained at 95 percent for the past six years.
- Inflationary trends in the region compare similar to national indices.

All of these factors were considered in preparing the Rutherford County Government's budget for the 2005-2006 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$16,936. Rutherford County Government has appropriated \$1,525 of this amount for spending in the 2005-2006 fiscal year. Unreserved fund balance in the General Debt Service Fund increased to \$30,267. Of this amount, \$1,734 has been appropriated for spending in the 2005-2006 fiscal year. Projected unreserved fund balance in the General Debt Service Fund as of June 30, 2006, is expected to be 80 percent of budgeted debt service expenditures.

The operations of the Public Works Fund have been absorbed in the General Fund (storm-water) and the Highway/Public Works Fund (easement work). A reallocation of the county property tax was approved by the Board of Commissioners and is shown in the next table.

<b><u>Fund</u></b>	<b><u>2004 Rate</u></b>	<b><u>Increase (Decrease)</u></b>	<b><u>2005 Rate</u></b>
General Fund	\$0.595	\$0	\$0.595
Solid Waste	0.03	0	0.03
Highway/Public Works	0	.015	.015
Drug Control	0	0	0
General Purpose School	1.44	0	1.44
Public Works	0.015	(.015)	0

<u>Fund</u>	<u>2004 Rate</u>	<u>Increase (Decrease)</u>	<u>2005 Rate</u>
General Debt Service	\$ .72	\$0	\$ 0.72
Total County Property Tax	\$2.80	\$0	\$2.80

### **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, Suite 201, Courthouse, Murfreesboro, TN 37130.

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# BASIC FINANCIAL STATEMENTS

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## Exhibit A

Rutherford County, Tennessee  
Statement of Net Assets  
June 30, 2005

	Primary Government	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
	Governmental Activities			
<u>ASSETS</u>				
Cash	\$ 1,581,038	\$ 0	\$ 1,835,802	\$ 2,435,363
Equity in Pooled Cash and Investments	84,306,419	61,540,470	0	0
Inventories	0	0	24,605	0
Investments	169,062	0	0	0
Accounts Receivable	9,189,524	426,125	1,108,377	155,812
Allowance for Uncollectibles	(906,162)	0	(100,000)	0
Property Taxes Receivable	52,103,904	46,517,225	0	0
Allowance for Uncollectible Property Taxes	(863,003)	(780,584)	0	0
Accrued Interest Receivable	0	0	10,608	18,828
Due from Other Governments	3,249,199	6,594,040	0	0
Due from Component Units	1,391	0	0	0
Prepaid Items	234,621	0	10,072	17,014
Notes Receivable - Long-term	1,400,683	0	0	0
Allowance for Doubtful Notes Receivable	(1,037,302)	0	0	0
Deferred Charges - Debt Issuance Costs	1,664,840	0	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	66,265,459	7,960,617	3,883	17,500
Construction in Progress	1,309,600	40,221,147	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	49,099,532	221,251,307	0	1,098,078
Other Capital Assets	5,923,798	4,283,131	320,021	263,554
Infrastructure	83,660,898	0	0	0
Total Assets	<u>\$ 357,353,501</u>	<u>\$ 388,013,478</u>	<u>\$ 3,213,368</u>	<u>\$ 4,006,149</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 497,003	\$ 1,369,172	\$ 123,821	\$ 1,020
Accrued Payroll	163,356	10,002,180	144,281	0
Accrued Interest Payable	3,425,692	0	0	0
Payroll Deductions Payable	95	0	731	0
Deferred Revenue - Current Property Taxes	50,207,911	44,788,409	0	0
Other Current Liabilities	46,253	0	160,946	0
Noncurrent Liabilities:				
Due Within One Year	24,394,833	22,137	2,255	6,214
Due In More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	306,075,486	715,775	3,247	0
Total Liabilities	<u>\$ 384,810,629</u>	<u>\$ 56,897,673</u>	<u>\$ 435,281</u>	<u>\$ 7,234</u>

(Continued)

Exhibit A

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

	Primary Government	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
	Governmental Activities			
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 162,067,886	\$ 0	\$ 318,402	\$ 0
Invested in Capital Assets	0	273,716,202	0	1,379,132
Restricted for:				
Capital Projects	14,397,305	38,446,494	0	0
Debt Service	31,323,064	0	0	0
Solid Waste/Sanitation	4,518,887	0	0	0
Adequate Facilities/Development	5,827,438	0	0	0
Highway/Public Works	6,033,497	0	0	0
Other Purposes	2,924,092	1,985,445	0	0
Unrestricted	(254,549,297)	16,967,664	2,459,685	2,619,783
Total Net Assets	\$ (27,457,128)	\$ 331,115,805	\$ 2,778,087	\$ 3,998,915

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, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 1,638,923	\$ 4,225,456	\$ 16,380	\$ 0	\$ 2,602,913	\$ 0	\$ 0	\$ 0
Finance	5,479,541	5,514,066	49,020	0	83,545	0	0	0
Administration of Justice	4,752,617	5,525,030	915,723	0	1,688,136	0	0	0
Public Safety	26,807,144	3,873,884	789,787	709,943	(21,433,530)	0	0	0
Public Health and Welfare	10,792,333	5,615,981	1,201,657	262,623	(3,712,072)	0	0	0
Social, Cultural and Rec Services	1,185,767	8,289	0	332,981	(844,497)	0	0	0
Agriculture & Natural Resources	1,439,522	126,150	0	0	(1,313,372)	0	0	0
Other Operations	6,880,570	0	0	0	(6,880,570)	0	0	0
Highways/Public Works	13,858,759	0	3,306,928	1,021,230	(9,530,601)	0	0	0
Education	67,166,917	21,633,813	0	0	(45,533,104)	0	0	0
Interest on Long-term Debt	13,123,313	0	0	0	(13,123,313)			
Other Debt Service	1,146,126	0	0	0	(1,146,126)	0	0	0
Total Primary Government	<u>\$ 154,271,532</u>	<u>\$ 46,522,669</u>	<u>\$ 6,279,495</u>	<u>\$ 2,326,777</u>	<u>\$ (99,142,591)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Component Units:								
Rutherford County School Department	\$ 196,516,751	\$ 258,330	\$ 16,650,165	\$ 43,554,061	\$ 0	\$ (136,054,195)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	8,033,162	8,072,996	0	0	0	0	39,834	0
Emergency Communications District	774,492	1,120,010	0	0	0	0	0	345,518
Total Component Units	<u>\$ 205,324,405</u>	<u>\$ 9,451,336</u>	<u>\$ 16,650,165</u>	<u>\$ 43,554,061</u>	<u>\$ 0</u>	<u>\$ (136,054,195)</u>	<u>\$ 39,834</u>	<u>\$ 345,518</u>

(Continued)

## Exhibit B

Rutherford County, Tennessee  
Statement of Activities (Cont.)

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government	Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Functions/Programs	Expenses							
General Revenues:								
Taxes:								
Property taxes levied for general purposes					\$ 22,520,119	\$ 42,453,199	\$ 0	\$ 0
Property taxes levied for debt service					25,015,333	0	0	0
Local option sales tax					4,007,499	29,887,137	0	0
Other local taxes					16,366,139	3,708,668	0	0
Grants & Contributions not restricted for specific programs					6,011,548	93,215,267	110,324	0
Unrestricted Investment Earnings					2,500,527	459,682	23,094	30,871
Gain on disposal of capital assets					2,500,000	0	0	0
Miscellaneous					325,197	498,204	0	3,357
Total General Revenues					<u>\$ 79,246,362</u>	<u>\$ 170,222,157</u>	<u>\$ 133,418</u>	<u>\$ 34,228</u>
Change in net assets					\$ (19,896,229)	\$ 34,167,962	\$ 173,252	\$ 379,746
Net assets, July 1, 2004					(7,560,899)	296,947,843	2,604,835	3,642,410
Prior period adjustment					<u>0</u>	<u>0</u>	<u>0</u>	<u>(23,241)</u>
Net assets, June 30, 2005					<u>\$ (27,457,128)</u>	<u>\$ 331,115,805</u>	<u>\$ 2,778,087</u>	<u>\$ 3,998,915</u>

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

## Exhibit C-1

Rutherford County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2005

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<b>ASSETS</b>					
Cash	\$ 133,817	\$ 0	\$ 0	\$ 1,374,197	\$ 1,508,014
Equity in Pooled Cash and Investments	18,071,598	29,522,367	10,188,441	16,290,209	74,072,615
Investments	0	0	169,062	0	169,062
Accounts Receivable	4,358,472	440,736	4,000,000	136,619	8,935,827
Allowance for Uncollectibles	(906,162)	0	0	0	(906,162)
Due from Other Governments	1,396,769	435,151	0	1,413,639	3,245,559
Due from Other Funds	279,738	0	0	0	279,738
Due from Component Units	1,391	0	0	0	1,391
Property Taxes Receivable	22,837,320	27,541,842	0	1,724,742	52,103,904
Allowance for Uncollectible Property Taxes	(389,554)	(444,688)	0	(28,761)	(863,003)
Prepaid Items	34,621	0	0	0	34,621
Notes Receivable - Long-Term	0	0	0	1,400,683	1,400,683
Allowance for Doubtful Notes Receivable	0	0	0	(1,037,302)	(1,037,302)
Total Assets	\$ 45,818,010	\$ 57,495,408	\$ 14,357,503	\$ 21,274,026	\$ 138,944,947
<b>LIABILITIES AND FUND BALANCES</b>					
<u>Liabilities</u>					
Accounts Payable	\$ 477,319	\$ 0	\$ 0	\$ 11,184	\$ 488,503
Accrued Payroll	154,307	0	0	9,049	163,356
Payroll Deductions Payable	95	0	0	0	95
Due to Other Funds	0	0	0	277,599	277,599
Due to Litigants, Heirs, and Others	27,074	0	0	0	27,074
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	19,179	0	0	0	19,179
Deferred Revenue - Current Property Taxes	21,965,961	26,580,658	0	1,661,292	50,207,911
Deferred Revenue - Delinquent Property Taxes	410,166	429,822	0	29,262	869,250
Other Deferred Revenues	2,849,505	218,062	0	452,664	3,520,231
Total Liabilities	\$ 25,903,606	\$ 27,228,542	\$ 0	\$ 2,441,050	\$ 55,573,198
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 1,698,254	\$ 0	\$ 15,008	\$ 122,206	\$ 1,835,468
Reserved for Alcohol and Drug Treatment	310,414	0	0	0	310,414
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	529,300	0	0	0	529,300
Reserved for Sexual Offender Registration	1,680	0	0	0	1,680
Reserved for Computer System - Register	434,329	0	0	0	434,329
Reserved for Long-Term Notes Receivable	0	0	0	363,381	363,381
Reserved for Other General Purposes	4,270	0	0	0	4,270
Unreserved, Reported In:					
General Fund	16,936,157	0	0	0	16,936,157
Special Revenue Funds	0	0	0	18,307,587	18,307,587
Debt Service Funds	0	30,266,866	0	0	30,266,866
Capital Projects Funds	0	0	14,342,495	39,802	14,382,297
Total Fund Balances	\$ 19,914,404	\$ 30,266,866	\$ 14,357,503	\$ 18,832,976	\$ 83,371,749
Total Liabilities and Fund Balances	\$ 45,818,010	\$ 57,495,408	\$ 14,357,503	\$ 21,274,026	\$ 138,944,947

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 Assets

June 30, 2005

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)	\$ 83,371,749
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	206,259,287
(2) Internal service funds are used by management to charge the costs of general liability insurance, employee health insurance, and workers' compensation benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,555,005
(3) Long-term liabilities are not due in the current period and therefore are not reported in the funds.	(327,032,650)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>4,389,481</u>
Net assets of governmental activities (Exhibit A)	<u><u>\$ (27,457,128)</u></u>

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

## Exhibit D-1

Rutherford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2005

	Major Funds				Nonmajor Funds Other	Total Governmental Funds
	General	General Debt Service	General Capital Projects	Education Capital Projects	Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 31,488,126	\$ 28,981,863	\$ 0	\$ 0	\$ 13,486,570	\$ 73,956,559
Licenses and Permits	1,641,354	0	0	0	37,700	1,679,054
Fines, Forfeitures and Penalties	1,874,502	0	0	0	763,451	2,637,953
Charges for Current Services	4,089,402	0	0	0	5,733,037	9,822,439
Other Local Revenues	1,618,561	1,534,986	19,555	0	439,686	3,612,788
Fees Received from County Officials	6,326,697	0	0	0	0	6,326,697
State of Tennessee	5,034,379	0	0	0	3,863,857	8,898,236
Federal Government	1,653,191	0	0	0	151,312	1,804,503
Other Governments and Citizens Groups	452,372	0	0	0	0	452,372
Total Revenues	\$ 54,178,584	\$ 30,516,849	\$ 19,555	\$ 0	\$ 24,475,613	\$ 109,190,601
<u>Expenditures</u>						
Current:						
General Government	\$ 4,058,602	\$ 557,961	\$ 0	\$ 0	\$ 714,502	\$ 5,331,065
Finance	3,676,640	0	0	0	1,775,173	5,451,813
Administration of Justice	3,327,556	0	0	0	1,452,047	4,779,603
Public Safety	25,104,974	0	0	0	805,036	25,910,010
Public Health and Welfare	9,146,463	0	0	0	2,444,417	11,590,880
Social, Cultural, and Recreational Services	1,085,767	0	0	0	0	1,085,767
Agricultural and Natural Resources	485,942	0	0	0	932,152	1,418,094
Other Operations	5,724,401	0	0	5,131,730	1,153,858	12,009,989
Highways	0	0	0	0	6,477,902	6,477,902
Debt Service:						
Principal	0	17,719,449	0	0	0	17,719,449
Interest	0	14,065,408	0	0	0	14,065,408
Other Debt Service	0	622,495	523,631	0	0	1,146,126
Capital Projects	0	0	3,604,345	42,750,000	224,891	46,579,236
Total Expenditures	\$ 52,610,345	\$ 32,965,313	\$ 4,127,976	\$ 47,881,730	\$ 15,979,978	\$ 153,565,342
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,568,239	\$ (2,448,464)	\$ (4,108,421)	\$ (47,881,730)	\$ 8,495,635	\$ (44,374,741)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 5,618,270	\$ 47,881,730	\$ 0	\$ 53,500,000
Refunding Debt Issued	0	60,165,000	0	0	0	60,165,000

(Continued)

Exhibit D-1

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

	Major Funds				Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Other Financing Sources (Uses) (Cont.)</u>						
Premiums on Debt Issued	\$ 0	\$ 4,740,330	\$ 1,761,394	\$ 0	\$ 0	\$ 6,501,724
Proceeds From Sale of Capital Assets	0	0	4,000,000	0	0	4,000,000
Transfers In	1,327,537	3,837,188	1,003,205	0	252,585	6,420,515
Transfers Out	(1,462,624)	0	(16,653)	0	(5,432,078)	(6,911,355)
Payments to Refunded Debt Escrow Agent	0	(64,792,077)	0	0	0	(64,792,077)
Total Other Financing Sources (Uses)	<u>\$ (135,087)</u>	<u>\$ 3,950,441</u>	<u>\$ 12,366,216</u>	<u>\$ 47,881,730</u>	<u>\$ (5,179,493)</u>	<u>\$ 58,883,807</u>
Net Change in Fund Balances	\$ 1,433,152	\$ 1,501,977	\$ 8,257,795	\$ 0	\$ 3,316,142	\$ 14,509,066
Fund Balance, July 1, 2004	<u>18,481,252</u>	<u>28,764,889</u>	<u>6,099,708</u>	<u>0</u>	<u>15,516,834</u>	<u>68,862,683</u>
Fund Balance, June 30, 2005	<u>\$ 19,914,404</u>	<u>\$ 30,266,866</u>	<u>\$ 14,357,503</u>	<u>\$ 0</u>	<u>\$ 18,832,976</u>	<u>\$ 83,371,749</u>

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

Exhibit D-2

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, 2005

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

Net change in fund balances - total governmental funds (Exhibit D-1)	\$ 14,509,066
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	8,903,331
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.	(9,789,065)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	189,720
(4) The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 net effect of these differences in the treatment of long-term debt and related items.	(36,653,213)
(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 governmental funds.	(192,249)
(6) Internal service funds are used by management to charge the costs of general liability insurance and employee insurance and workers' compensation benefits to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>3,136,181</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ (19,896,229)</u>

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

Exhibit E-1

Rutherford County, Tennessee  
Statement of Net Assets  
Proprietary Funds  
June 30, 2005

Governmental  
Activities -  
Internal  
Service  
Funds

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ASSETS

Current Assets:	
Cash	\$ 73,024
Equity in Pooled Cash and Investments	10,233,804
Accounts Receivable	253,697
Due from Other Governments	3,640
Prepaid Items	200,000
Total Assets	<u>\$ 10,764,165</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 8,500
Claims and Judgements Payable	5,198,521
Due to Other Funds	2,139
Total Liabilities	<u>\$ 5,209,160</u>

NET ASSETS

Unrestricted	<u>\$ 5,555,005</u>
Total Net Assets	<u><u>\$ 5,555,005</u></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 Assets  
Proprietary Funds  
For the Year Ended June 30, 2005

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 24,546,903
Other Local Revenues:	
Retirees' Insurance Payments	958,463
Cobra Insurance Payments	57,451
Insurance Recovery	1,401,778
Total Operating Revenues	<u>\$ 26,964,595</u>
<u>Operating Expenses</u>	
Employee Benefits	
Handling Charges & Administrative Costs	\$ 544,546
Bank Charges	570
Other Supplies and Materials	1,734
Building Improvements	20,357
Data Processing Equipment	6,676
Consultants	12,579
Contracts with Private Agencies	839,489
Legal Services	1,002
Drug and Medical Supplies	18,559
Premium on Corporate Surety Bonds	1,116
Dues and Memberships	192,372
Other Contracted Services	81,765
Excess Risk Insurance	1,069,703
Medical Claims	21,787,587
Liability Claims	171,458
Worker's Compensation Insurance	13,613
Data Processing Supplies	972
Other Self-Insured Claims	1,818,791
Other Charges	47,150
Total Operating Expenses	<u>\$ 26,630,039</u>
Operating Income (Loss)	<u>\$ 334,556</u>
<u>Nonoperating Revenues (Expenses)</u>	
Miscellaneous Refunds	\$ 120,785
Total Nonoperating Revenues (Expenses)	<u>\$ 120,785</u>
Income (Loss) Before Contributions and Transfers	\$ 455,341
Contributions	2,190,000
Transfers In	690,000
Transfers Out	<u>(199,160)</u>
Change in Net Assets	\$ 3,136,181
Net Assests, July 1, 2004	<u>2,418,824</u>
Nets Assets, June 30, 2005	<u><u>\$ 5,555,005</u></u>

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

Rutherford County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2005

	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 25,789,904
Payment to suppliers	(3,043,811)
Claims Paid	(23,194,211)
Insurance Recovery	1,401,778
Other Receipts (Payments)	120,785
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,074,445</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Contributions	\$ 2,190,000
Transfers to Other Funds	(199,160)
Transfers from Other Funds	690,000
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>\$ 2,680,840</u>
Net Increase (Decrease) In Cash And Cash Equivalents	\$ 3,755,285
Cash And Cash Equivalents, July 1, 2004	<u>6,551,543</u>
Cash And Cash Equivalents, June 30, 2005	<u><u>\$ 10,306,828</u></u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>	
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	
Operating Income (Loss)	\$ 334,556
Miscellaneous Refunds	120,785
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	226,389
(Increase) Decrease in Due From Other Governments	3,450
(Increase) Decrease in Advances to Other Funds	(200,000)
Increase (Decrease) in Accounts Payable	8,392
Increase (Decrease) in Claims and Judgements Payable	587,902
Increase (Decrease) in Due to Other Funds	(6,415)
Increase (Decrease) in Due to Component Units	<u>(614)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 1,074,445</u></u>

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

Exhibit F-1

Rutherford County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2005

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 5,813,827
Equity in Pooled Cash and Investments	230,012
Investments	224,902
Accounts Receivable	16,278
Due from Other Governments	5,357,408
Taxes Receivable	8,696,098
Allowance for Uncollectible Taxes	(145,925)
Total Assets	<u>\$ 20,192,600</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 14,100,757
Due to Joint Ventures	36,836
Due to Litigants, Heirs, and Others	6,055,007
Total Liabilities	<u>\$ 20,192,600</u>

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

Exhibit F-2

Rutherford County, Tennessee  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Year Ended June 30, 2005

	Other Employee Benefit Trust Fund
	Flexible Benefits Fund
<u>ADDITIONS</u>	
Charges for Services	
Other Employee Benefit Charges/Contributions	\$ 79,950
Total Additions	<u>\$ 79,950</u>
<u>DEDUCTIONS</u>	
Employee Benefits	
Other Self-Insured Claims	\$ 90,348
Contributions	16,399
Total Deductions	<u>\$ 106,747</u>
Change in Net Assets	\$ (26,797)
Net Assets, July 1, 2004	<u>26,797</u>
Net Assets, June 30, 2005	<u><u>\$ 0</u></u>

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

**RUTHERFORD COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2005**

**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.

**Blended Component Units** – There are no legally separate component units of Rutherford County that meet the criteria for being reported as part of the primary government by the blending method.

**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 without county approval, 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 Rutherford County School Department are included in this report as listed in the table of contents. Complete financial statements of 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 Blvd.  
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 assets 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. 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 (\$42,750,000) were contributed by the county to the School Department for the year ended June 30, 2005.

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 fund financial statements. 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, liabilities, 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 grant 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 fund and fiduciary fund financial statements are reported using the economic resources 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.

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

**Education Capital Projects Fund** – This fund accounts for debt issued by Rutherford County that is subsequently contributed to the discretely presented Rutherford County School Department for construction and renovation projects.

Additionally, Rutherford County reports the following fund types:

**Special Revenue Funds** – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Internal Service Funds** – These funds, the Self-Insurance Fund, the Employee Insurance - Health Fund, and the Workers' Compensation Fund are used to account for the county's self-insured general liability insurance, health, and workers' compensation programs. Premiums charged to the various county funds 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. The primary source of resources is employees' payroll deductions.

**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, 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 funds:

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

**Other Capital Projects Fund** – This fund is primarily used to account for the receipt of debt issued by Rutherford County and contributed to the School Department for building construction and renovations.

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

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

**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.

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

## **D. Assets, Liabilities, and Net Assets or Equity**

### **1. Deposits and Investments**

For purposes of the statement of cash flows, cash includes demand deposits and cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

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 its balance sheets or statements of net assets 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, investments are held separately by several of the county's funds. Rutherford County and the Rutherford County 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 and investments in the State Treasurer's Investment Pool are reported at cost. 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. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections or that is 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).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable in the General Fund are 72 percent ambulance receivables and 28 percent other receivables. 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.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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 deferred revenue 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 with offsetting deferred revenue 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.

Current liabilities payable from restricted assets (customer deposits payable) reflected in the primary government funds represent deposits placed with Rutherford County for building codes certificates of occupancy (\$19,179).

**3. Prepaid Items**

Using the consumption method, Rutherford County had prepaid postage totaling \$34,621 in the General Fund and prepaid insurance premiums totaling \$200,000 in the Employee Insurance – Health Fund at June 30, 2005.

**4. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (infrastructure \$50,000) 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, and infrastructure 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 Fixed Assets	6 - 20
Infrastructure:	
Roads	75
Bridges	50

5. **Compensated Absences**

The county's and 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 statements for the county and its discretely presented component units. 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.

6. **Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

**7. Net Assets and Fund Equity**

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2005, Rutherford County had \$275,016,959 in outstanding debt for capital purposes for the discretely presented Rutherford County School Department. The debt is a liability of Rutherford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Rutherford County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2005:

Fund/Purpose	Amount
General:	
Animal shelter	\$ 10,155
Agriculture extension	21,741
Adequate Facilities/Development Tax:	
Flood mitigation grant match	618,925
General debt service	975,000
Motlow College project	100,000
General Capital Projects:	
Beasley Road connector	169,062
General Purpose School:	
Attendance software	167,657

## 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 assets**

#### Primary Government

Exhibit C-2 presents a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including debt payable, are not due and payable in the current period and therefore are not reported in the funds. The details of the \$327,032,650 difference are as follows:

Bonds payable	\$ (302,245,000)
Deferred charges - issuance costs (to be amortized over life of debt)	1,664,840
Deferred amount on refunding	3,834,006
Deferred revenue - premium on debt (to be amortized over life of debt)	(6,934,854)
Accrued interest payable	(3,425,692)
Landfill closure/postclosure care costs	(313,522)
Notes payable	(16,643,534)
Compensated absences	<u>(2,968,894)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ (327,032,650)</u></u>

**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 D-2 presents a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$8,903,331 difference are as follows:

Capital outlay	\$ 13,739,443
Depreciation expense	<u>(4,836,112)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 8,903,331</u>

Another element of that reconciliation states that the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. The details of this \$9,789,065 difference are as follows:

Donations of capital assets	\$ 1,021,230
Capital assets disposals	<u>(10,810,295)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (9,789,065)</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$36,653,213 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (113,665,000)
Related Items:	
Premium on debt to defer	(6,501,724)
Amortization of premium	260,463
Current debt issuance costs to defer	933,108
Amortization of issuance costs	(72,593)
Amortization of deferred amount on refunding	(122,769)
Deferred amount on refunding	3,940,853
Payment to refunding agent	60,855,000
Principal repayments:	
Bonds	12,135,000
Notes	<u>5,584,449</u>

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (36,653,213)</u>
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Another element of that reconciliation states that 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 governmental funds. The details of this \$192,249 difference are as follows:

Net change in compensated absences	\$ 56,834
Net change in landfill closure/postclosure care costs	94,897
Net change in accrued interest on bonds	(411,860)
Net change in accrued interest on notes	<u>67,880</u>

Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (192,249)</u>
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#### Discretely Presented Rutherford County School Department

The discretely presented Rutherford County School Department's Exhibit L-4 presents a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$16,537,288 difference are as follows:

Capital outlay	\$ 22,677,670
Depreciation expense	<u>(6,140,382)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 16,537,288</u>

### III. **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### A. **Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the State 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, County Attorney, etc.). Management may make revisions within major categories, but only the governing body may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (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 statement.

#### B. **Net Assets Deficit**

The Workers' Compensation Fund (Internal Service Fund) had a net assets deficit of \$395,906 at June 30, 2005. This net assets deficit resulted from an increase in workers' compensation claims and estimates. Funding for these

future expenditures is expected to be received from the General and General Purpose School Funds.

#### **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 assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

##### **Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Public fund accounts covered by the pool are considered to be insured for purposes of custodial 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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2005, Rutherford County had the following investments carried at fair value or cost. 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	Maturities	Fair Value or Cost
POOLED:		
State Treasurer's Investment Pool	Daily	<u>\$ 101,081,414</u>
NONPOOLED:		
Rutherford County		
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	Daily	\$ 224,902
General Capital Projects Fund:		
State Treasurer's Investment Pool	Daily	<u>169,062</u>
Total Nonpooled		<u>\$ 393,964</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 no investment policy that would further limit its investment choices. As of June 30, 2005, Rutherford County's investment in the State Treasurer's Investment Pool was unrated.

## **B. Notes Receivable**

Revenues from loan payments for property sold by the Industrial/Economic Development Fund are recognized on the cash basis. The county and Wherry Housing have reached a payment agreement through bankruptcy court on this note. The Industrial/Economic Development Fund had a long-term note receivable of \$1,037,302 from Wherry Housing on June 30, 2005.

The Industrial/Economic Development Fund had a long-term note receivable of \$363,381 on June 30, 2005, from financing projects for the Smyrna-Rutherford County Airport (Joint Venture).

The General Purpose School Fund advanced the School Department's Other Capital Projects Fund \$1,080,000 to purchase land and pay for engineering/architects fees for school construction projects.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2005, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 19,002,932	\$ 0	\$ (1,500,000)	\$ 17,502,932
Right-of-ways	48,104,000	5,325,852	(4,667,325)	48,762,527
Construction in Progress	4,283,664	1,396,945	(4,371,009)	1,309,600
Total Capital Assets Not Depreciated	\$ 71,390,596	\$ 6,722,797	\$ (10,538,334)	\$ 67,575,059
Capital Assets Depreciated:				
Buildings and Improvements	\$ 59,004,881	\$ 5,531,853	\$ 0	\$ 64,536,734
Infrastructure	109,700,146	1,047,615	(253,630)	110,494,131
Other Capital Assets	21,536,248	1,458,408	(1,183,452)	21,811,204
Total Capital Assets Depreciated	\$ 190,241,275	\$ 8,037,876	\$ (1,437,082)	\$ 196,842,069
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 14,018,155	\$ 1,419,047	\$ 0	\$ 15,437,202
Infrastructure	25,396,268	1,498,927	(61,962)	26,833,233
Other Capital Assets	15,072,427	1,918,138	(1,103,159)	15,887,406
Total Accumulated Depreciation	\$ 54,486,850	\$ 4,836,112	\$ (1,165,121)	\$ 58,157,841

**Governmental Activities (Cont.):**

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Total Capital Assets Depreciated, Net	\$ 135,754,425	\$ 3,201,764	\$ (271,961)	\$ 138,684,228
Governmental Activities Capital Assets, Net	\$ 207,145,021	\$ 9,924,561	\$ (10,810,295)	\$ 206,259,287

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

**Governmental Activities:**

General Government	\$ 468,416
Finance	84,201
Administration of Justice	9,562
Public Safety	1,536,507
Public Health and Welfare	912,198
Agriculture & Natural Resources	14,779
Other Operations	6,238
Highways	<u>1,804,211</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,836,112</u>

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

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 7,862,960	\$ 97,657	\$ 0	\$ 7,960,617
Construction in Progress	<u>28,952,141</u>	<u>16,031,714</u>	<u>(4,762,708)</u>	<u>40,221,147</u>
Total Capital Assets Not Depreciated	\$ 36,815,101	\$ 16,129,371	\$ (4,762,708)	\$ 48,181,764

**Governmental Activities (Cont.):**

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 264,407,952	\$ 5,970,326	\$ 0	\$ 270,378,278
Other Capital Assets	9,689,093	577,973	(241,424)	10,025,642
Total Capital Assets				
Depreciated	\$ 274,097,045	\$ 6,548,299	\$ (241,424)	\$ 280,403,920
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 43,765,017	\$ 5,361,954	\$ 0	\$ 49,126,971
Other Capital Assets	5,201,419	778,428	(237,336)	5,742,511
Total Accumulated				
Depreciation	\$ 48,966,436	\$ 6,140,382	\$ (237,336)	\$ 54,869,482
Total Capital Assets				
Depreciated, Net	\$ 225,130,609	\$ 407,917	\$ (4,088)	\$ 225,534,438
Governmental Activities				
Capital Assets, Net	\$ 261,945,710	\$ 16,537,288	\$ (4,766,796)	\$ 273,716,202

Depreciation expense totaling \$6,140,382 was charged to the discretely presented Rutherford County School Department.

**D. Construction Commitments**

At June 30, 2005, the county had uncompleted construction contracts of approximately \$14,883 in the Adequate Facilities/Development Tax Fund and \$5,047,714 for the school building program in the discretely presented Rutherford County School Department. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2005, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 277,599
General	Internal service	2,139
School Department:		
General Purpose School	Nonmajor governmental	166,606

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.

**Interfund loans to/from other funds:**

Receivable Fund	Payable Fund	Amount
School Department:		
General Purpose School	Other Capital Projects	\$ 1,080,000

The discretely presented General Purpose School Fund advanced the School Department's Other Capital Projects Fund \$1,080,000 for the purchase of land and engineering/architects fees for construction projects.

**Due to/from primary government and component units:**

Receivable Fund	Payable Fund	Amount
Primary government:	Component unit:	
General	Community Care of Rutherford County, Inc.	
	Rutherford County, Inc.	\$ 1,391

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2005, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In				
	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds
General Fund	\$ 0	\$ 0	\$ 680,000	\$ 180,924	\$ 601,700
General Capital Projects Fund	0	0	0	16,653	0
Nonmajor governmental funds	1,128,377	3,837,188	323,205	55,008	88,300
Internal Service Funds	199,160	0	0	0	0
Total	\$ 1,327,537	\$ 3,837,188	\$ 1,003,205	\$ 252,585	\$ 690,000

**Discretely Presented Rutherford County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Other Capital Projects Fund
General Purpose School Fund	\$ 0	\$ 4,265,148
Nonmajor governmental funds	501,181	0
Total	\$ 501,181	\$ 4,265,148

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

**F. Long-term Debt****Primary Government****General Obligation Bonds and Notes**

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 25 years for bonds and up to 12 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, 2005, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2005, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-05
General Obligation Bonds	2.5 to 6.5%	\$ 290,380,066	\$ 159,415,066
General Obligation Bonds - Refunding	2.25 to 5.25	181,664,934	142,829,934
Capital Outlay Notes	0 to 6	39,980,079	16,643,534

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2005, including interest payments, are as follows:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2006	\$ 14,140,000	\$ 13,696,086	\$ 5,864,449	\$ 1,072,425
2007	12,660,000	13,062,036	9,854,085	693,776
2008	21,490,000	12,515,629	925,000	55,500
2009	19,060,000	11,584,079	0	0
2010	16,730,000	10,823,979	0	0
2011-2015	94,440,000	42,284,318	0	0
2016-2020	75,125,000	20,957,559	0	0
2021-2025	32,950,000	6,907,012	0	0
2026-2030	15,650,000	2,174,438	0	0
Total	\$ 302,245,000	\$ 134,005,136	\$ 16,643,534	\$ 1,821,701

There is \$30,266,866 available in the General Debt Service Fund to service long-term debt. General bonded debt per capita amounted to \$1,660, based on the 2000 federal census. Total debt per capita, including bonds and notes, amounted to \$1,752, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2004	\$ 261,570,000	\$ 22,227,983
Additions	113,665,000	0
Deductions	(72,990,000)	(5,584,449)
Balance, June 30, 2005	<u>\$ 302,245,000</u>	<u>\$ 16,643,534</u>
Balance Due Within One Year	<u>\$ 14,140,000</u>	<u>\$ 5,864,449</u>

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2004	\$ 3,025,728	\$ 408,419
Additions	108,541	0
Deductions	(165,375)	(94,897)
Balance, June 30, 2005	<u>\$ 2,968,894</u>	<u>\$ 313,522</u>
Balance Due Within One Year	<u>\$ 89,067</u>	<u>\$ 142,500</u>

	Claims and Judgments
Balance, July 1, 2004	\$ 4,610,619
Additions	23,606,378
Deductions	<u>(23,018,476)</u>
Balance, June 30, 2005	<u>\$ 5,198,521</u>
Balance Due Within One Year	<u>\$ 4,158,817</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2005	\$ 327,369,471
Less: Due Within One Year	(24,394,833)
Add: Unamortized Premium on Debt	6,934,854
Less: Deferred Amount on Refunding	<u>(3,834,006)</u>

Noncurrent Liabilities - Due In More Than One Year - Exhibit A	<u>\$ 306,075,486</u>
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The internal service funds primarily serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the above totals for governmental activities. At year end, \$5,198,521 of claims and judgments are included in the above amounts.

Compensated absences payable will be paid from the employing funds, primarily the General Fund, the Solid Waste/Sanitation Fund, and the Highway/Public Works Fund. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

#### Advance Refundings

On November 1, 2004, Rutherford County advance refunded certain bond issues with a separate general obligation bond issue. The county issued \$42,400,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 16 years will be reduced by \$2,073,189, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,558,095 was obtained.

On February 1, 2005, Rutherford County advance refunded certain bond issues with a separate general obligation bond issue. The county issued \$17,765,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 16 years will be reduced by \$745,090, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$554,193 was obtained.

#### Defeasance of Prior Debt

In prior years, Rutherford County defeased certain outstanding general obligation bonds by placing the proceeds of the 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. According, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2005, the following outstanding bonds are considered defeased:

	<u>Amount</u>
1995 Capital Appreciation	\$ 23,055,082
1996 Public Improvements	16,375,000
2000 School Bonds	22,600,000

Discretely Presented Rutherford County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Rutherford County School Department for the year ended June 30, 2005, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2004	\$ 667,486
Additions	643,987
Deductions	(573,561)
Balance, June 30, 2005	<u>\$ 737,912</u>
 Balance Due Within One Year	 <u>\$ 22,137</u>

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

**G. Donor Restricted Endowments**

The discretely presented Rutherford County School Department accounts for an endowment totaling \$28,783 in a private-purpose trust fund, the Endowment Fund. The principal amount must remain intact, while interest earned on the principal funds a scholarship for the valedictorian of the senior class at Eagleville High School. During the year ended June 30, 2005, interest earned and expended totaled \$346 with no resulting effect on net assets.

**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 School Department are self-insured to a limit of \$150,000 per claim for general liability claims and \$25,000 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 \$1,000,000 for automobile claims.

Rutherford County has 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 \$100,000 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 has 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 is self-insured to a limit of \$275,000 for a single claim except for Communicable Disease – Tuberculosis excluded, which is \$350,000.

All full-time employees of the primary government, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (Rutherford County 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, the discretely presented Rutherford County School Department, and the discretely presented Emergency Communications District component units 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 Employee Insurance - Health Fund and the Workers' Compensation Fund are as follows:

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2003-04	\$	2,661,260	\$	19,463,057	\$	(18,648,796)	\$	3,475,521
2004-05		3,475,521		21,787,587		(21,787,587)		3,475,521

Workers' Compensation Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2003-04	\$	1,874,845		460,886		(1,200,633)	\$	1,135,098
2004-05		1,135,098		1,818,791		(1,230,889)		1,723,000

**B. Accounting Changes**

During the year, Rutherford County adopted the provisions of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures. These provisions modified the county's previous custodial risk disclosures for deposits and investments and related collateral. These provisions also added disclosures about other types of risk, including credit risk, interest rate risk, foreign currency risk, and concentrations of credit risk. Governments are also required to provide brief disclosures about their deposit and investment policies that are related to any of the risks required to be disclosed.

Additionally, Rutherford County elected early to implement the provisions of Governmental Accounting Standards Board Statement No. 40, Economic Condition Reporting: The Statistical Section. This standard improves the understandability and usefulness of the statistical section of the comprehensive annual financial report.

**C. Contingent Liabilities**

During the year, the sheriff filed suit against the county mayor for additional departmental funding of approximately \$10,000,000. This case is currently pending; however, the outcome could materially affect the financial statements of the county.

The county is also involved in several other 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.

**D. Change in Administration**

Tommy Sanford, assessor of property, left office August 31, 2004, and was succeeded by John Barbee.

**E. Landfill Closure/Postclosure Care Costs**

State and federal laws and regulations require the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. These closure and postclosure care costs generally are paid near or after the date that the landfill stops accepting waste. Rutherford County closed its class 1 landfill in April 1993 and has contracted its waste management to a private vendor. Rutherford County still operates a class three construction landfill, which accepts the kinds of waste not subject to state and federal regulations for closure and postclosure care costs. The Solid Waste/Sanitation Fund (Special Revenue Fund) reports the operations of the class three construction landfill and the closure and postclosure care costs of the closed class one landfill as expenditures in each period in which they are incurred. The \$313,522 reported as landfill closure and postclosure care liability at June 30, 2005, represents the net amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. 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 \$786,000 to the operations of the libraries during the year ended June 30, 2005.

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 City 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 has yet to begin operations; therefore, there is 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 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  
660 Fitzhugh Blvd.  
Smyrna, TN 37167

**G. Retirement Commitments**

**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 [www.treasury.state.tn.us](http://www.treasury.state.tn.us). Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/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, 2005, was 11.59 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Rutherford County is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2005, Rutherford County's annual pension cost of \$5,719,396 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2003, 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three 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 five-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, 2003, was 12 years.

### Trend Information

Fiscal Year Ended	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-05	\$5,719,396	100%	\$0
6-30-04	4,760,244	100	0
6-30-03	4,428,519	100	0

### Required Supplementary Information

#### Schedule of Funding Progress for Rutherford County

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-03	\$66,122	\$74,352	\$8,230	88.93%	\$42,007	19.59%
6-30-01	54,975	63,583	8,608	86.46	37,515	22.95
6-30-99	44,166	49,184	5,018	89.80	31,939	15.71

## SCHOOL TEACHERS

### Plan Description

Rutherford County 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, Tennessee 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us). Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/Schools/>.

### Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for Rutherford County is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2005, was 5.5 percent of annual covered payroll. The employer contribution requirement for Rutherford County is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2005, 2004, and 2003 were \$4,699,570, \$3,179,591, and \$2,738,117, respectively, equal to the required contributions for each year.

## **H. Post-employment Benefits**

In addition to the retirement commitments described in Note V.G., Rutherford County and the discretely presented Rutherford County School Department provide post-retirement health care benefits, in accordance with contract provisions, to all employees who retire from the county on or after age 55 with at least 15 years of service and have been covered under the county group medical plan for a continuous five-year period immediately prior to retirement, who retire from the county on or after age 62 with at least ten years of service and have been covered under the county group medical plan for a continuous five-year period immediately prior to retirement, or who retire after 30 years of service and have been covered under the county group medical plan for a continuous five-year period immediately prior to retirement. Currently, 49 county and 205 school retirees meet those eligibility requirements. The county and the School Department pay 50 percent of medical premiums for retirees and their dependents. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not reported to the county. During the year, expenditures totaling \$69,680 (county) and \$416,372 (School Department) were recognized for post-employment health care.

## **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 \$5,000 (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 (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, Tennessee Code Annotated, 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 \$5,000.

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

### **A. Summary of Significant Accounting Policies**

This summary of significant accounting policies of Community Care of Rutherford County, Inc., is presented to assist in understanding the nursing home's financial statements. The financial statements and notes are representations of the nursing home's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

Financial Reporting Entity - Component Unit – As specified and described by Standard 14 of the Governmental Accounting Standards Board (GASB), 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.

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 instead is entirely appointed by the Rutherford County Commission, the nursing home cannot be a primary government. Instead it qualifies as a component unit according to the directives of GASB.

GASB 14 specifies 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. One of these activities is to issue bonded debt without approval by another government. Community Care of Rutherford County, Inc., may not issue debt without Rutherford County's approval, and the county remains contingently liable for all debt obligations. Because the nursing home is both a legal entity and is 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.

Basis of Presentation – The financial statements are prepared on the accrual basis of accounting, which recognizes revenues when assessed and earned and expenses when incurred. As a component unit of Rutherford County, Tennessee, the financial statements of Community Care of Rutherford County, Inc., are presented in the manner required by generally accepted governmental accounting principles for enterprise funds. The nursing home has applied all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. 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 Flows - Cash and Cash Equivalents – Community Care of Rutherford County, Inc., presents its cash flow statement using the direct method. For purposes of cash flow presentation, the nursing home 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, 2005, there were no certificates of deposit that qualified as cash equivalents.

Patient Service Revenue and Accounts Receivable – Patient 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 payer 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.

Patient 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. Delinquent accounts are written off based on individual evaluation and specific circumstances. Some delinquent accounts deemed to be collected are placed with an attorney for collection. Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts and a change to the allowance method has been made in the current year. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed in prior periods.

Property and Equipment – Property and equipment are stated at cost. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. The general range of useful lives estimated for equipment is five to 20 years. 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.

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

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.

Inventories – Inventories are recorded at cost, determined on the first-in, first-out method.

Income Taxes – The nursing home is exempt from income taxes as a nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code, and accordingly, the financial statements do not reflect a provision for income taxes.

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 non-operating revenues and expenses.

**B. Lease Commitment**

Community Care of Rutherford County, Inc., has a lease agreement with Rutherford County for the rental of the building it occupies. Under the lease terms, the annual rental is equal to the group and life insurance premiums paid by the nursing home. The lease is for a term of five years, beginning July 1, 2001, and ending on June 30, 2006. It may be terminated by either party upon a 30-day written notice. For the year ended June 30, 2005, group health and life insurance in the amount of \$677,097 was paid.

**C. Pension Plan**

Plan Description – Certain employees of Rutherford County are members of the Tennessee Consolidated Retirement System (TCRS), an agent multiple-employer public employee retirement system (PERS) that acts as a common investment and administrative agent for political subdivisions in the state. The retirement plan for Community Care of Rutherford County is included in the total retirement program for Rutherford County. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contribution made, and trend information regarding the retirement plan can be found in the Comprehensive Annual

Financial Report for Rutherford County. The nursing home's payroll for employees covered by the TCRS for the year ended June 30, 2005, was \$3,422,809. Total contributions to the plan for the year ended June 30, 2005, amounted to \$396,704.

The TCRS is a defined benefit retirement plan covering teachers and general employees of the state, as well as employees of political subdivisions that have elected coverage. Membership in the system is mandatory for state employees, teachers, and employees of participating political subdivisions. The 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 age 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 injury occurring while the member is in performance of duty. Members joining the system on or 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 and amended by state statute.

Rutherford County is noncontributory and pays the total cost of pension compensation with the exception of certain employees whose contributions are identified in the pension plan footnote of the Comprehensive Annual Financial Report for Rutherford County.

**D. Post-employment Benefits**

In addition to the benefits described above, the county provides post-retirement health care benefits to all employees who retire from the county on or after age 55 with at least 15 years of service and five years of previous health care benefits. As of June 30, 2005, three retirees met those eligibility requirements. Community Care of Rutherford County, Inc., matches 50 percent of the health care premium that pays secondary to Medicare for the retiree. During the year ended June 30, 2005, expenditures of \$2,243 were recognized for post-retirement health care premiums.

**E. Patient Funds Held in Trust**

At June 30, 2005, the nursing home held \$25,669 on behalf of the patients.

The nursing home is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be used only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the nursing home for patient care, provided the amount does not include monies stipulated for patients' use

only. All funds are required to be placed in an insured, interest-bearing account.

**F. Cash and Investments**

**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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial 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 nursing home.

**Investments**

**Legal Provisions.** The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United States, 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.

During the year ended June 30, 2005, the Board of Directors chose to limit the investment of funds to certificates of deposits at banks and banking institutions. Cash reserves for operations were held in bank checking and savings accounts. As a result, the nursing home had no investments at June 30, 2005.

**G. Obligations Under Capital Leases**

The nursing home has entered into capital leases for equipment, furniture, and fixtures. Obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of .015 percent. The capitalized cost and accumulated depreciation of these capital assets at June 30, 2005, was \$12,113 and \$7,649, respectively.

Future minimum payments under capital leases are as follows as of June 30, 2005:

2006	\$ 2,255
2007	3,247
Total future payments	<u>\$ 5,502</u>
Less amount representing interest	<u>0</u>
Present value of future payments	<u>\$ 5,502</u>
Less current portion	<u>(2,255)</u>
Noncurrent portion	<u><u>\$ 3,247</u></u>

#### **H. Concentration of Credit Risk**

The nursing home grants credits without collateral to its patients, most of whom are insured under third-party payer agreements. The mix of receivables from patients and third-party payers is:

Medicaid	35.09 %
Medicare	36.33
Private	13.8
Insurance	14.78

Approximately 90.63 percent of net patient revenue is derived from third-party payers.

#### **I. Risk Management**

Risks related to the operation of the nursing home are managed through the purchase of commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Information related to insurance coverage is as follows:

Bond Coverage – Travelers Property Casualty issued the nursing home's fidelity bond policy with blanket coverage, including comprehensive dishonesty, with liability limits of \$250,000. The policy period is from August 16, 2003, to August 16, 2006. The officer and director's liability coverage is with Executive Risk, with liability limits of \$1,000,000, and the policy period is from December 5, 2004, to December 5, 2005. Travelers Property Casualty issued the nursing home's long-term care facility residence fund bond with liability limits of \$75,000. The policy period is from December 21, 2004, to December 21, 2005.

Workers' Compensation Coverage – The nursing home's workers' compensation policy was issued by Bridgefield Casualty Company with liability limits of \$1,000,000 per individual per accident. The policy period is from January 1, 2005, to January 1, 2006.

Comprehensive Liability Coverage – The nursing home's liability policy was issued by various casualty companies. The policy periods are from

July 1, 2004, to July 1, 2005. The policies provide general and automobile liability coverage of \$1,000,000 per person per injury with a maximum liability of \$3,000,000 per occurrence.

Property Coverage – The nursing home’s property insurance coverage was issued by American Casualty Company of Reading, Pennsylvania, with liability limits of \$7,631,000 for the buildings and personal property; \$1,155,000 for blanket business income; and \$25,000 each for accounts receivable, valuable papers and records, and electronic data processing systems. In addition, for the electronic data processing systems, there are limits for outside coverage territory of \$10,000, and a \$500,000 limit on newly acquired hardware and software.

**J. Capital Assets**

Capital assets are summarized as follows:

Depreciable Assets	7-1-04	Additions	6-30-05
Land Improvements	\$ 3,883	\$ 0	\$ 3,883
Departmental Equipment	261,354	51,953	313,307
Motor Vehicles	48,460	0	48,460
Fitness Equipment	0	18,805	18,805
Leasehold Improvements	72,953	60,736	133,689
Total	\$ 386,650	\$ 131,494	\$ 518,144
Less: Accumulated Depreciation	(148,866)	(45,374)	(194,240)
Total Capital Assets	<u>\$ 237,784</u>	<u>\$ 86,120</u>	<u>\$ 323,904</u>

**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 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 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.

**M. Donation to Primary Government**

On May 6, 2004, the nursing home's board of directors approved a donation in the amount of \$250,000 to Rutherford County, Tennessee. This donation was made during the current fiscal year ended June 30, 2005.

**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 – As specified and described by Standard 14 of the Governmental Accounting Standards Board (GASB), 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 district's financial information should also be discretely presented by the county in its financial report.

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 GASB.

GASB 14 specifies 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 are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. 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, 2005, 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 and Accounting – As a governmental entity, the district abides by the accounting rules and regulations issued by the Governmental Accounting Standards Board (GASB), as well as the Financial Accounting Standards Board issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. After November 30, 1989, the district follows GASB guidance only and does not follow any FASB guidance issued after that date. Promulgations of that board require that the accrual method of accounting be used for governmental units that operate in a manner similar to a private business.

The district does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the district functions in a manner similar to a private business enterprise and uses the accrual method of accounting. Income is recognized as it is earned, and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

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 assets, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely 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 assets. Net assets (i.e., total

assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components. As of June 30, 2005, the district had no debt.

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

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 cost of prepaid insurance and any other applicable costs that are prepaid are charged to operations over the period of coverage. For the year ended June 30, 2005, prepaid insurance and service contract costs were \$17,014.

Property and Equipment – Property and equipment are stated at cost or estimated historical cost if actual cost is not available and depreciated over the estimated useful lives of the related assets by the straight-line method of depreciation. The district defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. 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 non-operating revenue or loss.

The estimated useful lives are as follows:

Buildings and improvements	40 years
Furniture and fixtures	5-10 years
Communications equipment	2-10 years
Vehicle	5 years
Other capital assets	5-10 years

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 for 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 exceeding 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, sick leave, and compensatory benefits has been accrued under the vesting method. The estimated amount calculated for compensated absences was recorded as a liability at June 30, 2005, and is \$6,214.

Estimates – Management of the district has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results may differ from those estimates.

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, 2005, there were no certificates of deposit that qualified as cash equivalents.

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 system. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

## **B. Cash and Investments**

### **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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial 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 district.

### **Investments**

**Legal Provisions.** The district home is authorized to make investments in bonds, notes, or treasury bills of the United States, 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.

During the year ended June 30, 2005, the Board of Directors chose to limit the investment of funds to certificates of deposits at banks and banking institutions. Cash reserves for operations were held in bank checking and savings accounts. As a result, the district home had no investments at June 30, 2005.

### **C. Accounts Receivable**

The district receives its revenue from the 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- bimonthly basis to the district. The policy of the telephone companies has been to remit based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts.

The following are receivables from the telephone companies at June 30, 2005:

BellSouth Telecommunications, Inc.	\$ 47,351
Tennessee Telephone Co.	7,629
MCI WorldCom Communications	3,672
Others	<u>10,160</u>
Total	<u><u>\$ 68,812</u></u>

**D. Capital Assets**

Capital assets are summarized as follows:

<u>Depreciable Assets</u>	<u>7-1-04</u>	<u>Additions</u>	<u>Deletions</u>	<u>6-30-05</u>
Buildings and Improvements	\$ 1,098,077	\$ 0	\$ 0	\$ 1,098,077
Communications Equipment	959,366	3,749	(23,837)	939,278
Furniture and Fixtures	46,199	0	0	46,199
Office Equipment	71,177	5,649	0	76,826
Vehicle	33,810	0	0	33,810
Other Capital Assets	109,793	6,359	0	116,152
Total	\$ 2,318,422	\$ 15,757	\$ (23,837)	\$ 2,310,342
Less: Accumulated Depreciation	(861,627)	(87,679)	596	(948,710)
Total	\$ 1,456,795	\$ (71,922)	\$ (23,241)	\$ 1,361,632
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Total	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Total Capital Assets	\$ 1,474,295	\$ (71,922)	\$ (23,241)	\$ 1,379,132

**E. 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

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, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).

Funding Policy – 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.

Rutherford County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2005, was 9.54 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for 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, 2005, Rutherford County Emergency Communications District's annual pension cost of \$11,411 to TCRS was equal to Rutherford County Emergency Communications District's required and actual contributions. The required contribution was determined as part of the July 1, 2001, 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 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), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three 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 five-year period.

Rutherford County Emergency Communications District's unfunded actuarial accrued liability is amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2003, was 17 years. Trend information is as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-04	\$ 8,626	100 %	\$ 0
6-30-03	8,490	100	0
6-30-02	9,492	100	0

Required Supplementary Information – The following is the Schedule of Funding Progress for Rutherford County Emergency Communications District:

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
6-30-03	\$ 155	\$ 168	\$ 13	92.26 %	\$ 111	11.71%
6-30-01	123	137	14	89.78	102	13.73
6-30-1999	93	112	19	83.04	88	21.67

**F. 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.

**G. Prior Period Adjustment**

During the year ended June 30, 2005, the district discovered that a disbursement to Middle Tennessee State University (MTSU) for communication equipment for the MTSU PSAP was included as an asset on the district's asset listing and depreciated. The disbursement was actually a contribution to another government. As a result of the correction, communication equipment was decreased \$23,837, accumulated depreciation decreased \$596, and net assets decreased \$23,241.

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## REQUIRED SUPPLEMENTARY INFORMATION

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## Exhibit G

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 31,488,126	\$ 0	\$ 0	\$ 31,488,126	\$ 30,379,644	\$ 31,525,224	\$ (37,098)
Licenses and Permits	1,641,354	0	0	1,641,354	1,226,130	1,661,400	(20,046)
Fines, Forfeitures and Penalties	1,874,502	0	0	1,874,502	1,325,650	1,878,202	(3,700)
Charges for Current Services	4,089,402	0	0	4,089,402	3,884,980	4,144,256	(54,854)
Other Local Revenues	1,618,561	0	0	1,618,561	712,770	1,634,801	(16,240)
Fees Received from County Officials	6,326,697	0	0	6,326,697	5,410,500	6,246,000	80,697
State of Tennessee	5,034,379	0	0	5,034,379	5,303,471	5,868,677	(834,298)
Federal Government	1,653,191	0	0	1,653,191	1,882,566	1,690,645	(37,454)
Other Governments and Citizens Groups	452,372	0	0	452,372	453,000	452,500	(128)
Total Revenues	\$ 54,178,584	\$ 0	\$ 0	\$ 54,178,584	\$ 50,578,711	\$ 55,101,705	\$ (923,121)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 186,558	\$ 0	\$ 0	\$ 186,558	\$ 203,470	\$ 203,470	\$ 16,912
Board of Equalization	97,765	0	0	97,765	316,890	316,890	219,125
County Mayor	287,093	(708)	3,864	290,249	290,211	296,211	5,962
Personnel Office	91,256	(705)	226	90,777	95,379	95,379	4,602
County Attorney	218,796	0	0	218,796	220,406	220,406	1,610
Election Commission	577,242	(7,481)	697	570,458	557,822	588,870	18,412
Register of Deeds	102,459	(3,587)	1,224	100,096	114,970	114,970	14,874
Planning	537,430	(1,096)	10,223	546,557	543,931	550,221	3,664
Codes Compliance	43,525	0	0	43,525	43,823	43,823	298
Geographical Information Systems	646,860	(492,356)	514,098	668,602	778,565	777,340	108,738
County Buildings	848,926	(56,734)	166,212	958,404	905,852	1,015,082	56,678
Other General Administration	187,497	(1,300)	2,950	189,147	192,788	192,788	3,641
Preservation of Records	30,808	(3,963)	2,344	29,189	36,764	36,764	7,575
Risk Management	202,387	(2,328)	670	200,729	195,013	205,688	4,959

(Continued)

## Exhibit G

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 693,052	\$ (7,819)	\$ 750	\$ 685,983	\$ 688,716	\$ 701,851	\$ 15,868
Property Assessor's Office	1,783,928	(105,279)	80,644	1,759,293	1,473,592	1,920,668	161,375
Reappraisal Program	394,436	(2,336)	200	392,300	396,832	400,237	7,937
County Trustee's Office	39,904	(5,214)	1,204	35,894	47,475	47,475	11,581
County Clerk's Office	160,425	(43,064)	13,068	130,429	164,650	164,650	34,221
Data Processing	604,895	(21,904)	36,058	619,049	633,138	678,308	59,259
<u>Administration of Justice</u>							
Circuit Court	294,411	(9,521)	8,244	293,134	341,614	341,614	48,480
Circuit Court Judge	213,022	(15,672)	0	197,350	199,961	202,700	5,350
General Sessions Court	754,672	0	380	755,052	775,420	777,195	22,143
Drug Court	266,467	(420)	1,526	267,573	182,304	310,975	43,402
Chancery Court	615,315	(2,421)	2,355	615,249	606,028	634,537	19,288
Juvenile Court	191,683	(350)	0	191,333	177,231	198,198	6,865
District Attorney General	48,881	0	0	48,881	39,584	51,692	2,811
Other Administration of Justice	63,428	0	0	63,428	61,056	67,420	3,992
Probation Services	879,677	(7,600)	400	872,477	1,015,679	1,020,989	148,512
<u>Public Safety</u>							
Sheriff's Department	12,344,825	(182,646)	242,894	12,405,073	12,375,213	12,598,428	193,355
Special Patrols	45,847	0	0	45,847	57,804	57,804	11,957
Traffic Control	9,398	0	0	9,398	10,000	10,000	602
Wheel Tax Officer	75,343	(650)	350	75,043	57,245	77,629	2,586
Jail	8,269,948	(42,750)	78,370	8,305,568	7,761,679	8,476,840	171,272
Workhouse	1,729,853	(44,058)	5,479	1,691,274	1,786,981	1,823,641	132,367
Juvenile Services	770,761	(5,277)	1,907	767,391	791,856	791,856	24,465
Rescue Squad	59,000	0	0	59,000	59,000	59,000	0
Disaster Relief	1,177,334	(60,147)	300,771	1,417,958	1,237,525	1,719,736	301,778

(Continued)

## Exhibit G

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Inspection and Regulation	\$ 622,665	\$ (1,210)	\$ 2,697	\$ 624,152	\$ 632,276	\$ 643,401	\$ 19,249
<u>Public Health and Welfare</u>							
Local Health Center	514,373	(1,373)	1,308	514,308	569,105	569,105	54,797
Rabies and Animal Control	698,684	(20,963)	20,213	697,934	831,786	825,676	127,742
Ambulance/Emergency Medical Services	6,647,101	(61,117)	107,783	6,693,767	6,914,138	6,975,397	281,630
Nursing Home	27,737	(18,991)	5,300	14,046	20,000	20,000	5,954
Dental Health Program	10,736	0	3,030	13,766	14,000	14,000	234
Other Local Health Services	1,084,169	(624)	11,200	1,094,745	1,265,126	1,340,700	245,955
General Welfare Assistance	31,531	0	0	31,531	31,531	31,531	0
Sanitation Management	14,382	0	0	14,382	15,700	15,700	1,318
Other Public Health and Welfare	117,750	0	0	117,750	93,200	123,200	5,450
<u>Social, Cultural and Recreational Services</u>							
Adult Activities	24,570	0	0	24,570	24,570	24,570	0
Senior Citizens Assistance	1,500	0	0	1,500	1,500	1,500	0
Libraries	786,000	0	0	786,000	786,000	786,000	0
Parks and Fair Boards	273,697	0	0	273,697	314,530	344,230	70,533
<u>Agriculture &amp; Natural Resources</u>							
Agriculture Extension Service	437,264	(5,696)	0	431,568	462,181	467,711	36,143
Soil Conservation	48,678	0	0	48,678	48,856	48,856	178
<u>Other Operations</u>							
Tourism	225,753	0	0	225,753	218,150	232,250	6,497
Other Economic and Community Development	114,095	0	0	114,095	276,882	276,882	162,787
Other Charges	178,483	(1,490)	2,611	179,604	222,840	223,940	44,336
Employee Benefits	969,581	0	0	969,581	433,500	982,100	12,519
Payments to Cities	1,622,124	0	0	1,622,124	1,625,000	1,625,000	2,876
Miscellaneous	2,614,365	(38,634)	67,004	2,642,735	2,391,175	2,676,710	33,975
Total Expenditures	\$ 52,610,345	\$ (1,277,484)	\$ 1,698,254	\$ 53,031,115	\$ 52,628,513	\$ 56,039,804	\$ 3,008,689

(Continued)

## Exhibit G

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,568,239	\$ 1,277,484	\$ (1,698,254)	\$ 1,147,469	\$ (2,049,802)	\$ (938,099)	\$ 2,085,568
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,327,537	\$ 0	\$ 0	\$ 1,327,537	\$ 1,472,013	\$ 1,422,375	\$ (94,838)
Transfers Out	(1,462,624)	0	0	(1,462,624)	0	(1,462,624)	0
Total Other Financing Sources (Uses)	\$ (135,087)	\$ 0	\$ 0	\$ (135,087)	\$ 1,472,013	\$ (40,249)	\$ (94,838)
Net Change in Fund Balance	\$ 1,433,152	\$ 1,277,484	\$ (1,698,254)	\$ 1,012,382	\$ (577,789)	\$ (978,348)	\$ 1,990,730
Fund Balance, July 1, 2004	18,481,252	(1,277,484)	0	17,203,768	16,200,216	16,200,216	1,003,552
Fund Balance, June 30, 2005	\$ 19,914,404	\$ 0	\$ (1,698,254)	\$ 18,216,150	\$ 15,622,427	\$ 15,221,868	\$ 2,994,282

**RUTHERFORD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2005**

**BUDGETARY INFORMATION**

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 State 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, County Attorney, etc.). Management may make revisions within major categories, but only the governing body may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (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 statement.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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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.

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

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

Adequate Facilities/Development Tax Fund – The Adequate Facilities/Development Tax Fund is used to account for operations funded from the local development tax and investment income.

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

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

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

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

# Capital Projects Funds

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for industrial park projects.

Nursing Home Projects Fund – The Nursing Home Projects Fund is used to account for nursing home projects.

## Exhibit H-1

Rutherford County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005

	Special Revenue Funds					
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General	Constitu - tional Officers - Fees
<u>ASSETS</u>						
Cash	\$ 777	\$ 0	\$ 774	\$ 0	\$ 0	\$ 1,370,728
Equity in Pooled Cash and Investments	4,148,603	264,069	897,141	5,799,688	108,596	0
Accounts Receivable	103,032	0	0	27,750	0	1,230
Due from Other Governments	251,332	0	0	0	582	0
Property Taxes Receivable	1,149,828	0	0	0	0	0
Allowance for Uncollectible Property Taxes	(19,174)	0	0	0	0	0
Notes Receivable - Long-Term	0	1,400,683	0	0	0	0
Allowance for Doubtful Notes Receivable	0	(1,037,302)	0	0	0	0
Total Assets	<u>\$ 5,634,398</u>	<u>\$ 627,450</u>	<u>\$ 897,915</u>	<u>\$ 5,827,438</u>	<u>\$ 109,178</u>	<u>\$ 1,371,958</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 1,089	\$ 0	\$ 0	\$ 0	\$ 13	\$ 0
Accrued Payroll	6,894	0	0	0	174	0
Due to Other Funds	0	0	0	0	0	277,599
Deferred Revenue - Current Property Taxes	1,107,528	0	0	0	0	0
Deferred Revenue - Delinquent Property Taxes	19,519	0	0	0	0	0
Other Deferred Revenues	87,464	0	0	0	0	0
Total Liabilities	<u>\$ 1,222,494</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 187</u>	<u>\$ 277,599</u>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 95,718	\$ 0	\$ 11,506	\$ 14,883	\$ 0	\$ 0
Reserved for Long-Term Notes Receivable	0	363,381	0	0	0	0
Unreserved	4,316,186	264,069	886,409	5,812,555	108,991	1,094,359
Total Fund Balances	<u>\$ 4,411,904</u>	<u>\$ 627,450</u>	<u>\$ 897,915</u>	<u>\$ 5,827,438</u>	<u>\$ 108,991</u>	<u>\$ 1,094,359</u>
Total Liabilities and Fund Balances	<u>\$ 5,634,398</u>	<u>\$ 627,450</u>	<u>\$ 897,915</u>	<u>\$ 5,827,438</u>	<u>\$ 109,178</u>	<u>\$ 1,371,958</u>

(Continued)

Exhibit H-1

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

	Special Revenue Funds (Cont.)			Capital Projects Funds			
	Highway / Public Works	Public Works	Total	Community Development/ Industrial Park	Nursing Home Projects	Total	Total Nonmajor Governmental Funds
<u>ASSETS</u>							
Cash	\$ 0	\$ 1,918	\$ 1,374,197	\$ 0	\$ 0	\$ 0	\$ 1,374,197
Equity in Pooled Cash and Investments	4,420,241	612,069	16,250,407	28,850	10,952	39,802	16,290,209
Accounts Receivable	4,607	0	136,619	0	0	0	136,619
Due from Other Governments	1,161,725	0	1,413,639	0	0	0	1,413,639
Property Taxes Receivable	574,914	0	1,724,742	0	0	0	1,724,742
Allowance for Uncollectible Property Taxes	(9,587)	0	(28,761)	0	0	0	(28,761)
Notes Receivable - Long-Term	0	0	1,400,683	0	0	0	1,400,683
Allowance for Doubtful Notes Receivable	0	0	(1,037,302)	0	0	0	(1,037,302)
Total Assets	\$ 6,151,900	\$ 613,987	\$ 21,234,224	\$ 28,850	\$ 10,952	\$ 39,802	\$ 21,274,026
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 9,649	\$ 433	\$ 11,184	\$ 0	\$ 0	\$ 0	\$ 11,184
Accrued Payroll	0	1,981	9,049	0	0	0	9,049
Due to Other Funds	0	0	277,599	0	0	0	277,599
Deferred Revenue - Current Property Taxes	553,764	0	1,661,292	0	0	0	1,661,292
Deferred Revenue - Delinquent Property Taxes	9,743	0	29,262	0	0	0	29,262
Other Deferred Revenues	365,200	0	452,664	0	0	0	452,664
Total Liabilities	\$ 938,356	\$ 2,414	\$ 2,441,050	\$ 0	\$ 0	\$ 0	\$ 2,441,050
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 0	\$ 99	\$ 122,206	\$ 0	\$ 0	\$ 0	\$ 122,206
Reserved for Long-Term Notes Receivable	0	0	363,381	0	0	0	363,381
Unreserved	5,213,544	611,474	18,307,587	28,850	10,952	39,802	18,347,389
Total Fund Balances	\$ 5,213,544	\$ 611,573	\$ 18,793,174	\$ 28,850	\$ 10,952	\$ 39,802	\$ 18,832,976
Total Liabilities and Fund Balances	\$ 6,151,900	\$ 613,987	\$ 21,234,224	\$ 28,850	\$ 10,952	\$ 39,802	\$ 21,274,026

## Exhibit H-2

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2005

	Special Revenue Funds					
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General	Constitu - tional Officers - Fees
<u>Revenues</u>						
Local Taxes	\$ 1,962,833	\$ 0	\$ 0	\$ 7,701,375	\$ 0	\$ 0
Licenses and Permits	0	0	0	0	0	0
Fines, Forfeitures and Penalties	0	0	719,640	0	43,811	0
Charges for Current Services	1,483,939	0	0	0	0	4,249,098
Other Local Revenues	40,638	159,007	20,763	109,518	0	0
State of Tennessee	237,613	0	0	0	0	0
Federal Government	0	0	0	0	0	0
Total Revenues	<u>\$ 3,725,023</u>	<u>\$ 159,007</u>	<u>\$ 740,403</u>	<u>\$ 7,810,893</u>	<u>\$ 43,811</u>	<u>\$ 4,249,098</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 77,776	\$ 836	\$ 635,890
Finance	0	0	0	0	0	1,775,173
Administration of Justice	0	0	0	0	51,203	1,400,844
Public Safety	0	0	805,036	0	0	0
Public Health and Welfare	2,444,417	0	0	0	0	0
Agricultural and Natural Resources	0	0	0	0	0	0
Other Operations	129,734	220,063	0	804,061	0	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	187,893	0	0
Total Expenditures	<u>\$ 2,574,151</u>	<u>\$ 220,063</u>	<u>\$ 805,036</u>	<u>\$ 1,069,730</u>	<u>\$ 52,039</u>	<u>\$ 3,811,907</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,150,872</u>	<u>\$ (61,056)</u>	<u>\$ (64,633)</u>	<u>\$ 6,741,163</u>	<u>\$ (8,228)</u>	<u>\$ 437,191</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 333	\$ 0	\$ 0
Transfers Out	(22,000)	0	0	(5,343,778)	0	0
Total Other Financing Sources (Uses)	<u>\$ (22,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,343,445)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,128,872	\$ (61,056)	\$ (64,633)	\$ 1,397,718	\$ (8,228)	\$ 437,191
Fund Balance, July 1, 2004	3,283,032	688,506	962,548	4,429,720	117,219	657,168
Fund Balance, June 30, 2005	<u>\$ 4,411,904</u>	<u>\$ 627,450</u>	<u>\$ 897,915</u>	<u>\$ 5,827,438</u>	<u>\$ 108,991</u>	<u>\$ 1,094,359</u>

(Continued)

Exhibit H-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	Public Works	Total	Community Development/ Industrial Park	Nursing Home Projects	Total	
<u>Revenues</u>							
Local Taxes	\$ 3,277,389	\$ 544,973	\$ 13,486,570	\$ 0	\$ 0	\$ 0	\$ 13,486,570
Licenses and Permits	0	37,700	37,700	0	0	0	37,700
Fines, Forfeitures and Penalties	0	0	763,451	0	0	0	763,451
Charges for Current Services	0	0	5,733,037	0	0	0	5,733,037
Other Local Revenues	109,760	0	439,686	0	0	0	439,686
State of Tennessee	3,626,244	0	3,863,857	0	0	0	3,863,857
Federal Government	0	151,312	151,312	0	0	0	151,312
Total Revenues	\$ 7,013,393	\$ 733,985	\$ 24,475,613	\$ 0	\$ 0	\$ 0	\$ 24,475,613
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 714,502	\$ 0	\$ 0	\$ 0	\$ 714,502
Finance	0	0	1,775,173	0	0	0	1,775,173
Administration of Justice	0	0	1,452,047	0	0	0	1,452,047
Public Safety	0	0	805,036	0	0	0	805,036
Public Health and Welfare	0	0	2,444,417	0	0	0	2,444,417
Agricultural and Natural Resources	0	932,152	932,152	0	0	0	932,152
Other Operations	0	0	1,153,858	0	0	0	1,153,858
Highways	6,477,902	0	6,477,902	0	0	0	6,477,902
Capital Projects	0	0	187,893	0	36,998	36,998	224,891
Total Expenditures	\$ 6,477,902	\$ 932,152	\$ 15,942,980	\$ 0	\$ 36,998	\$ 36,998	\$ 15,979,978
Excess (Deficiency) of Revenues Over Expenditures	\$ 535,491	\$ (198,167)	\$ 8,532,633	\$ 0	\$ (36,998)	\$ (36,998)	\$ 8,495,635
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 16,320	\$ 235,932	\$ 252,585	\$ 0	\$ 0	\$ 0	\$ 252,585
Transfers Out	(60,000)	(6,300)	(5,432,078)	0	0	0	(5,432,078)
Total Other Financing Sources (Uses)	\$ (43,680)	\$ 229,632	\$ (5,179,493)	\$ 0	\$ 0	\$ 0	\$ (5,179,493)
Net Change in Fund Balances	\$ 491,811	\$ 31,465	\$ 3,353,140	\$ 0	\$ (36,998)	\$ (36,998)	\$ 3,316,142
Fund Balance, July 1, 2004	4,721,733	580,108	15,440,034	28,850	47,950	76,800	15,516,834
Fund Balance, June 30, 2005	\$ 5,213,544	\$ 611,573	\$ 18,793,174	\$ 28,850	\$ 10,952	\$ 39,802	\$ 18,832,976

## Exhibit H-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, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,962,833	\$ 0	\$ 0	\$ 1,962,833	\$ 1,605,104	\$ 1,990,662	\$ (27,829)
Charges for Current Services	1,483,939	0	0	1,483,939	1,070,000	1,490,000	(6,061)
Other Local Revenues	40,638	0	0	40,638	40,000	42,050	(1,412)
State of Tennessee	237,613	0	0	237,613	308,146	261,926	(24,313)
Total Revenues	\$ 3,725,023	\$ 0	\$ 0	\$ 3,725,023	\$ 3,023,250	\$ 3,784,638	\$ (59,615)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 82,606	\$ (8,613)	\$ 4,239	\$ 78,232	\$ 108,757	\$ 95,058	\$ 16,826
Convenience Centers	1,380,989	(10,107)	9,973	1,380,855	1,394,623	1,431,753	50,898
Other Waste Collection	284,472	0	2,500	286,972	287,500	297,500	10,528
Landfill Operation and Maintenance	601,454	(31,713)	57,006	626,747	792,518	794,063	167,316
Postclosure Care Costs	94,896	(1,000)	22,000	115,896	142,500	141,000	25,104
<u>Other Operations</u>							
Employee Benefits	35,888	0	0	35,888	35,500	36,500	612
Miscellaneous	93,846	0	0	93,846	68,500	99,500	5,654
Total Expenditures	\$ 2,574,151	\$ (51,433)	\$ 95,718	\$ 2,618,436	\$ 2,829,898	\$ 2,895,374	\$ 276,938
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,150,872	\$ 51,433	\$ (95,718)	\$ 1,106,587	\$ 193,352	\$ 889,264	\$ 217,323
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (22,000)	\$ 0	\$ 0	\$ (22,000)	\$ 0	\$ (22,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (22,000)	\$ 0	\$ 0	\$ (22,000)	\$ 0	\$ (22,000)	\$ 0

(Continued)

## Exhibit H-3

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,128,872	\$ 51,433	\$ (95,718)	\$ 1,084,587	\$ 193,352	\$ 867,264	\$ 217,323
Fund Balance, July 1, 2004	3,283,032	(51,433)	0	3,231,599	3,347,762	3,347,762	(116,163)
Fund Balance, June 30, 2005	\$ 4,411,904	\$ 0	\$ (95,718)	\$ 4,316,186	\$ 3,541,114	\$ 4,215,026	\$ 101,160

## Exhibit H-4

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, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 159,007	\$ 125,370	\$ 159,011	\$ (4)
Total Revenues	\$ 159,007	\$ 125,370	\$ 159,011	\$ (4)
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 203,033	\$ 203,040	\$ 203,040	\$ 7
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 220,063	\$ 220,070	\$ 220,070	\$ 7
Excess (Deficiency) of Revenues Over Expenditures	\$ (61,056)	\$ (94,700)	\$ (61,059)	\$ 3
Net Change in Fund Balance	\$ (61,056)	\$ (94,700)	\$ (61,059)	\$ 3
Fund Balance, July 1, 2004	688,506	269,872	269,872	418,634
Fund Balance, June 30, 2005	\$ 627,450	\$ 175,172	\$ 208,813	\$ 418,637

## Exhibit H-5

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, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures and Penalties	\$ 719,640	\$ 0	\$ 0	\$ 719,640	\$ 680,000	\$ 665,000	\$ 54,640
Other Local Revenues	20,763	0	0	20,763	20,000	20,000	763
Total Revenues	<u>\$ 740,403</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 740,403</u>	<u>\$ 700,000</u>	<u>\$ 685,000</u>	<u>\$ 55,403</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 805,036	\$ (721)	\$ 11,506	\$ 815,821	\$ 927,494	\$ 928,344	\$ 112,523
Total Expenditures	<u>\$ 805,036</u>	<u>\$ (721)</u>	<u>\$ 11,506</u>	<u>\$ 815,821</u>	<u>\$ 927,494</u>	<u>\$ 928,344</u>	<u>\$ 112,523</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (64,633)</u>	<u>\$ 721</u>	<u>\$ (11,506)</u>	<u>\$ (75,418)</u>	<u>\$ (227,494)</u>	<u>\$ (243,344)</u>	<u>\$ 167,926</u>
Net Change in Fund Balance	\$ (64,633)	\$ 721	\$ (11,506)	\$ (75,418)	\$ (227,494)	\$ (243,344)	\$ 167,926
Fund Balance, July 1, 2004	<u>962,548</u>	<u>(721)</u>	<u>0</u>	<u>961,827</u>	<u>961,827</u>	<u>961,827</u>	<u>0</u>
Fund Balance, June 30, 2005	<u>\$ 897,915</u>	<u>\$ 0</u>	<u>\$ (11,506)</u>	<u>\$ 886,409</u>	<u>\$ 734,333</u>	<u>\$ 718,483</u>	<u>\$ 167,926</u>

## Exhibit H-6

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Adequate Facilities/Development Tax Fund  
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 7,701,375	\$ 0	\$ 0	\$ 7,701,375	\$ 3,750,000	\$ 8,000,000	\$ (298,625)
Other Local Revenues	109,518	0	0	109,518	29,600	103,000	6,518
Total Revenues	\$ 7,810,893	\$ 0	\$ 0	\$ 7,810,893	\$ 3,779,600	\$ 8,103,000	\$ (292,107)
<u>Expenditures</u>							
<u>General Government</u>							
Other General Administration	\$ 77,776	\$ 0	\$ 0	\$ 77,776	\$ 38,000	\$ 81,100	\$ 3,324
<u>Other Operations</u>							
Contributions to Other Agencies	804,061	0	0	804,061	0	804,061	0
<u>Capital Projects</u>							
General Administration Projects	87,893	(89,710)	14,883	13,066	0	15,000	1,934
Social, Cultural and Recreation Projects	100,000	0	0	100,000	100,000	100,000	0
Total Expenditures	\$ 1,069,730	\$ (89,710)	\$ 14,883	\$ 994,903	\$ 138,000	\$ 1,000,161	\$ 5,258
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,741,163	\$ 89,710	\$ (14,883)	\$ 6,815,990	\$ 3,641,600	\$ 7,102,839	\$ (286,849)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 333	\$ 0	\$ 0	\$ 333	\$ 0	\$ 333	\$ 0
Transfers Out	(5,343,778)	0	0	(5,343,778)	(4,617,000)	(6,226,939)	883,161
Total Other Financing Sources (Uses)	\$ (5,343,445)	\$ 0	\$ 0	\$ (5,343,445)	\$ (4,617,000)	\$ (6,226,606)	\$ 883,161
Net Change in Fund Balance	\$ 1,397,718	\$ 89,710	\$ (14,883)	\$ 1,472,545	\$ (975,400)	\$ 876,233	\$ 596,312
Fund Balance, July 1, 2004	4,429,720	(89,710)	0	4,340,010	2,546,086	2,546,086	1,793,924
Fund Balance, June 30, 2005	\$ 5,827,438	\$ 0	\$ (14,883)	\$ 5,812,555	\$ 1,570,686	\$ 3,422,319	\$ 2,390,236

## Exhibit H-7

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, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,277,389	\$ 2,885,000	\$ 3,351,130	\$ (73,741)
Other Local Revenues	109,760	83,000	112,701	(2,941)
State of Tennessee	3,626,244	3,573,600	3,564,109	62,135
Total Revenues	\$ 7,013,393	\$ 6,541,600	\$ 7,027,940	\$ (14,547)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 288,005	\$ 310,955	\$ 310,955	\$ 22,950
Highway and Bridge Maintenance	3,892,719	4,251,803	4,251,803	359,084
Operation and Maintenance of Equipment	770,773	861,544	891,544	120,771
Quarry Operations	418,934	665,175	665,175	246,241
Other Charges	330,441	266,800	372,300	41,859
Employee Benefits	142,666	154,000	154,000	11,334
Capital Outlay	634,364	899,860	866,860	232,496
Total Expenditures	\$ 6,477,902	\$ 7,410,137	\$ 7,512,637	\$ 1,034,735
Excess (Deficiency) of Revenues Over Expenditures	\$ 535,491	\$ (868,537)	\$ (484,697)	\$ 1,020,188
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 16,320	\$ 0	\$ 16,320	\$ 0
Transfers Out	(60,000)	0	(60,000)	0
Total Other Financing Sources (Uses)	\$ (43,680)	\$ 0	\$ (43,680)	\$ 0
Net Change in Fund Balance	\$ 491,811	\$ (868,537)	\$ (528,377)	\$ 1,020,188
Fund Balance, July 1, 2004	4,721,733	4,721,344	4,721,344	389
Fund Balance, June 30, 2005	\$ 5,213,544	\$ 3,852,807	\$ 4,192,967	\$ 1,020,577

Exhibit H-8

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Public Works Fund  
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 544,973	\$ 0	\$ 0	\$ 544,973	\$ 527,503	\$ 547,682	\$ (2,709)
Licenses and Permits	37,700	0	0	37,700	0	25,000	12,700
Federal Government	151,312	0	0	151,312	0	197,792	(46,480)
Total Revenues	\$ 733,985	\$ 0	\$ 0	\$ 733,985	\$ 527,503	\$ 770,474	\$ (36,489)
<u>Expenditures</u>							
<u>Agriculture &amp; Natural Resources</u>							
Storm Water Management	\$ 932,152	\$ (136,851)	\$ 99	\$ 795,400	\$ 546,027	\$ 1,038,876	\$ 243,476
Total Expenditures	\$ 932,152	\$ (136,851)	\$ 99	\$ 795,400	\$ 546,027	\$ 1,038,876	\$ 243,476
Excess (Deficiency) of Revenues Over Expenditures	\$ (198,167)	\$ 136,851	\$ (99)	\$ (61,415)	\$ (18,524)	\$ (268,402)	\$ 206,987
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 235,932	\$ 0	\$ 0	\$ 235,932	\$ 0	\$ 235,932	\$ 0
Transfers Out	(6,300)	0	0	(6,300)	0	(6,300)	0
Total Other Financing Sources (Uses)	\$ 229,632	\$ 0	\$ 0	\$ 229,632	\$ 0	\$ 229,632	\$ 0
Net Change in Fund Balance	\$ 31,465	\$ 136,851	\$ (99)	\$ 168,217	\$ (18,524)	\$ (38,770)	\$ 206,987
Fund Balance, July 1, 2004	580,108	(136,851)	0	443,257	442,805	442,805	452
Fund Balance, June 30, 2005	\$ 611,573	\$ 0	\$ (99)	\$ 611,474	\$ 424,281	\$ 404,035	\$ 207,439

# **Major Governmental Fund**

## **General Debt Service Fund**

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The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

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## Exhibit I

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, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 28,981,863	\$ 28,284,610	\$ 29,032,893	\$ (51,030)
Other Local Revenues	1,534,986	366,250	1,525,340	9,646
Total Revenues	<u>\$ 30,516,849</u>	<u>\$ 28,650,860</u>	<u>\$ 30,558,233</u>	<u>\$ (41,384)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 557,961	\$ 833,000	\$ 582,233	\$ 24,272
<u>Principal</u>				
General Government	2,008,735	2,008,735	2,008,735	0
Education	15,710,714	15,710,715	15,710,715	1
<u>Interest</u>				
General Government	2,007,805	1,899,178	2,007,811	6
Education	12,057,603	12,156,735	12,064,359	6,756
<u>Other Debt Service</u>				
General Government	294,350	0	294,408	58
Education	328,145	0	328,203	58
Total Expenditures	<u>\$ 32,965,313</u>	<u>\$ 32,608,363</u>	<u>\$ 32,996,464</u>	<u>\$ 31,151</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,448,464)</u>	<u>\$ (3,957,503)</u>	<u>\$ (2,438,231)</u>	<u>\$ (10,233)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 60,165,000	\$ 0	\$ 60,165,000	\$ 0
Premiums on Debt Issued	4,740,330	0	4,740,331	(1)
Transfers In	3,837,188	3,400,500	4,098,763	(261,575)
Payments to Refunded Debt Escrow Agent	(64,792,077)	0	(64,792,077)	0
Total Other Financing Sources (Uses)	<u>\$ 3,950,441</u>	<u>\$ 3,400,500</u>	<u>\$ 4,212,017</u>	<u>\$ (261,576)</u>
Net Change in Fund Balance	\$ 1,501,977	\$ (557,003)	\$ 1,773,786	\$ (271,809)
Fund Balance, July 1, 2004	<u>28,764,889</u>	<u>28,783,523</u>	<u>28,783,523</u>	<u>(18,634)</u>
Fund Balance, June 30, 2005	<u>\$ 30,266,866</u>	<u>\$ 28,226,520</u>	<u>\$ 30,557,309</u>	<u>\$ (290,443)</u>

# Proprietary Funds

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

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

Workers' Compensation Fund – The Workers' Compensation Fund is used to account for the county's self-insured workers' compensation program.

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

Exhibit J-1

Rutherford County, Tennessee  
Combining Statement of Net Assets  
Proprietary Funds  
June 30, 2005

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>ASSETS</u>				
Cash	\$ 29,250	\$ 0	\$ 43,774	\$ 73,024
Equity in Pooled Cash and Investments	371,353	8,579,131	1,283,320	10,233,804
Accounts Receivable	0	253,697	0	253,697
Due from Other Governments	0	3,640	0	3,640
Prepaid Items	0	200,000	0	200,000
Total Assets	<u>\$ 400,603</u>	<u>\$ 9,036,468</u>	<u>\$ 1,327,094</u>	<u>\$ 10,764,165</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 8,500	\$ 0	\$ 0	\$ 8,500
Claims and Judgements Payable	0	3,475,521	1,723,000	5,198,521
Due to Other Funds	0	2,139	0	2,139
Total Liabilities	<u>\$ 8,500</u>	<u>\$ 3,477,660</u>	<u>\$ 1,723,000</u>	<u>\$ 5,209,160</u>
<u>NET ASSETS</u>				
Unrestricted	\$ 392,103	\$ 5,558,808	\$ (395,906)	\$ 5,555,005
Total Net Assets	<u>\$ 392,103</u>	<u>\$ 5,558,808</u>	<u>\$ (395,906)</u>	<u>\$ 5,555,005</u>

## Exhibit J-2

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2005

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 587,486	\$ 22,407,917	\$ 1,551,500	\$ 24,546,903
Other Local Revenues:				
Retirees' Insurance Payments	0	958,463	0	958,463
Cobra Insurance Payments	0	57,451	0	57,451
Insurance Recovery	0	1,401,778	0	1,401,778
Total Operating Revenues	\$ 587,486	\$ 24,825,609	\$ 1,551,500	\$ 26,964,595
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges & Administrative Costs	\$ 28,926	\$ 448,620	\$ 67,000	\$ 544,546
Bank Charges	0	570	0	570
Other Supplies and Materials	0	1,734	0	1,734
Building Improvements	0	20,357	0	20,357
Data Processing Equipment	0	6,676	0	6,676
Consultants	0	12,579	0	12,579
Contracts with Private Agencies	0	839,489	0	839,489
Legal Services	0	1,002	0	1,002
Drug and Medical Supplies	0	18,559	0	18,559
Premiums on Corporate Surety Bonds	0	0	1,116	1,116
Dues and Memberships	0	192,372	0	192,372
Other Contracted Services	0	81,765	0	81,765
Excess Risk Insurance	0	977,233	92,470	1,069,703
Medical Claims	0	21,787,587	0	21,787,587
Liability Claims	171,458	0	0	171,458
Worker's Compensation Insurance	0	0	13,613	13,613
Data Processing Supplies	0	972	0	972
Other Self-Insured Claims	0	0	1,818,791	1,818,791
Other Charges	0	47,150	0	47,150
Total Operating Expenses	\$ 200,384	\$ 24,436,665	\$ 1,992,990	\$ 26,630,039
Operating Income (Loss)	\$ 387,102	\$ 388,944	\$ (441,490)	\$ 334,556
<u>Nonoperating Revenues (Expenses)</u>				
Miscellaneous Refunds	\$ 0	\$ 116,587	\$ 4,198	\$ 120,785
Total Nonoperating Revenues (Expenses)	\$ 0	\$ 116,587	\$ 4,198	\$ 120,785
Income (Loss) Before Contributions and Transfers	\$ 387,102	\$ 505,531	\$ (437,292)	\$ 455,341
Contributions	0	2,190,000	0	2,190,000
Transfers In	0	690,000	0	690,000
Transfers Out	0	(99,580)	(99,580)	(199,160)
Change in Net Assets	\$ 387,102	\$ 3,285,951	\$ (536,872)	\$ 3,136,181
Net Assets, July 1, 2004	5,001	2,272,857	140,966	2,418,824
Nets Assets, June 30, 2005	\$ 392,103	\$ 5,558,808	\$ (395,906)	\$ 5,555,005

Exhibit J-3

Rutherford County, Tennessee  
Combining Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2005

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Receipts from Customers and Users	\$ 587,486	\$ 23,650,825	\$ 1,551,593	\$ 25,789,904
Payment to Suppliers	(20,426)	(2,849,186)	(174,199)	(3,043,811)
Claims Paid	(171,458)	(21,787,587)	(1,235,166)	(23,194,211)
Insurance Recovery	0	1,401,778	0	1,401,778
Other Receipts (Payments)	0	116,587	4,198	120,785
Net Cash Provided By (Used In) Operating Activities	\$ 395,602	\$ 532,417	\$ 146,426	\$ 1,074,445
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Contributions	\$ 0	\$ 2,190,000	\$ 0	\$ 2,190,000
Transfers to Other Funds	0	(99,580)	(99,580)	(199,160)
Transfers from Other Funds	0	690,000	0	690,000
Net Cash Provided By (Used For) Noncapital Financing Activities	\$ 0	\$ 2,780,420	\$ (99,580)	\$ 2,680,840
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 395,602	\$ 3,312,837	\$ 46,846	\$ 3,755,285
Cash and Cash Equivalents, July 1, 2004	5,001	5,266,294	1,280,248	6,551,543
Cash and Cash Equivalents, June 30, 2005	\$ 400,603	\$ 8,579,131	\$ 1,327,094	\$ 10,306,828
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS)</u></b>				
<b><u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>				
Operating Income (Loss)	\$ 387,102	\$ 388,944	\$ (441,490)	\$ 334,556
Miscellaneous Refunds	0	116,587	4,198	120,785
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	0	226,296	93	226,389
(Increase) Decrease in Due From Other Governments	0	3,450	0	3,450
(Increase) Decrease in Prepaid Items	0	(200,000)	0	(200,000)
Increase (Decrease) in Accounts Payable	8,500	(108)	0	8,392
Increase (Decrease) in Claims and Judgements Payable	0	0	587,902	587,902
Increase (Decrease) in Due To Other Funds	0	(2,138)	(4,277)	(6,415)
Increase (Decrease) in Due To Component Units	0	(614)	0	(614)
Net Cash Provided By (Used In) Operating Activities	\$ 395,602	\$ 532,417	\$ 146,426	\$ 1,074,445

# Fiduciary Funds

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

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

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 which 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; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit K-1

Rutherford County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2005

	Agency Funds					
	Cities - Sales Tax	City School ADA - Murfreesboro	Joint Venture	Constitu - tional Officers - Agency		Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 5,813,827	\$	5,813,827
Equity in Pooled Cash and Investments	0	193,176	36,836	0		230,012
Investments	0	0	0	224,902		224,902
Accounts Receivable	0	0	0	16,278		16,278
Due from Other Governments	5,357,408	0	0	0		5,357,408
Taxes Receivable	0	8,696,098	0	0		8,696,098
Allowance for Uncollectible Taxes	0	(145,925)	0	0		(145,925)
Total Assets	<u>\$ 5,357,408</u>	<u>\$ 8,743,349</u>	<u>\$ 36,836</u>	<u>\$ 6,055,007</u>	<u>\$</u>	<u>20,192,600</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 5,357,408	\$ 8,743,349	\$ 0	\$ 0	\$	14,100,757
Due to Joint Ventures	0	0	36,836	0		36,836
Due to Litigants, Heirs, and Others	0	0	0	6,055,007		6,055,007
Total Liabilities	<u>\$ 5,357,408</u>	<u>\$ 8,743,349</u>	<u>\$ 36,836</u>	<u>\$ 6,055,007</u>	<u>\$</u>	<u>20,192,600</u>

## Exhibit K-2

Rutherford County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 30,990,145	\$ 30,990,145	\$ 0
Due From Other Governments	4,918,258	5,357,408	4,918,258	5,357,408
Total Assets	\$ 4,918,258	\$ 36,347,553	\$ 35,908,403	\$ 5,357,408
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,918,258	\$ 36,347,553	\$ 35,908,403	\$ 5,357,408
Total Liabilities	\$ 4,918,258	\$ 36,347,553	\$ 35,908,403	\$ 5,357,408
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 170,355	\$ 14,342,201	\$ 14,319,380	\$ 193,176
Due From Other Governments	1,018,258	0	1,018,258	0
Taxes Receivable	8,463,770	8,696,098	8,463,770	8,696,098
Allowance for Uncollectible Taxes	(371,128)	(145,925)	(371,128)	(145,925)
Total Assets	\$ 9,281,255	\$ 22,892,374	\$ 23,430,280	\$ 8,743,349
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,281,255	\$ 22,892,374	\$ 23,430,280	\$ 8,743,349
Total Liabilities	\$ 9,281,255	\$ 22,892,374	\$ 23,430,280	\$ 8,743,349
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 46,728	\$ 0	\$ 9,892	\$ 36,836
Total Assets	\$ 46,728	\$ 0	\$ 9,892	\$ 36,836
<u>Liabilities</u>				
Accounts Payable	\$ 3,882	\$ 0	\$ 3,882	\$ 0
Due to Joint Ventures	42,846	0	6,010	36,836
Total Liabilities	\$ 46,728	\$ 0	\$ 9,892	\$ 36,836
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 5,491,912	\$ 54,102,413	\$ 53,780,498	\$ 5,813,827
Investments	218,793	218,793	212,684	224,902
Accounts Receivable	548	16,278	548	16,278
Total Assets	\$ 5,711,253	\$ 54,337,484	\$ 53,993,730	\$ 6,055,007

(Continued)

## Exhibit K-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund (Cont.)</u>				
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 5,711,253	\$ 54,337,484	\$ 53,993,730	\$ 6,055,007
Total Liabilities	\$ 5,711,253	\$ 54,337,484	\$ 53,993,730	\$ 6,055,007
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 5,491,912	\$ 54,102,413	\$ 53,780,498	\$ 5,813,827
Equity in Pooled Cash and Investments	217,083	45,332,346	45,319,417	230,012
Investments	218,793	218,793	212,684	224,902
Accounts Receivable	548	16,278	548	16,278
Due From Other Governments	5,936,516	5,357,408	5,936,516	5,357,408
Taxes Receivable	8,463,770	8,696,098	8,463,770	8,696,098
Allowance for Uncollectible Taxes	(371,128)	(145,925)	(371,128)	(145,925)
Total Assets	\$ 19,957,494	\$ 113,577,411	\$ 113,342,305	\$ 20,192,600
<u>Liabilities</u>				
Accounts Payable	\$ 3,882	\$ 0	\$ 3,882	\$ 0
Due to Other Taxing Units	14,199,513	59,239,927	59,338,683	14,100,757
Due to Joint Ventures	42,846	0	6,010	36,836
Due to Litigants, Heirs, and Others	5,711,253	54,337,484	53,993,730	6,055,007
Total Liabilities	\$ 19,957,494	\$ 113,577,411	\$ 113,342,305	\$ 20,192,600

# Rutherford County School Department

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

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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.

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 L-1

Rutherford County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Rutherford County School Department  
June 30, 2005

	Major Funds		Nonmajor Fund	Total
	General Purpose School	Other Capital Projects	School Federal Projects	Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 21,608,300	\$ 39,526,494	\$ 405,676	\$ 61,540,470
Accounts Receivable	426,125	0	0	426,125
Due from Other Governments	5,789,142	0	804,898	6,594,040
Due from Other Funds	166,606	0	0	166,606
Property Taxes Receivable	46,517,225	0	0	46,517,225
Allowance for Uncollectible Property Taxes	(780,584)	0	0	(780,584)
Advances to Other Funds	1,080,000	0	0	1,080,000
Total Assets	<u>\$ 74,806,814</u>	<u>\$ 39,526,494</u>	<u>\$ 1,210,574</u>	<u>\$ 115,543,882</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 1,315,468	\$ 0	\$ 53,704	\$ 1,369,172
Accrued Payroll	9,623,547	0	378,633	10,002,180
Due to Other Funds	0	0	166,606	166,606
Advances Payable to Other Funds	0	1,080,000	0	1,080,000
Deferred Revenue - Current Property Taxes	44,788,409	0	0	44,788,409
Deferred Revenue - Delinquent Property Taxes	802,157	0	0	802,157
Other Deferred Revenues	2,644,232	0	0	2,644,232
Total Liabilities	<u>\$ 59,173,813</u>	<u>\$ 1,080,000</u>	<u>\$ 598,943</u>	<u>\$ 60,852,756</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 4,383,932	\$ 5,047,714	\$ 308,351	\$ 9,739,997
Reserved for Advances to Other Funds	1,080,000	0	0	1,080,000
Reserved for Driver Education	217,719	0	0	217,719
Reserved for Career Ladder - Extended Contract	9,069	0	0	9,069
Reserved for Career Ladder Program	67,026	0	0	67,026
Reserved for Title I Grants to Local Education Agencies	0	0	676	676
Reserved for Innovative Education Program Strategies	0	0	426	426
Reserved for Special Education - Grants to States	0	0	54,174	54,174
Other Federal Reserves	0	0	248,004	248,004
Unreserved, Reported In:				
General Fund	9,875,255	0	0	9,875,255
Capital Projects Funds	0	33,398,780	0	33,398,780
Total Fund Balances	<u>\$ 15,633,001</u>	<u>\$ 38,446,494</u>	<u>\$ 611,631</u>	<u>\$ 54,691,126</u>
Total Liabilities and Fund Balances	<u>\$ 74,806,814</u>	<u>\$ 39,526,494</u>	<u>\$ 1,210,574</u>	<u>\$ 115,543,882</u>

Exhibit L-2

Rutherford County, Tennessee

Discretely Presented Rutherford County School Department

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2005

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

Total fund balances - balance sheet - governmental funds (Exhibit L-1)	\$ 54,691,126
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	273,716,202
(2) Long-term liabilities are not due in the current period and therefore are not reported in the funds.	(737,912)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>3,446,389</u>
Net assets of governmental activities (Exhibit A)	<u><u>\$ 331,115,805</u></u>

## Exhibit L-3

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, 2005

	Major Funds		Nonmajor Fund	
	General Purpose School	Other Capital Projects	School Federal Projects	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 76,895,569	\$ 0	\$ 0	\$ 76,895,569
Licenses and Permits	14,433	0	0	14,433
Charges for Current Services	223,365	0	0	223,365
Other Local Revenues	1,158,076	0	0	1,158,076
State of Tennessee	93,999,830	0	0	93,999,830
Federal Government	4,542,127	0	9,703,596	14,245,723
Other Governments and Citizens Groups	0	43,554,061	0	43,554,061
Total Revenues	<u>\$ 176,833,400</u>	<u>\$ 43,554,061</u>	<u>\$ 9,703,596</u>	<u>\$ 230,091,057</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 114,658,355	\$ 0	\$ 6,529,780	\$ 121,188,135
Support Services	52,512,049	0	3,372,082	55,884,131
Operation of Non-Instructional Services	4,338,572	0	3,870	4,342,442
Capital Outlay	150,443	0	0	150,443
Capital Projects	0	25,681,423	0	25,681,423
Total Expenditures	<u>\$ 171,659,419</u>	<u>\$ 25,681,423</u>	<u>\$ 9,905,732</u>	<u>\$ 207,246,574</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,173,981</u>	<u>\$ 17,872,638</u>	<u>\$ (202,136)</u>	<u>\$ 22,844,483</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 501,181	\$ 4,265,148	\$ 0	\$ 4,766,329
Transfers Out	(4,265,148)	0	(501,181)	(4,766,329)
Total Other Financing Sources (Uses)	<u>\$ (3,763,967)</u>	<u>\$ 4,265,148</u>	<u>\$ (501,181)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,410,014	\$ 22,137,786	\$ (703,317)	\$ 22,844,483
Fund Balance, July 1, 2004	<u>14,222,987</u>	<u>16,308,708</u>	<u>1,314,948</u>	<u>31,846,643</u>
Fund Balance, June 30, 2005	<u>\$ 15,633,001</u>	<u>\$ 38,446,494</u>	<u>\$ 611,631</u>	<u>\$ 54,691,126</u>

Exhibit L-4

Rutherford County, Tennessee  
Discretely Presented Rutherford County School Department  
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, 2005

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

Net change in fund balances - total governmental funds (Exhibit L-3)	\$ 22,844,483
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	16,537,288
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.	(4,766,796)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(376,587)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(70,426)</u>
Change in net assets of governmental activities (Exhibit B)	<u><u>\$ 34,167,962</u></u>

Exhibit L-5

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, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 76,895,569	\$ 0	\$ 0	\$ 76,895,569	\$ 74,147,177	\$ 76,051,176	\$ 844,393
Licenses and Permits	14,433	0	0	14,433	10,000	13,000	1,433
Charges for Current Services	223,365	0	0	223,365	218,000	170,000	53,365
Other Local Revenues	1,158,076	0	0	1,158,076	257,000	1,104,061	54,015
State of Tennessee	93,999,830	0	0	93,999,830	89,077,609	91,938,688	2,061,142
Federal Government	4,542,127	0	0	4,542,127	4,146,125	4,652,837	(110,710)
Total Revenues	\$ 176,833,400	\$ 0	\$ 0	\$ 176,833,400	\$ 167,855,911	\$ 173,929,762	\$ 2,903,638
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 90,627,613	\$ (2,774,623)	\$ 3,127,575	\$ 90,980,565	\$ 90,223,724	\$ 91,571,140	\$ 590,575
Alternative Instruction Program	1,260,272	(1,834)	4,020	1,262,458	1,278,932	1,298,653	36,195
Special Education Program	14,259,407	(420,462)	99,036	13,937,981	13,710,513	14,097,073	159,092
Vocational Education Program	6,008,925	(163,680)	131,633	5,976,878	5,908,134	6,108,928	132,050
Adult Education Program	387,185	(42,673)	38,797	383,309	487,150	487,650	104,341
Other	2,114,953	0	0	2,114,953	0	2,190,000	75,047
<u>Support Services</u>							
Attendance	446,630	(1,499)	1,767	446,898	440,837	454,170	7,272
Health Services	1,300,224	(9,579)	6,235	1,296,880	1,318,983	1,332,870	35,990
Other Student Support	4,470,418	(2,205)	7,934	4,476,147	4,436,699	4,602,124	125,977
Regular Instruction Program	6,196,153	(139,086)	30,302	6,087,369	6,149,379	6,252,111	164,742
Alternative Instruction Program	468,930	(201)	1,533	470,262	434,953	474,298	4,036
Special Education Program	735,576	(38,054)	26,813	724,335	712,012	763,215	38,880
Vocational Education Program	104,239	(1,898)	1,780	104,121	104,063	104,591	470
Adult Programs	149,312	0	445	149,757	160,696	161,076	11,319
Board of Education	3,031,105	(2,080)	6,037	3,035,062	2,657,783	3,110,907	75,845

(Continued)

Exhibit L-5

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 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 501,057	\$ (9,323)	\$ 9,931	\$ 501,665	\$ 514,094	\$ 514,968	\$ 13,303
Office of the Principal	8,788,749	(2,367)	2,263	8,788,645	9,134,632	9,154,959	366,314
Fiscal Services	550,247	(2,123)	2,796	550,920	568,872	563,874	12,954
Operation of Plant	12,627,590	(151,829)	273,064	12,748,825	12,327,630	13,066,043	317,218
Maintenance of Plant	3,789,721	(166,037)	123,449	3,747,133	3,761,411	3,761,558	14,425
Transportation	7,693,811	(3,132)	18,893	7,709,572	7,807,367	7,808,602	99,030
Central and Other	1,658,287	(86,890)	79,773	1,651,170	1,687,612	1,675,178	24,008
<u>Operation of Non-Instructional Services</u>							
Food Service	3,931,353	(552)	49,072	3,979,873	3,630,630	4,066,676	86,803
Community Services	407,219	(1,500)	0	405,719	434,805	428,509	22,790
<u>Capital Outlay</u>							
Regular Capital Outlay	150,443	(839)	340,784	490,388	45,000	505,843	15,455
Total Expenditures	\$ 171,659,419	\$ (4,022,466)	\$ 4,383,932	\$ 172,020,885	\$ 167,935,911	\$ 174,555,016	\$ 2,534,131
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 5,173,981	 \$ 4,022,466	 \$ (4,383,932)	 \$ 4,812,515	 \$ (80,000)	 \$ (625,254)	 \$ 5,437,769
 <u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 501,181	\$ 0	\$ 0	\$ 501,181	\$ 80,000	\$ 325,338	\$ 175,843
Transfers Out	(4,265,148)	0	0	(4,265,148)	0	(4,265,148)	0
Total Other Financing Sources (Uses)	\$ (3,763,967)	\$ 0	\$ 0	\$ (3,763,967)	\$ 80,000	\$ (3,939,810)	\$ 175,843

(Continued)

Exhibit L-5

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 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,410,014	\$ 4,022,466	\$ (4,383,932)	\$ 1,048,548	\$ 0	\$ (4,565,064)	\$ 5,613,612
Fund Balance, July 1, 2004	14,222,987	(4,022,466)	0	10,200,521	10,296,168	10,296,168	(95,647)
Fund Balance, June 30, 2005	\$ 15,633,001	\$ 0	\$ (4,383,932)	\$ 11,249,069	\$ 10,296,168	\$ 5,731,104	\$ 5,517,965

Exhibit L-6

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, 2005

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 9,703,596	\$ 0	\$ 0	\$ 9,703,596	\$ 14,601,345	\$ 14,601,345	\$ (4,897,749)
Total Revenues	\$ 9,703,596	\$ 0	\$ 0	\$ 9,703,596	\$ 14,601,345	\$ 14,601,345	\$ (4,897,749)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,257,924	\$ (34,327)	\$ 13,939	\$ 2,237,536	\$ 4,734,404	\$ 4,734,404	\$ 2,496,868
Special Education Program	3,770,036	(467,886)	11,107	3,313,257	3,861,981	3,861,981	548,724
Vocational Education Program	497,091	(55,044)	86,895	528,942	1,133,010	1,133,010	604,068
Education Edge	4,729	(4,729)	0	0	0	0	0
<u>Support Services</u>							
Health Services	52,157	0	0	52,157	90,192	90,192	38,035
Other Student Support	750,958	(4,991)	1,869	747,836	955,831	955,831	207,995
Regular Instruction Program	989,639	(290,167)	184,751	884,223	1,682,378	1,682,378	798,155
Special Education Program	1,491,901	(87,295)	0	1,404,606	1,609,619	1,609,619	205,013
Vocational Education Program	49,589	(2,640)	3,215	50,164	82,184	82,184	32,020
Transportation	37,838	(5,200)	0	32,638	32,912	32,912	274
<u>Operation of Non-Instructional Services</u>							
Food Service	3,870	0	6,575	10,445	11,950	11,950	1,505
Total Expenditures	\$ 9,905,732	\$ (952,279)	\$ 308,351	\$ 9,261,804	\$ 14,194,461	\$ 14,194,461	\$ 4,932,657
Excess (Deficiency) of Revenues Over Expenditures	\$ (202,136)	\$ 952,279	\$ (308,351)	\$ 441,792	\$ 406,884	\$ 406,884	\$ 34,908
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (501,181)	\$ 0	\$ 0	\$ (501,181)	\$ (406,884)	\$ (501,182)	\$ 1
Total Other Financing Sources (Uses)	\$ (501,181)	\$ 0	\$ 0	\$ (501,181)	\$ (406,884)	\$ (501,182)	\$ 1

(Continued)

Exhibit L-6

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 (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2004	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (703,317)	\$ 952,279	\$ (308,351)	\$ (59,389)	\$ 0	\$ (94,298)	\$ 34,909
Fund Balance, July 1, 2004	1,314,948	(952,279)	0	362,669	362,669	362,669	0
Fund Balance, June 30, 2005	\$ 611,631	\$ 0	\$ (308,351)	\$ 303,280	\$ 362,669	\$ 268,371	\$ 34,909

Exhibit L-7

Rutherford County, Tennessee  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
Discretely Presented Rutherford County School Department  
June 30, 2005

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

## Exhibit L-8

Rutherford County, Tennessee  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2005

		Private - Purpose Trust Fund
		<hr/>
		Endowment Fund
		<hr/>
	<u>ADDITIONS</u>	
Investment Income:		
Interest		\$ 346
Total Additions		<hr/>
		\$ 346
	<u>DEDUCTIONS</u>	
Education:		
Scholarship		\$ 346
Total Deductions		<hr/>
		\$ 346
Change in Net Assets		\$ 0
Net Assets, July 1, 2004		<hr/>
		28,783
Net Assets, June 30, 2005		<hr/>
		\$ 28,783
		<hr/>

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## MISCELLANEOUS SCHEDULES

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## Exhibit M-1

Rutherford County, Tennessee  
Schedule of Changes in Long-term Notes and Bonds  
For the Year Ended June 30, 2005

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-05
<u>NOTES PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
School EPA Asbestos Abatement	\$ 440,079	0 %	Various	5-31-08	\$ 67,983	\$ 0	\$ 24,449	\$ 0	\$ 43,534
Property and Equipment	9,510,000	4.3	12-30-1993	3-1-05	1,245,000	0	1,245,000	0	0
School Facilities	28,030,000	5.296149	5-1-1995	5-1-07	19,425,000	0	4,140,000	0	15,285,000
Land Purchase for Agriculture Facility	2,000,000	6	4-24-01	1-10-08	1,490,000	0	175,000	0	1,315,000
Total Notes Payable					<u>\$ 22,227,983</u>	<u>\$ 0</u>	<u>\$ 5,584,449</u>	<u>\$ 0</u>	<u>\$ 16,643,534</u>
<u>GENERAL BONDED DEBT</u>									
<u>Payable through General Debt Service Fund</u>									
Refunding Bonds - School	40,600,000	2.25 to 5.25	2-15-1993	4-1-08	\$ 8,950,000	\$ 0	\$ 3,650,000	\$ 0	\$ 5,300,000
School Facilities	2,600,000	3.6 to 5	3-1-1994	5-1-06	565,000	0	275,000	0	290,000
Public Improvement - Jail	22,500,000	4.7 to 6.5	8-1-1996	4-1-06	1,645,000	0	800,000	0	845,000
School Facilities and Closure Costs	35,015,000	4.1 to 5.1	4-9-1998	4-1-08	27,730,000	0	1,455,000	21,520,000	4,755,000
School Facilities	9,900,000	5.2945	12-14-1999	6-30-09	9,500,000	0	400,000	6,200,000	2,900,000
School Facilities	34,000,000	5.5764981	3-8-00	6-30-20	10,200,000	0	600,000	0	9,600,000
Refunding Bonds	73,585,000	4 to 5	3-22-01	4-1-20	71,205,000	0	1,155,000	0	70,050,000
School Facilities	30,850,000	4 to 5	3-22-01	4-1-11	27,705,000	0	1,300,000	17,885,000	8,520,000
School Facilities and Public Improvement	30,610,000	4 to 5	10-24-01	4-1-11	27,350,000	0	1,500,000	15,250,000	10,600,000
School Facilities and Public Improvement	23,610,000	4 to 5	6-1-02	5-1-22	21,610,000	0	1,000,000	0	20,610,000
Various Purpose and Refunding (24.29%)	30,115,000	4.1446	4-1-03	4-1-23	30,115,000	0	0	0	30,115,000
School Facilities and Public Improvement	24,995,000	2.75 to 4.5	12-10-03	6-1-23	24,995,000	0	0	0	24,995,000
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-21	0	42,400,000	0	0	42,400,000
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	4-1-30	0	53,500,000	0	0	53,500,000
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	4-1-21	0	17,765,000	0	0	17,765,000
Total General Bonded Debt					<u>\$ 261,570,000</u>	<u>\$ 113,665,000</u>	<u>\$ 12,135,000</u>	<u>\$ 60,855,000</u>	<u>\$ 302,245,000</u>

Exhibit M-2

Rutherford County, Tennessee  
Schedule of Principal and Interest Requirements by Year  
Bonded Debt and Notes

Year Ending June 30	Principal Requirements			Percent Principal Retired	Interest Requirements			Total Debt Service Requirements
	Bonds	Notes	Total		Bonds	Notes	Total	
2006	\$ 14,140,000	\$ 5,864,449	\$ 20,004,449		\$ 13,696,086	\$ 1,072,425	\$ 14,768,511	\$ 34,772,960
2007	12,660,000	9,854,085	22,514,085		13,062,036	693,776	13,755,812	36,269,897
2008	21,490,000	925,000	22,415,000		12,515,629	55,500	12,571,129	34,986,129
2009	19,060,000	0	19,060,000		11,584,079	0	11,584,079	30,644,079
2010	16,730,000	0	16,730,000	32%	10,823,979	0	10,823,979	27,553,979
2011	16,850,000	0	16,850,000		10,146,229	0	10,146,229	26,996,229
2012	18,730,000	0	18,730,000		9,390,579	0	9,390,579	28,120,579
2013	19,420,000	0	19,420,000		8,516,254	0	8,516,254	27,936,254
2014	19,360,000	0	19,360,000		7,582,753	0	7,582,753	26,942,753
2015	20,080,000	0	20,080,000	61%	6,648,503	0	6,648,503	26,728,503
2016	17,405,000	0	17,405,000		5,696,723	0	5,696,723	23,101,723
2017	15,180,000	0	15,180,000		4,872,748	0	4,872,748	20,052,748
2018	16,050,000	0	16,050,000		4,179,725	0	4,179,725	20,229,725
2019	13,885,000	0	13,885,000		3,420,500	0	3,420,500	17,305,500
2020	12,605,000	0	12,605,000	85%	2,787,863	0	2,787,863	15,392,863
2021	12,065,000	0	12,065,000		2,211,087	0	2,211,087	14,276,087
2022	8,435,000	0	8,435,000		1,670,213	0	1,670,213	10,105,213
2023	7,150,000	0	7,150,000		1,271,087	0	1,271,087	8,421,087
2024	2,600,000	0	2,600,000		935,813	0	935,813	3,535,813
2025	2,700,000	0	2,700,000	95%	818,812	0	818,812	3,518,812
2026	2,850,000	0	2,850,000		700,688	0	700,688	3,550,688
2027	3,000,000	0	3,000,000		576,000	0	576,000	3,576,000
2028	3,100,000	0	3,100,000		441,000	0	441,000	3,541,000
2029	3,250,000	0	3,250,000		301,500	0	301,500	3,551,500
2030	3,450,000	0	3,450,000	100%	155,250	0	155,250	3,605,250
Total	\$ 302,245,000	\$ 16,643,534	\$ 318,888,534		\$ 134,005,136	\$ 1,821,701	\$ 135,826,837	\$ 454,715,371

Exhibit M-3

Rutherford County, Tennessee  
Schedule of Investments - All Funds  
June 30, 2005

Fund and Type	Date of Purchase	Date of Maturity	Interest Rates	Amount
General Capital Projects Fund State Treasurer's Investment Pool	various	none	varies	\$ 169,062
Constitutional Officers - Agency Fund Clerk and Master State Treasurer's Investment Pool	various	none	varies	<u>224,902</u>
Total Investments				<u><u>\$ 393,964</u></u>

## Exhibit M-4

Rutherford County, Tennessee  
Schedule of Notes Receivable - All Funds  
June 30, 2005

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance
<u>Primary Government</u>						
Industrial/Economic Development Fund:						
Former Rental Property	Wherry Housing	\$ 1,279,297	1-10-1994	3-9-19	0 %	\$ 1,037,302
Construction/Renovations	Smyrna/Rutherford County Airport	639,724	9-17-1999	11-17-10	6	<u>363,381</u>
Total						<u>\$ 1,400,683</u>
<u>School Department</u>						
Advance (Long-term loan):						
General Purpose School Fund	Other Capital Projects Fund	2,200,000	5-21-04	6-30-07	0	<u>\$ 1,080,000</u>
Total						<u>\$ 1,080,000</u>

## Exhibit M-5

Rutherford County, Tennessee  
Schedule of Transfers - All Funds and Discretely Presented Component Unit  
For the Year Ended June 30, 2005

To Fund	From Fund	Purpose	Amount
General	Adequate Facilities/Development Tax	Provide funds for equipment and vehicle purchases	\$ 1,128,377
General	Employee Insurance - Health	Provide funds for salaries	99,580
General	Worker's Compensation	Provide funds for salaries	99,580
Adequate Facilities/Development Tax	General Capital Projects	Close construction project	333
Highway/Public Works	General Capital Projects	Close construction project	16,320
Public Works	General	Provide funds for equipment purchases	180,924
Public Works	Adequate Facilities/Development Tax	Provide funds for various equipment purchases	55,008
General Debt Service	Adequate Facilities/Development Tax	Transfer development tax	3,837,188
General Capital Projects	General	Provide funds for building construction	680,000
General Capital Projects	Adequate Facilities/Development Tax	Provide funds for various equipment purchases	323,205
Employee Insurance - Health	General	Provide additional funding	601,700
Employee Insurance - Health	Solid Waste/Sanitation	Provide additional funding	22,000
Employee Insurance - Health	Highway/Public Works	Provide additional funding	60,000
Employee Insurance - Health	Public Works	Provide additional funding	6,300
General Purpose School (School Dept.)	School Federal Projects (School Dept.)	Indirect costs	501,181
Other Capital Projects (School Dept.)	General Purpose School (School Dept.)	Provide funds for school construction projects	4,265,148
Total Transfers	`		<u>\$ 11,876,844</u>

Exhibit M-6

Rutherford County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
For the Year Ended June 30, 2005

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 83,123	\$ 60,000	Ohio Casualty Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	79,165	100,000	"
Director of Schools	State Board of Education and Local Board of Education	116,000 (1)	50,000	"
Trustee	Section 8-24-102, <u>TCA</u>	71,969	3,276,400	"
Assessor of Property:				
Tommy Sanford (7-1-04 through 8-31-04)	Section 8-24-102, <u>TCA</u>	11,995	10,000	"
John Barbee (9-1-04 through 6-30-05)	Section 8-24-102, <u>TCA</u>	59,974	10,000	"
Director of Finance	County Commission	70,900 (2)	100,000	"
County Clerk	Section 8-24-102, <u>TCA</u>	71,969	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	71,969	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , Chancery Court Judge and County Commission	91,876 (3)	50,000	"
Register	Section 8-24-102, <u>TCA</u>	71,969	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	79,684 (4)	25,000	"
<u>Other Bonds</u>				
County Engineer			2,000	"
Coroner			2,500	"
Employee Blanket Bond			100,000	The Hartford Insurance Company

(1) Includes \$1,000 career ladder payment. Does not include \$400 per month vehicle allowance.

(2) Includes longevity pay of \$200.

(3) Includes special commissioner fees totaling \$19,632 and longevity pay of \$275.

(4) Includes law enforcement training supplement in the amount of \$519.

## Exhibit M-7

Rutherford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2005

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 20,161,163	\$ 1,015,174	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	490,223	23,520	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	267,277	12,813	0	0	0	0
Interest and Penalty	97,302	4,734	0	0	0	0
Pick-up Taxes	93,840	4,684	0	0	0	0
Payments in Lieu of Taxes - T.V.A.	3,217	162	0	0	0	0
Payments in Lieu of Taxes - Other	5,039,569	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	392,383	878,836	0	0	0	0
Hotel/Motel Tax	645,012	0	0	0	0	0
Wheel Tax	2,448,296	0	0	0	0	0
Litigation Tax - General	117,533	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	234,483	0	0	0	0	0
Business Tax	454,999	22,910	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	7,701,375	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	406,255	0	0	0	0	0
Wholesale Beer Tax	627,402	0	0	0	0	0
Interstate Telecommunications Tax	9,172	0	0	0	0	0
Total Local Taxes	\$ 31,488,126	\$ 1,962,833	\$ 0	\$ 0	\$ 7,701,375	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 79,962	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	19,813	0	0	0	0	0
Cable TV Franchise	497,595	0	0	0	0	0
<u>Permits</u>						
Building Permits	841,124	0	0	0	0	0
Plumbing Permits	112,010	0	0	0	0	0
Food Handling Permits	4,800	0	0	0	0	0
Other Permits	86,050	0	0	0	0	0
Total Licenses and Permits	\$ 1,641,354	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

## Exhibit M-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>Fines, Forfeitures and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 94,710	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	416,114	0	0	0	0	0
Drug Control Fines	0	0	0	108,399	0	0
Drug Court Fees	3,247	0	0	0	0	0
Jail Fees	369,822	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	37,802
Data Entry Fee - Circuit Court	2,858	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	12,982	0	0	0	0	0
Data Entry Fee - Criminal Court	2,500	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	423,359	0	0	0	0	0
Game and Fish Fines	1,008	0	0	0	0	0
Drug Control Fines	0	0	0	170,182	0	0
Drug Court Fees	42,711	0	0	0	0	0
DUI Treatment Fines	59,285	0	0	0	0	0
Data Entry Fee - General Sessions Court	40,395	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	7,157	0	0	0	0	0
Drug Court Fees	4,618	0	0	0	0	0
Jail Fees	237,273	0	0	0	0	0
Data Entry Fee - Juvenile Court	3,756	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	4,997	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	144,052	0	0	0	0	0
Drug Court Fees	2,590	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	3,958
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	0	0	2,051
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	1,068	0	0	0	0	0

(Continued)

## Exhibit M-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>Fines, Forfeitures and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 441,059	\$ 0	\$ 0
Total Fines, Forfeitures and Penalties	\$ 1,874,502	\$ 0	\$ 0	\$ 719,640	\$ 0	\$ 43,811
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 108,795	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	1,375,144	0	0	0	0
Patient Charges	3,387,119	0	0	0	0	0
Past Due Collections - Ambulance	89,037	0	0	0	0	0
Zoning Studies	39,675	0	0	0	0	0
Other General Service Charges	550	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	117,706	0	0	0	0	0
Recreation Fees	8,289	0	0	0	0	0
Telephone Commissions	185,191	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	134,310	0	0	0	0	0
Probation Fees	10,088	0	0	0	0	0
Data Processing Fee - Sheriff	21,451	0	0	0	0	0
Sexual Offender Registration Fee	1,680	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEA's	90,206	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	4,100	0	0	0	0	0
Total Charges for Current Services	\$ 4,089,402	\$ 1,483,939	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,012,888	\$ 0	\$ 125,366	\$ 20,763	\$ 109,518	\$ 0
Lease/Rentals	118,990	0	0	0	0	0
Sale of Materials and Supplies	12,001	0	0	0	0	0
Commissary Sales	154,763	0	0	0	0	0

(Continued)

## Exhibit M-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Maps	\$ 6,437	\$ 0	\$ 0	\$ 0	\$ 0	0
Sale of Recycled Materials	31	38,589	0	0	0	0
Sale of Animals/Livestock	85,380	0	0	0	0	0
Miscellaneous Refunds	28,759	2,049	0	0	0	0
<u>Nonrecurring Items</u>						
Accrued Interest on Debt Issues	0	0	0	0	0	0
Insurance Recovery	125,824	0	0	0	0	0
Sale of Property	501	0	33,641	0	0	0
Contributions & Gifts	14,973	0	0	0	0	0
Performance Bond Forfeitures	39,985	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	18,029	0	0	0	0	0
Total Other Local Revenues	\$ 1,618,561	\$ 40,638	\$ 159,007	\$ 20,763	\$ 109,518	\$ 0
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 603,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	767,773	0	0	0	0	0
Register	1,546,207	0	0	0	0	0
Trustee	2,933,921	0	0	0	0	0
<u>Fees In Lieu of Salary</u>						
Clerk and Master	427,142	0	0	0	0	0
Sheriff	48,654	0	0	0	0	0
Total Fees Received from County Officials	\$ 6,326,697	\$ 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
State Reappraisal Grant	49,020	0	0	0	0	0
Solid Waste Grants	0	25,724	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	77,286	0	0	0	0	0

(Continued)

## Exhibit M-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 951,294	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	0	89,969	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	0
Income Tax	128,090	0	0	0	0	0
Beer Tax	16,778	0	0	0	0	0
Alcoholic Beverage Tax	152,891	0	0	0	0	0
Mixed Drink Tax	5,057	0	0	0	0	0
Contracted Prisoner Boarding	2,983,368	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Grants	115,909	0	0	0	0	0
Other State Revenues	529,306	121,920	0	0	0	0
Total State of Tennessee	\$ 5,034,379	\$ 237,613	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 24,331	\$ 0	\$ 0	\$ 0	\$ 0	0
Breakfast	13,273	0	0	0	0	0
Community Development	111,310	0	0	0	0	0
Homeland Security Grants	678,037	0	0	0	0	0
Law Enforcement Grants	18,406	0	0	0	0	0
Other Federal through State	45,491	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	40,332	0	0	0	0	0
Asset Forfeiture Funds	13,500	0	0	0	0	0
Public Safety Partnership and Community Policing - COPS	608,511	0	0	0	0	0
Other Direct Federal Revenue	100,000	0	0	0	0	0
Total Federal Government	\$ 1,653,191	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 28,092	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	250,000	0	0	0	0	0
Contracted Services	172,611	0	0	0	0	0
<u>Other</u>						
Other	1,669	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 452,372</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 54,178,584</u>	<u>\$ 3,725,023</u>	<u>\$ 159,007</u>	<u>\$ 740,403</u>	<u>\$ 7,810,893</u>	<u>\$ 43,811</u>

(Continued)

## Exhibit M-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 1,820	\$ 510,510	\$ 24,392,636	\$ 0	\$ 46,081,303
Trustee's Collections - Prior Year	0	0	11,807	525,923	0	1,051,473
Circuit/Clerk & Master Collections - Prior Years	0	0	6,467	286,556	0	573,113
Interest and Penalty	0	128	2,258	108,155	0	212,577
Pick-up Taxes	0	0	2,287	110,229	0	211,040
Payments in Lieu of Taxes - T.V.A.	0	0	82	3,893	0	7,354
Payments in Lieu of Taxes - Other	0	0	0	0	0	5,039,569
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	292,945	0	2,446,723	0	4,010,887
Hotel/Motel Tax	0	0	0	0	0	645,012
Wheel Tax	0	2,448,296	0	0	0	4,896,592
Litigation Tax - General	0	0	0	557,253	0	674,786
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	234,483
Business Tax	0	0	11,562	550,495	0	1,039,966
Mineral Severance Tax	0	534,200	0	0	0	534,200
Adequate Facilities/Development Tax	0	0	0	0	0	7,701,375
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	406,255
Wholesale Beer Tax	0	0	0	0	0	627,402
Interstate Telecommunications Tax	0	0	0	0	0	9,172
Total Local Taxes	\$ 0	\$ 3,277,389	\$ 544,973	\$ 28,981,863	\$ 0	\$ 73,956,559
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,962
Animal Vaccination	0	0	0	0	0	19,813
Cable TV Franchise	0	0	0	0	0	497,595
<u>Permits</u>						
Building Permits	0	0	0	0	0	841,124
Plumbing Permits	0	0	0	0	0	112,010
Food Handling Permits	0	0	0	0	0	4,800
Other Permits	0	0	37,700	0	0	123,750
Total Licenses and Permits	\$ 0	\$ 0	\$ 37,700	\$ 0	\$ 0	\$ 1,679,054

(Continued)

Exhibit M-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	Public Works	General Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	94,710
Officers Costs	0	0	0	0	0	416,114
Drug Control Fines	0	0	0	0	0	108,399
Drug Court Fees	0	0	0	0	0	3,247
Jail Fees	0	0	0	0	0	369,822
District Attorney General Fees	0	0	0	0	0	37,802
Data Entry Fee - Circuit Court	0	0	0	0	0	2,858
<u>Criminal Court</u>						
DUI Treatment Fines	0	0	0	0	0	12,982
Data Entry Fee - Criminal Court	0	0	0	0	0	2,500
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	423,359
Game and Fish Fines	0	0	0	0	0	1,008
Drug Control Fines	0	0	0	0	0	170,182
Drug Court Fees	0	0	0	0	0	42,711
DUI Treatment Fines	0	0	0	0	0	59,285
Data Entry Fee - General Sessions Court	0	0	0	0	0	40,395
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	7,157
Drug Court Fees	0	0	0	0	0	4,618
Jail Fees	0	0	0	0	0	237,273
Data Entry Fee - Juvenile Court	0	0	0	0	0	3,756
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	0	0	0	0	0	4,997
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	144,052
Drug Court Fees	0	0	0	0	0	2,590
District Attorney General Fees	0	0	0	0	0	3,958
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	0	0	2,051
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	0	0	0	0	0	1,068

(Continued)

## Exhibit M-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	Public Works	General Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures and Penalties (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	441,059
Total Fines, Forfeitures and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,637,953
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	108,795
Surcharge - Host Agency	0	0	0	0	0	1,375,144
Patient Charges	0	0	0	0	0	3,387,119
Past Due Collections - Ambulance	0	0	0	0	0	89,037
Zoning Studies	0	0	0	0	0	39,675
Other General Service Charges	0	0	0	0	0	550
<u>Fees</u>						
Subdivision Lot Fees	0	0	0	0	0	117,706
Recreation Fees	0	0	0	0	0	8,289
Telephone Commissions	0	0	0	0	0	185,191
Constitutional Officers' Fees and Commissions	4,249,098	0	0	0	0	4,249,098
Data Processing Fee - Register	0	0	0	0	0	134,310
Probation Fees	0	0	0	0	0	10,088
Data Processing Fee - Sheriff	0	0	0	0	0	21,451
Sexual Offender Registration Fee	0	0	0	0	0	1,680
<u>Education Charges</u>						
Contract for Administrative Services with Other LEA's	0	0	0	0	0	90,206
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	4,100
Total Charges for Current Services	\$ 4,249,098	\$ 0	\$ 0	\$ 0	\$ 0	9,822,439
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 91,928	\$ 0	\$ 1,134,647	\$ 5,417	2,500,527
Lease/Rentals	0	0	0	116,250	0	235,240
Sale of Materials and Supplies	0	17,131	0	0	0	29,132
Commissary Sales	0	0	0	0	0	154,763

(Continued)

Exhibit M-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	Public Works	General Debt Service	General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Maps	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,437
Sale of Recycled Materials	0	0	0	0	0	38,620
Sale of Animals/Livestock	0	0	0	0	0	85,380
Miscellaneous Refunds	0	0	0	0	0	30,808
<u>Nonrecurring Items</u>						
Accrued Interest on Debt Issues	0	0	0	284,089	0	284,089
Insurance Recovery	0	701	0	0	14,138	140,663
Sale of Property	0	0	0	0	0	34,142
Contributions & Gifts	0	0	0	0	0	14,973
Performance Bond Forfeitures	0	0	0	0	0	39,985
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	18,029
Total Other Local Revenues	\$ 0	\$ 109,760	\$ 0	\$ 1,534,986	\$ 19,555	\$ 3,612,788
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	603,000
Circuit Court Clerk	0	0	0	0	0	767,773
Register	0	0	0	0	0	1,546,207
Trustee	0	0	0	0	0	2,933,921
<u>Fees In Lieu of Salary</u>						
Clerk and Master	0	0	0	0	0	427,142
Sheriff	0	0	0	0	0	48,654
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,326,697
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
State Reappraisal Grant	0	0	0	0	0	49,020
Solid Waste Grants	0	0	0	0	0	25,724
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	77,286

(Continued)

## Exhibit M-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	Public Works	General Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	951,294
<u>Public Works Grants</u>						
State Aid Program	0	332,981	0	0	0	332,981
Litter Program	0	0	0	0	0	89,969
<u>Other State Revenues</u>						
Flood Control	0	7,609	0	0	0	7,609
Income Tax	0	0	0	0	0	128,090
Beer Tax	0	0	0	0	0	16,778
Alcoholic Beverage Tax	0	0	0	0	0	152,891
Mixed Drink Tax	0	0	0	0	0	5,057
Contracted Prisoner Boarding	0	0	0	0	0	2,983,368
Gasoline and Motor Fuel Tax	0	3,139,230	0	0	0	3,139,230
Petroleum Special Tax	0	146,424	0	0	0	146,424
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	115,909
Other State Revenues	0	0	0	0	0	651,226
Total State of Tennessee	\$ 0	\$ 3,626,244	\$ 0	\$ 0	\$ 0	8,898,236
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	24,331
Breakfast	0	0	0	0	0	13,273
Community Development	0	0	0	0	0	111,310
Homeland Security Grants	0	0	0	0	0	678,037
Law Enforcement Grants	0	0	0	0	0	18,406
Other Federal through State	0	0	151,312	0	0	196,803
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	0	0	0	0	0	40,332
Asset Forfeiture Funds	0	0	0	0	0	13,500
Public Safety Partnership and Community Policing - COPS	0	0	0	0	0	608,511
Other Direct Federal Revenue	0	0	0	0	0	100,000
Total Federal Government	\$ 0	\$ 0	\$ 151,312	\$ 0	\$ 0	1,804,503

(Continued)

Exhibit M-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	Public Works	General Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	28,092
Contributions	0	0	0	0	0	250,000
Contracted Services	0	0	0	0	0	172,611
<u>Other</u>						
Other	0	0	0	0	0	1,669
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	452,372
Total	\$ 4,249,098	\$ 7,013,393	\$ 733,985	\$ 30,516,849	\$ 19,555	\$ 109,190,601

## Exhibit M-8

Rutherford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2005

	General Purpose School	School Federal Projects	Other Capital Projects	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 41,109,798	\$ 0	\$ 0	\$ 41,109,798
Trustee's Collections - Prior Year	965,815	0	0	965,815
Circuit/Clerk & Master Collections - Prior Years	526,543	0	0	526,543
Interest and Penalty	193,541	0	0	193,541
Pick-up Taxes	189,655	0	0	189,655
Payments in Lieu of Taxes - T.V.A.	7,129	0	0	7,129
Payments in Lieu of Taxes - Local Utilities	507,491	0	0	507,491
<u>County Local Option Taxes</u>				
Local Option Sales Tax	29,689,180	0	0	29,689,180
Wheel Tax	2,751,930	0	0	2,751,930
Business Tax	928,868	0	0	928,868
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	25,619	0	0	25,619
Total Local Taxes	<u>\$ 76,895,569</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 76,895,569</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 14,433	\$ 0	\$ 0	\$ 14,433
Total Licenses and Permits	<u>\$ 14,433</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,433</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Summer School	\$ 156,750	\$ 0	\$ 0	\$ 156,750
Tuition - Other	46,615	0	0	46,615
<u>Other Charges for Services</u>				
Other Charges for Services	20,000	0	0	20,000
Total Charges for Current Services	<u>\$ 223,365</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 223,365</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 459,682	\$ 0	\$ 0	\$ 459,682
Sale of Materials and Supplies	26,803	0	0	26,803
Miscellaneous Refunds	444,414	0	0	444,414
<u>Nonrecurring Items</u>				
Insurance Recovery	98,534	0	0	98,534
Sale of Equipment	5,428	0	0	5,428
Contributions & Gifts	115,053	0	0	115,053
<u>Other Local Revenues</u>				
Other Local Revenues	8,162	0	0	8,162
Total Other Local Revenues	<u>\$ 1,158,076</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,158,076</u>
<u>State of Tennessee</u>				
<u>State Education Funds</u>				
Basic Education Program	\$ 89,296,927	\$ 0	\$ 0	\$ 89,296,927
School Food Service	127,933	0	0	127,933
Driver Education	123,960	0	0	123,960
Other State Education Funds	1,331,794	0	0	1,331,794
Career Ladder Program	1,469,760	0	0	1,469,760

(Continued)

Exhibit M-8

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

	General Purpose School	School Federal Projects	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Career Ladder - Extended Contract	\$ 363,235	\$ 0	\$ 0	\$ 363,235
Other Vocational	28,375	0	0	28,375
<u>Other State Revenues</u>				
Mixed Drink Tax	156,335	0	0	156,335
State Revenue Sharing - T.V.A.	1,101,511	0	0	1,101,511
Total State of Tennessee	\$ 93,999,830	\$ 0	\$ 0	\$ 93,999,830
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 2,955,677	\$ 0	\$ 0	\$ 2,955,677
Breakfast	578,633	0	0	578,633
USDA - Other	72,479	0	0	72,479
Vocational Education - Basic Grants to States	0	458,880	0	458,880
Title I Grants to Local Education Agencies	0	2,003,399	0	2,003,399
Innovative Education Program Strategies	0	122,512	0	122,512
Special Education - Grants to States	274,910	5,493,264	0	5,768,174
Special Education Preschool Grants	0	98,315	0	98,315
Eisenhower Professional Development State Grants	0	1,062,621	0	1,062,621
Other Federal through State	240,808	464,605	0	705,413
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	419,620	0	0	419,620
Total Federal Government	\$ 4,542,127	\$ 9,703,596	\$ 0	\$ 14,245,723
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 0	\$ 43,554,061	\$ 43,554,061
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 43,554,061	\$ 43,554,061
Total	\$ 176,833,400	\$ 9,703,596	\$ 43,554,061	\$ 230,091,057

## Exhibit M-9

Rutherford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2005

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	98,600	
Other Per Diem & Fees		74,700	
Social Security		10,745	
Employer Medicare		2,513	
Total County Commission			\$ 186,558

Board of Equalization

Board and Committee Members Fees	\$	3,352	
Social Security		205	
Employer Medicare		48	
Consultants		93,752	
Legal Notices, Recording and Court Costs		408	
Total Board of Equalization			97,765

County Mayor

County Official/Administrative Officer	\$	83,123	
Secretary(s)		111,461	
Longevity Pay		1,425	
Social Security		11,682	
State Retirement		22,717	
Employee and Dependent Insurance		20,379	
Employer Medicare		2,732	
Communication		1,320	
Dues and Memberships		150	
Legal Notices, Recording and Court Costs		12,952	
Maintenance Agreements		1,137	
Postal Charges		4,052	
Travel		215	
Duplicating Supplies		1,074	
Office Supplies		2,981	
Office Equipment		9,693	
Total County Mayor			287,093

Personnel Office

County Official/Administrative Officer	\$	55,764	
Part-time Personnel		14,413	
Longevity Pay		175	
Social Security		4,155	
State Retirement		6,497	
Employee and Dependent Insurance		6,777	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)General Government (Cont.)Personnel Office (Cont.)

Employer Medicare	\$	972	
Communication		797	
Dues and Memberships		160	
Postal Charges		296	
Travel		164	
Office Supplies		1,086	
Total Personnel Office			\$ 91,256

County Attorney

County Official/Administrative Officer	\$	95,549	
Secretary(s)		63,152	
Longevity Pay		1,000	
Overtime Pay		831	
Social Security		9,310	
State Retirement		18,606	
Employee and Dependent Insurance		20,331	
Employer Medicare		2,256	
Communication		1,522	
Dues and Memberships		2,500	
Maintenance & Repair Services- Equipment		180	
Postal Charges		416	
Travel		1,900	
Office Supplies		1,243	
Total County Attorney			218,796

Election Commission

County Official/Administrative Officer	\$	64,772	
Part-time Personnel		23,472	
Longevity Pay		1,050	
Overtime Pay		9,588	
Other Salaries & Wages		156,784	
Election Commission		11,625	
Election Workers		131,689	
In-Service Training		3,786	
Social Security		20,719	
State Retirement		26,905	
Employee and Dependent Insurance		22,167	
Employer Medicare		4,846	
Communication		19,032	
Dues and Memberships		1,015	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)General Government (Cont.)Election Commission

Legal Notices, Recording and Court Costs	\$	17,905	
Maintenance Agreements		6,746	
Postal Charges		20,493	
Printing, Stationery and Forms		11,208	
Rentals		2,579	
Travel		5,227	
Data Processing Supplies		2,959	
Office Supplies		9,172	
Data Processing Equipment		3,503	
Total Election Commission			\$ 577,242

Register of Deeds

In-Service Training	\$	65	
Communication		1,669	
Data Processing Services		32,784	
Operating Lease Payments		6,965	
Maintenance Agreements		4,870	
Postal Charges		15,229	
Travel		272	
Other Contracted Services		17,878	
Data Processing Supplies		7,145	
Office Supplies		6,703	
Other Supplies and Materials		160	
Data Processing Equipment		8,719	
Total Register of Deeds			102,459

Planning

County Official/Administrative Officer	\$	62,500	
Assistant(s)		157,406	
Supervisor/Director		56,476	
Secretary(s)		67,710	
Part-time Personnel		13,704	
Longevity Pay		1,625	
Board and Committee Members Fees		28,500	
In-Service Training		6,666	
Social Security		23,277	
State Retirement		39,468	
Employee and Dependent Insurance		40,959	
Employer Medicare		5,444	
Communication		3,216	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)General Government (Cont.)Planning (Cont.)

Dues and Memberships	\$	1,198	
Legal Notices, Recording and Court Costs		4,204	
Maintenance Agreements		6,074	
Maintenance & Repair Services- Office Equipment		371	
Postal Charges		3,422	
Printing, Stationery and Forms		965	
Data Processing Supplies		2,627	
Gasoline		2,705	
Office Supplies		7,736	
Periodicals		1,177	
Total Planning			\$ 537,430

Codes Compliance

Secretary(s)	\$	28,148	
Longevity Pay		375	
Social Security		1,633	
State Retirement		3,306	
Employee and Dependent Insurance		7,794	
Employer Medicare		382	
Communication		1,887	
Total Codes Compliance			43,525

Geographical Information Systems

Data Processing Personnel	\$	29,955	
Part-time Personnel		4,909	
Longevity Pay		200	
Overtime Pay		6,319	
Social Security		2,589	
State Retirement		4,227	
Employee and Dependent Insurance		4,743	
Employer Medicare		606	
Data Processing Services		30,012	
Dues and Memberships		150	
Maintenance Agreements		19,929	
Travel		4,542	
Data Processing Supplies		43,831	
Data Processing Equipment		95,092	
Other Capital Outlay		399,756	
Total Geographical Information Systems			646,860

(Continued)

## Exhibit M-9

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

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

Supervisor/Director	\$	43,095	
Custodial Personnel		60,140	
Maintenance Personnel		70,679	
Part-time Personnel		97,494	
Longevity Pay		1,275	
Overtime Pay		4,359	
Social Security		16,664	
State Retirement		20,801	
Employee and Dependent Insurance		36,043	
Employer Medicare		3,897	
Communication		58,802	
Maintenance & Repair Services- Buildings		31,042	
Travel		1,206	
Other Contracted Services		44,258	
Custodial Supplies		13,030	
Data Processing Supplies		357	
Gasoline		5,284	
Utilities		249,193	
Other Supplies and Materials		47,872	
Building Improvements		39,460	
Maintenance Equipment		3,975	
Total County Buildings			\$ 848,926

Other General Administration

Supervisor/Director	\$	56,856	
Teachers		82,190	
Salary Supplements		4,500	
Longevity Pay		850	
Social Security		8,690	
State Retirement		16,757	
Employee and Dependent Insurance		13,828	
Employer Medicare		2,032	
Communication		390	
Travel		391	
Riprap		826	
Other Supplies and Materials		187	
Total Other General Administration			187,497

Preservation of Records

Other Salaries & Wages	\$	1,949	
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(Continued)

## Exhibit M-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	\$	121	
Employer Medicare		28	
Communication		196	
Dues and Memberships		480	
Maintenance Agreements		242	
Postal Charges		271	
Library Books/Media		195	
Office Supplies		2,115	
Other Supplies and Materials		180	
Other Charges		23,831	
Data Processing Equipment		1,200	
Total Preservation of Records			\$ 30,808

Risk Management

Supervisor/Director	\$	56,212	
Clerical Personnel		56,938	
Longevity Pay		775	
Other Salaries & Wages		28,405	
Social Security		8,637	
State Retirement		15,682	
Employee and Dependent Insurance		24,259	
Employer Medicare		2,020	
Communication		2,000	
Maintenance Agreements		1,445	
Postal Charges		1,636	
Travel		502	
Gasoline		635	
Office Supplies		2,057	
Other Supplies and Materials		265	
Data Processing Equipment		919	
Total Risk Management			202,387

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	70,700	
Accountants/Bookkeepers		327,138	
Salary Supplements		7,200	
Clerical Personnel		21,352	
Part-time Personnel		5,673	
Longevity Pay		3,350	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

Overtime Pay	\$	10,032	
Other Salaries & Wages		45,380	
Social Security		29,484	
State Retirement		56,233	
Employee and Dependent Insurance		53,628	
Employer Medicare		6,896	
Communication		1,810	
Dues and Memberships		2,108	
Maintenance Agreements		5,265	
Maintenance & Repair Services- Equipment		564	
Postal Charges		8,637	
Travel		4,667	
Office Supplies		22,782	
Data Processing Equipment		10,153	
Total Accounting and Budgeting	\$		693,052

Property Assessor's Office

County Official/Administrative Officer	\$	71,969	
Deputy(ies)		630,151	
Salary Supplements		5,000	
Longevity Pay		5,025	
Overtime Pay		4,941	
In-Service Training		4,223	
Social Security		42,467	
State Retirement		82,475	
Employee and Dependent Insurance		108,393	
Employer Medicare		9,931	
Communication		5,789	
Data Processing Services		47,017	
Operating Lease Payments		6,077	
Maintenance & Repair Services- Equipment		889	
Postal Charges		8,175	
Travel		1,919	
Other Contracted Services		316,410	
Data Processing Supplies		173	
Gasoline		672	
Office Supplies		16,374	
Other Supplies and Materials		15,038	
Data Processing Equipment		400,820	
Total Property Assessor's Office			1,783,928

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program

Deputy(ies)	\$	253,366	
Longevity Pay		2,125	
Overtime Pay		1,166	
Social Security		15,148	
State Retirement		29,747	
Employee and Dependent Insurance		49,952	
Employer Medicare		3,543	
Communication		1,147	
Data Processing Services		19,783	
Maintenance & Repair Services- Vehicles		70	
Postal Charges		1,000	
Data Processing Supplies		2,333	
Gasoline		6,797	
Other Supplies and Materials		2,413	
Data Processing Equipment		5,846	
Total Reappraisal Program			\$ 394,436

County Trustee's Office

Communication	\$	1,645	
Legal Notices, Recording and Court Costs		311	
Maintenance Agreements		558	
Postal Charges		27,072	
Office Supplies		5,540	
Other Supplies and Materials		249	
Data Processing Equipment		4,529	
Total County Trustee's Office			39,904

County Clerk's Office

Communication	\$	10,619	
Data Processing Services		34,487	
Operating Lease Payments		30,000	
Maintenance Agreements		5,749	
Maintenance & Repair Services- Equipment		889	
Postal Charges		28,585	
Gasoline		551	
Office Supplies		28,129	
Other Supplies and Materials		1,497	
Data Processing Equipment		19,919	
Total County Clerk's Office			160,425

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Finance (Cont.)Data Processing

County Official/Administrative Officer	\$	66,595	
Data Processing Personnel		233,553	
Part-time Personnel		15,686	
Longevity Pay		900	
Overtime Pay		14,167	
Social Security		20,130	
State Retirement		36,612	
Employee and Dependent Insurance		35,970	
Employer Medicare		4,708	
Communication		54,641	
Data Processing Services		59,969	
Postal Charges		86	
Travel		5,176	
Data Processing Supplies		17,850	
Data Processing Equipment		37,993	
Office Equipment		859	
Total Data Processing			\$ 604,895

Administration of JusticeCircuit Court

Jury and Witness Fees	\$	40,862	
Communication		3,299	
Data Processing Services		81,048	
Maintenance Agreements		1,242	
Postal Charges		20,919	
Office Supplies		49,728	
Other Supplies and Materials		1,240	
Other Charges		83,400	
Furniture and Fixtures		1,976	
Office Equipment		10,697	
Total Circuit Court			294,411

Circuit Court Judge

Assistant(s)	\$	34,402	
Deputy(ies)		113,597	
Longevity Pay		450	
Social Security		9,008	
State Retirement		17,147	
Employee and Dependent Insurance		18,842	
Employer Medicare		2,106	

(Continued)

## Exhibit M-9

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

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

Postal Charges	\$	583	
Printing, Stationery and Forms		210	
Travel		732	
Office Supplies		500	
Uniforms		482	
Other Equipment		14,963	
Total Circuit Court Judge			\$ 213,022

General Sessions Court

Judge(s)	\$	224,170	
Assistant(s)		38,713	
Deputy(ies)		52,869	
Part-time Personnel		11,128	
Longevity Pay		1,400	
Overtime Pay		2,067	
Other Salaries & Wages		219,911	
Social Security		30,613	
State Retirement		62,428	
Employee and Dependent Insurance		69,697	
Employer Medicare		7,820	
Communication		2,733	
Data Processing Services		16,800	
Dues and Memberships		1,370	
Maintenance Agreements		1,458	
Maintenance & Repair Services- Office Equipment		357	
Postal Charges		12	
Travel		1,891	
Library Books/Media		2,042	
Office Supplies		3,570	
Uniforms		134	
Data Processing Equipment		3,489	
Total General Sessions Court			754,672

Drug Court

Supervisor/Director	\$	44,860	
Secretary(s)		23,299	
Longevity Pay		75	
Other Salaries & Wages		71,055	
Social Security		8,498	
State Retirement		16,143	

(Continued)

## Exhibit M-9

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

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

Employee and Dependent Insurance	\$	6,468	
Employer Medicare		1,987	
Communication		8,992	
Maintenance Agreements		693	
Postal Charges		389	
Rentals		13,100	
Travel		28,428	
Other Contracted Services		18,303	
Office Supplies		1,716	
Other Supplies and Materials		19,943	
Data Processing Equipment		1,220	
Furniture and Fixtures		1,298	
Total Drug Court			\$ 266,467

Chancery Court

County Official/Administrative Officer	\$	71,969	
Deputy(ies)		278,353	
Attendants		25,708	
Part-time Personnel		25,688	
Longevity Pay		2,225	
Overtime Pay		172	
Jury and Witness Fees		1,900	
Social Security		24,208	
State Retirement		43,869	
Employee and Dependent Insurance		58,530	
Employer Medicare		5,662	
Communication		2,777	
Data Processing Services		5,307	
Dues and Memberships		675	
Legal Notices, Recording and Court Costs		8,579	
Maintenance Agreements		4,604	
Postal Charges		13,332	
Travel		1,296	
Other Contracted Services		445	
Office Supplies		14,978	
Data Processing Equipment		1,931	
Office Equipment		23,107	
Total Chancery Court			615,315

(Continued)

## Exhibit M-9

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

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

Judge(s)	\$	71,969	
Deputy(ies)		26,221	
Secretary(s)		23,570	
Social Security		7,457	
State Retirement		14,112	
Employee and Dependent Insurance		14,229	
Employer Medicare		1,744	
Communication		1,521	
Dues and Memberships		1,090	
Postal Charges		70	
Travel		1,471	
Other Contracted Services		21,131	
Library Books/Media		2,171	
Office Supplies		1,550	
Other Supplies and Materials		812	
Data Processing Equipment		2,565	
Total Juvenile Court			\$ 191,683

District Attorney General

Assistant(s)	\$	36,289	
In-Service Training		100	
Social Security		2,250	
State Retirement		4,206	
Employee and Dependent Insurance		48	
Employer Medicare		526	
Data Processing Services		3,956	
Travel		1,274	
Office Supplies		232	
Total District Attorney General			48,881

Other Administration of Justice

Part-time Personnel	\$	8,344	
Other Salaries & Wages		36,761	
In-Service Training		220	
Social Security		2,722	
State Retirement		4,261	
Employee and Dependent Insurance		3,921	
Employer Medicare		637	
Communication		449	
Maintenance Agreements		950	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Administration of Justice (Cont.)Other Administration of Justice (Cont.)

Postal Charges	\$	139	
Printing, Stationery and Forms		63	
Other Contracted Services		4,315	
Office Supplies		646	
Total Other Administration of Justice			\$ 63,428

Probation Services

County Official/Administrative Officer	\$	43,999	
Assistant(s)		35,606	
Youth Service Officer(s)		117,741	
Secretary(s)		24,404	
Longevity Pay		725	
In-Service Training		700	
Social Security		13,465	
State Retirement		25,899	
Employee and Dependent Insurance		36,106	
Employer Medicare		3,149	
Communication		2,319	
Contracts with Private Agencies		553,903	
Data Processing Services		2,400	
Maintenance Agreements		510	
Maintenance & Repair Services- Equipment		212	
Postal Charges		274	
Printing, Stationery and Forms		878	
Travel		2,464	
Office Supplies		1,723	
Data Processing Equipment		7,600	
Office Equipment		5,600	
Total Probation Services			879,677

Public SafetySheriff's Department

County Official/Administrative Officer	\$	79,165	
Deputy(ies)		787,629	
Salary Supplements		77,286	
Part-time Personnel		263,842	
Longevity Pay		37,850	
Overtime Pay		398,974	
Other Salaries & Wages		6,399,597	
In-Service Training		68,621	

(Continued)

## Exhibit M-9

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

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

Other Per Diem & Fees	\$	13,349	
Social Security		490,988	
State Retirement		901,805	
Employee and Dependent Insurance		998,263	
Employer Medicare		114,821	
Communication		115,785	
Contracts with Private Agencies		900	
Data Processing Services		4,676	
Dues and Memberships		10,411	
Maintenance Agreements		3,665	
Maintenance & Repair Services- Equipment		18,551	
Maintenance & Repair Services- Vehicles		121,608	
Medical and Dental Services		2,393	
Postal Charges		7,664	
Printing, Stationery and Forms		8,823	
Other Contracted Services		3,000	
Data Processing Supplies		8,362	
Gasoline		315,775	
Instructional Supplies and Materials		6,430	
Law Enforcement Supplies		60,494	
Office Supplies		24,479	
Periodicals		4,560	
Uniforms		85,910	
Vehicle Parts		136,551	
Other Supplies and Materials		19,947	
Judgments		9,598	
Refunds		68	
Other Charges		3,997	
Communication Equipment		25,043	
Data Processing Equipment		34,333	
Law Enforcement Equipment		166,158	
Motor Vehicles		490,460	
Office Equipment		22,994	
Total Sheriff's Department			\$ 12,344,825

Special Patrols

Nightwatchmen	\$	38,450	
Social Security		2,383	
State Retirement		4,457	
Employer Medicare		557	
Total Special Patrols			45,847

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Public Safety (Cont.)Traffic Control

Utilities	\$ 9,398	
Total Traffic Control		\$ 9,398

Wheel Tax Officer

County Official/Administrative Officer	\$ 35,114	
Longevity Pay	325	
Social Security	1,998	
State Retirement	4,107	
Employee and Dependent Insurance	7,794	
Employer Medicare	467	
Communication	1,191	
Maintenance & Repair Services- Equipment	485	
Maintenance & Repair Services- Vehicles	447	
Postal Charges	110	
Gasoline	1,261	
Office Supplies	671	
Uniforms	436	
Other Supplies and Materials	553	
Motor Vehicles	20,384	
Total Wheel Tax Officer		75,343

Jail

Maintenance Personnel	\$ 27,556	
Part-time Personnel	104,925	
Longevity Pay	12,050	
Overtime Pay	96,112	
Other Salaries & Wages	3,381,710	
In-Service Training	12,880	
Social Security	220,035	
State Retirement	403,250	
Employee and Dependent Insurance	606,615	
Employer Medicare	51,457	
Dues and Memberships	978	
Maintenance Agreements	30,434	
Maintenance & Repair Services- Buildings	74,464	
Maintenance & Repair Services- Equipment	16,275	
Medical and Dental Services	1,039,879	
Printing, Stationery and Forms	2,592	
Transportation - Other than Students	26,786	
Other Contracted Services	4,536	

(Continued)

## Exhibit M-9

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

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

Custodial Supplies	\$	66,810	
Data Processing Supplies		5,864	
Drugs and Medical Supplies		419,091	
Food Preparation Supplies		39,333	
Food Supplies		984,522	
Law Enforcement Supplies		6,891	
Office Supplies		7,414	
Periodicals		3,270	
Prisoners Clothing		44,016	
Uniforms		35,813	
Utilities		513,308	
Other Supplies and Materials		25,933	
Data Processing Equipment		5,149	
Total Jail			\$ 8,269,948

Workhouse

County Official/Administrative Officer	\$	54,037
Captain(s)		46,729
Lieutenant(s)		37,714
Sergeant(s)		111,608
Guards		498,466
Secretary(s)		31,330
Clerical Personnel		28,529
Part-time Personnel		21,309
Longevity Pay		2,875
Overtime Pay		3,424
Board and Committee Members Fees		4,600
In-Service Training		2,654
Social Security		50,874
State Retirement		94,477
Employee and Dependent Insurance		115,324
Employer Medicare		11,897
Communication		3,929
Dues and Memberships		375
Evaluation and Testing		1,330
Operating Lease Payments		1,333
Maintenance & Repair Services- Buildings		17,154
Maintenance & Repair Services- Equipment		8,710
Maintenance & Repair Services- Vehicles		2,223
Medical and Dental Services		86,947

(Continued)

## Exhibit M-9

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

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

Pest Control	\$	825	
Postal Charges		302	
Printing, Stationery and Forms		45	
Other Contracted Services		12,323	
Custodial Supplies		19,115	
Data Processing Supplies		2,883	
Drugs and Medical Supplies		43,862	
Equipment and Machinery Parts		3,400	
Food Supplies		256,337	
Gasoline		2,505	
Law Enforcement Supplies		1,409	
Office Supplies		5,828	
Prisoners Clothing		11,405	
Uniforms		7,763	
Utilities		103,892	
Other Supplies and Materials		15,184	
Data Processing Equipment		4,927	
Total Workhouse			\$ 1,729,853

Juvenile Services

County Official/Administrative Officer	\$	45,504
Assistant(s)		33,259
Supervisor/Director		29,390
Salary Supplements		13,200
Guards		100,514
Attendants		132,926
Part-time Personnel		153,140
Longevity Pay		600
Overtime Pay		25,551
In-Service Training		2,160
Social Security		32,831
State Retirement		42,963
Employee and Dependent Insurance		47,891
Employer Medicare		7,678
Communication		4,425
Data Processing Services		3,956
Maintenance Agreements		2,960
Maintenance & Repair Services- Buildings		5,248
Maintenance & Repair Services- Equipment		279
Maintenance & Repair Services- Vehicles		682

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services (Cont.)

Postal Charges	\$	381	
Printing, Stationery and Forms		1,800	
Travel		793	
Other Contracted Services		7,999	
Food Supplies		45,528	
Gasoline		1,592	
Office Supplies		786	
Uniforms		3,149	
Other Supplies and Materials		22,644	
Data Processing Equipment		932	
Total Juvenile Services			\$ 770,761

Rescue Squad

Contributions	\$	59,000	
Total Rescue Squad			59,000

Disaster Relief

County Official/Administrative Officer	\$	58,775	
Assistant(s)		41,067	
Supervisor/Director		36,751	
Secretary(s)		26,733	
Longevity Pay		700	
In-Service Training		1,294	
Social Security		9,907	
State Retirement		19,011	
Employee and Dependent Insurance		21,973	
Employer Medicare		2,317	
Communication		10,432	
Consultants		12,100	
Contracts with Government Agencies		123,919	
Contributions		2,000	
Dues and Memberships		984	
Maintenance Agreements		1,799	
Maintenance & Repair Services- Vehicles		1,280	
Postal Charges		240	
Printing, Stationery and Forms		438	
Travel		2,913	
Other Contracted Services		1,690	
Electricity		27	
Gasoline		3,078	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Public Safety (Cont.)Disaster Relief (Cont.)

Instructional Supplies and Materials	\$	1,615	
Office Supplies		1,780	
Uniforms		1,745	
Other Supplies and Materials		18,463	
Communication Equipment		3,650	
Data Processing Equipment		21,909	
Land		75,027	
Motor Vehicles		11,886	
Office Equipment		4,712	
Other Equipment		657,119	
Total Disaster Relief			\$ 1,177,334

Inspection and Regulation

County Official/Administrative Officer	\$	58,434	
Deputy(ies)		269,706	
Clerical Personnel		90,524	
Longevity Pay		2,775	
Overtime Pay		5,269	
Board and Committee Members Fees		200	
Social Security		25,646	
State Retirement		49,455	
Employee and Dependent Insurance		56,307	
Employer Medicare		5,997	
Communication		7,578	
Data Processing Services		664	
Dues and Memberships		1,042	
Maintenance Agreements		2,404	
Maintenance & Repair Services- Office Equipment		35	
Postal Charges		1,353	
Printing, Stationery and Forms		2,004	
Travel		4,520	
Other Contracted Services		4,518	
Gasoline		9,347	
Office Supplies		6,203	
Uniforms		533	
Other Supplies and Materials		858	
In Service/Staff Development		730	
Data Processing Equipment		2,932	
Motor Vehicles		13,631	
Total Inspection and Regulation			622,665

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,275	
Other Salaries & Wages		197,150	
Social Security		11,900	
State Retirement		22,998	
Employee and Dependent Insurance		25,211	
Employer Medicare		2,783	
Communication		14,783	
Contracts with Government Agencies		128,375	
Maintenance & Repair Services- Buildings		3,948	
Maintenance & Repair Services- Equipment		3,413	
Travel		1,165	
Other Contracted Services		39,772	
Drugs and Medical Supplies		13,326	
Utilities		44,837	
Other Supplies and Materials		3,437	
Total Local Health Center			\$ 514,373

Rabies and Animal Control

County Official/Administrative Officer	\$	41,810	
Supervisor/Director		58,655	
Secretary(s)		22,768	
Attendants		211,908	
Part-time Personnel		2,719	
Longevity Pay		1,100	
Overtime Pay		21,314	
In-Service Training		2,250	
Social Security		21,954	
State Retirement		41,458	
Employee and Dependent Insurance		41,141	
Employer Medicare		5,135	
Advertising		56	
Bank Charges		58	
Communication		15,610	
Dues and Memberships		524	
Maintenance Agreements		3,000	
Maintenance & Repair Services- Buildings		1,548	
Maintenance & Repair Services- Vehicles		5,089	
Medical and Dental Services		425	
Postal Charges		145	
Travel		7,680	

(Continued)

## Exhibit M-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.)

Veterinary Services	\$	54,646	
Other Contracted Services		41,520	
Animal Food and Supplies		5,327	
Custodial Supplies		3,774	
Data Processing Supplies		434	
Drugs and Medical Supplies		12,503	
Gasoline		13,606	
Office Supplies		4,867	
Uniforms		2,959	
Utilities		23,953	
Other Supplies and Materials		6,019	
Refunds		416	
Data Processing Equipment		4,614	
Motor Vehicles		17,699	
Total Rabies and Animal Control			\$ 698,684

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	65,903	
Supervisor/Director		277,095	
Accountants/Bookkeepers		213,265	
Paraprofessionals		2,756,251	
Foremen		52,481	
Dispatchers/Radio Operators		346,114	
Custodial Personnel		21,422	
Part-time Personnel		11,400	
Longevity Pay		18,425	
Overtime Pay		285,916	
In-Service Training		34,497	
Social Security		244,571	
State Retirement		467,110	
Employee and Dependent Insurance		513,935	
Employer Medicare		57,199	
Communication		85,513	
Contracts with Private Agencies		42,097	
Evaluation and Testing		23,858	
Maintenance & Repair Services- Buildings		30,322	
Maintenance & Repair Services- Vehicles		87,595	
Medical and Dental Services		11,075	
Pest Control		3,612	
Postal Charges		15,364	

(Continued)

Exhibit M-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Printing, Stationery and Forms	\$	6,180	
Travel		5,876	
Other Contracted Services		3,264	
Custodial Supplies		8,274	
Data Processing Supplies		9,835	
Drugs and Medical Supplies		235,870	
Gasoline		70,454	
Instructional Supplies and Materials		8,571	
Office Supplies		16,357	
Uniforms		62,847	
Utilities		45,455	
Other Supplies and Materials		28,647	
Refunds		38,729	
Other Charges		40,182	
Building Improvements		33,167	
Data Processing Equipment		43,596	
Motor Vehicles		323,415	
Other Equipment		1,362	
Total Ambulance/Emergency Medical Services	\$		6,647,101

Nursing Home

Building Improvements	\$	27,737	
Total Nursing Home			27,737

Dental Health Program

Medical and Dental Services	\$	10,736	
Total Dental Health Program			10,736

Other Local Health Services

Medical Personnel	\$	778,877	
Longevity Pay		2,675	
Social Security		46,419	
State Retirement		87,783	
Employee and Dependent Insurance		140,550	
Employer Medicare		10,856	
Postal Charges		1,500	
Printing, Stationery and Forms		2,540	
Travel		9,151	
Other Supplies and Materials		3,818	
Total Other Local Health Services			1,084,169

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)General Welfare Assistance

Contributions	\$ 31,531	
Total General Welfare Assistance		\$ 31,531

Sanitation Management

Contracts with Private Agencies	\$ 14,382	
Total Sanitation Management		14,382

Other Public Health and Welfare

Medical and Dental Services	\$ 13,200	
Other Contracted Services	104,550	
Total Other Public Health and Welfare		117,750

Social, Cultural and Recreational ServicesAdult Activities

Contributions	\$ 24,570	
Total Adult Activities		24,570

Senior Citizens Assistance

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

Libraries

Contributions	\$ 786,000	
Total Libraries		786,000

Parks and Fair Boards

Supervisor/Director	\$ 16,250	
Other Salaries & Wages	117,978	
Board and Committee Members Fees	2,850	
Social Security	8,499	
Employer Medicare	1,988	
Contributions	73,001	
Maintenance & Repair Services- Buildings	2,297	
Matching Share	15,000	
Postal Charges	57	
Travel	947	
Other Contracted Services	20,000	
Equipment and Machinery Parts	12,933	
Office Supplies	222	
Other Supplies and Materials	1,675	
Total Parks and Fair Boards		273,697

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Agriculture & Natural ResourcesAgriculture Extension Service

Teachers	\$	51,289	
Secretary(s)		50,800	
Part-time Personnel		47,287	
Longevity Pay		475	
Board and Committee Members Fees		2,800	
Social Security		9,220	
State Retirement		11,887	
Employee and Dependent Insurance		22,856	
Employer Medicare		2,157	
Communication		3,278	
Contracts with Government Agencies		148,464	
Contributions		5,500	
Data Processing Services		282	
Maintenance & Repair Services- Vehicles		1,382	
Postal Charges		1,998	
Travel		3,808	
Other Contracted Services		9,007	
Fertilizer, Lime and Seed		773	
Gasoline		732	
Utilities		52,808	
Other Supplies and Materials		2,008	
Data Processing Equipment		2,984	
Furniture and Fixtures		5,469	
Total Agriculture Extension Service			\$ 437,264

Soil Conservation

Assistant(s)	\$	27,556	
Longevity Pay		150	
Social Security		1,594	
State Retirement		3,211	
Employee and Dependent Insurance		7,794	
Employer Medicare		373	
Contributions		8,000	
Total Soil Conservation			48,678

Other OperationsTourism

Contributions	\$	225,753	
Total Tourism			225,753

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Other Operations (Cont.)Other Economic and Community Development

Contracts with Other Public Agencies	\$ 2,590	
Other Contracted Services	111,505	
Total Other Economic and Community Development		\$ 114,095

Other Charges

Mechanic(s)	\$ 35,888	
Laborers	48,443	
Longevity Pay	800	
Overtime Pay	867	
Social Security	5,064	
State Retirement	9,967	
Employee and Dependent Insurance	18,128	
Employer Medicare	1,184	
Communication	1,721	
Equipment and Machinery Parts	567	
Gasoline	5,327	
Utilities	15,845	
Vehicle Parts	25,561	
Other Supplies and Materials	9,121	
Total Other Charges		178,483

Employee Benefits

Unemployment Compensation	\$ 22,594	
Other Fringe Benefits	46,987	
Workers' Compensation Insurance	900,000	
Total Employee Benefits		969,581

Payments to Cities

Contracts with Government Agencies	\$ 1,622,124	
Total Payments to Cities		1,622,124

Miscellaneous

Audit Services	\$ 41,115	
Consultants	19,423	
Contributions	417,875	
Dues and Memberships	25,771	
Engineering Services	388	
Legal Services	78,915	
Maintenance & Repair Services- Buildings	86,204	
Maintenance & Repair Services- Office Equipment	3,162	

(Continued)

## Exhibit M-9

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

General Fund (Cont.)Other Operations (Cont.)Miscellaneous (Cont.)

Travel	\$ 547	
Building and Contents Insurance	35,574	
Judgments	583,901	
Liability Insurance	489,864	
Premiums on Corporate Surety Bonds	2,017	
Trustee's Commission	663,457	
Tax Relief Program	139,029	
Other Charges	27,123	
Total Miscellaneous		\$ 2,614,365

Total General Fund \$ 52,610,345

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$ 31,648	
Part-time Personnel	25,462	
Longevity Pay	475	
Social Security	3,523	
State Retirement	3,727	
Employee and Dependent Insurance	5,393	
Employer Medicare	824	
Travel	39	
Instructional Supplies and Materials	3,117	
Other Supplies and Materials	8,398	
Total Sanitation Education/Information		\$ 82,606

Convenience Centers

Supervisor/Director	\$ 40,465	
Foremen	29,062	
Truck Drivers	266,806	
Laborers	270,733	
Clerical Personnel	22,968	
Maintenance Personnel	27,582	
Part-time Personnel	3,655	
Longevity Pay	2,400	
Overtime Pay	19,414	
Social Security	40,187	
State Retirement	49,482	
Employee and Dependent Insurance	83,181	

(Continued)

## Exhibit M-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.)

Employer Medicare	\$	9,696	
Communication		15,504	
Evaluation and Testing		555	
Maintenance & Repair Services- Equipment		7,897	
Maintenance & Repair Services- Vehicles		91,211	
Postal Charges		5	
Rentals		13,260	
Tow-in Services		475	
Travel		1,368	
Other Contracted Services		14,095	
Crushed Stone		4,954	
Data Processing Supplies		243	
Diesel Fuel		93,568	
Equipment and Machinery Parts		54,060	
Gasoline		6,279	
Office Supplies		96	
Tires and Tubes		36,195	
Uniforms		5,084	
Utilities		10,006	
Fencing		6,000	
Other Supplies and Materials		14,994	
Building Construction		400	
Building Improvements		775	
Communication Equipment		459	
Motor Vehicles		92,875	
Solid Waste Equipment		45,000	
Total Convenience Centers			\$ 1,380,989

Other Waste Collection

Contracts with Private Agencies	\$	237,655	
Other Supplies and Materials		408	
Solid Waste Equipment		46,409	
Total Other Waste Collection			284,472

Landfill Operation and Maintenance

Supervisor/Director	\$	31,493	
Salary Supplements		10,230	
Mechanic(s)		25,733	
Laborers		61,458	
Clerical Personnel		21,392	

(Continued)

## Exhibit M-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.)

Part-time Personnel	\$	7,993	
Longevity Pay		1,475	
Overtime Pay		3,000	
Social Security		9,857	
State Retirement		17,926	
Employee and Dependent Insurance		23,799	
Employer Medicare		2,305	
Advertising		903	
Communication		5,442	
Contracts with Private Agencies		183,214	
Engineering Services		5,050	
Maintenance & Repair Services- Equipment		1,125	
Maintenance & Repair Services- Vehicles		474	
Postal Charges		61	
Travel		2,238	
Disposal Fees		121,842	
Other Contracted Services		1,619	
Crushed Stone		9,316	
Custodial Supplies		15	
Diesel Fuel		8,768	
Electricity		2,653	
Equipment Parts - Light		975	
Equipment and Machinery Parts		10,782	
Fertilizer, Lime and Seed		6,454	
Garage Supplies		2,700	
Gasoline		2,369	
Lubricants		281	
Pipe		835	
Propane Gas		1,687	
Small Tools		1,792	
Tires and Tubes		1,350	
Uniforms		3,246	
Vehicle Parts		546	
Drainage Materials		2,131	
Other Supplies and Materials		5,276	
Data Processing Equipment		1,649	
Total Landfill Operation and Maintenance			\$ 601,454
<u>Postclosure Care Costs</u>			
Contracts with Private Agencies	\$	79,908	

(Continued)

## Exhibit M-9

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Postclosure Care Costs (Cont.)

Engineering Services	\$	2,440	
Contracts for Postclosure Care Costs		4,241	
Crushed Stone		2,245	
Testing		6,062	
Total Postclosure Care Costs			\$ 94,896

Other OperationsEmployee Benefits

Unemployment Compensation	\$	5,388	
Workers' Compensation Insurance		30,500	
Total Employee Benefits			35,888

Miscellaneous

Building and Contents Insurance	\$	538	
Judgments		32,500	
Liability Insurance		16,254	
Trustee's Commission		44,554	
Total Miscellaneous			93,846

Total Solid Waste/Sanitation Fund \$ 2,574,151

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	105,280	
Contributions		96,500	
Trustee's Commission		1,253	
Total Industrial Development			\$ 203,033

Payments to Cities

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

Total Industrial/Economic Development Fund 220,063

Drug Control FundPublic SafetyDrug Enforcement

Longevity Pay	\$	1,100	
Overtime Pay		49,532	

(Continued)

Exhibit M-9

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Other Salaries & Wages	\$	215,646	
In-Service Training		23,778	
Social Security		15,996	
State Retirement		30,862	
Employee and Dependent Insurance		43,459	
Employer Medicare		3,741	
Confidential Drug Enforcement Payments		115,000	
Maintenance & Repair Services- Vehicles		14,730	
Veterinary Services		731	
Animal Food and Supplies		329	
Law Enforcement Supplies		1,914	
Uniforms		901	
Other Supplies and Materials		7,611	
Trustee's Commission		7,509	
Law Enforcement Equipment		72,445	
Motor Vehicles		199,752	
Total Drug Enforcement			\$ 805,036
Total Drug Control Fund			\$ 805,036

Adequate Facilities/Development Tax Fund

General Government

Other General Administration

Trustee's Commission	\$	77,776	
Total Other General Administration			\$ 77,776

Other Operations

Contributions to Other Agencies

Contributions	\$	804,061	
Total Contributions to Other Agencies			804,061

Capital Projects

General Administration Projects

Building Construction	\$	87,893	
Total General Administration Projects			87,893

Social, Cultural and Recreation Projects

Contracts with Government Agencies	\$	100,000	
Total Social, Cultural and Recreation Projects			100,000

Total Adequate Facilities/Development Tax Fund 1,069,730

(Continued)

## Exhibit M-9

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

District Attorney General Fund  
General Government

Other General Administration

Trustee's Commission	\$ 836	
Total Other General Administration		\$ 836

Administration of Justice

District Attorney General

Part-time Personnel	\$ 502	
Social Security	31	
Employer Medicare	7	
Other Supplies and Materials	50,663	
Total District Attorney General		51,203

Total District Attorney General Fund		\$ 52,039
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Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 635,890	
Total Register of Deeds		\$ 635,890

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 391,425	
Total County Trustee's Office		391,425

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 1,383,748	
Total County Clerk's Office		1,383,748

Administration of Justice

Circuit Court Judge

Constitutional Officers' Operating Expenses	\$ 1,400,844	
Total Circuit Court Judge		1,400,844

Total Constitutional Officers - Fees Fund		3,811,907
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 79,165	
Assistant(s)	49,648	

(Continued)

## Exhibit M-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Secretary(s)	\$	62,197	
Longevity Pay		850	
Overtime Pay		248	
Board and Committee Members Fees		23,850	
Social Security		13,077	
State Retirement		22,265	
Employee and Dependent Insurance		20,331	
Employer Medicare		3,058	
Dues and Memberships		5,279	
Legal Notices, Recording and Court Costs		1,010	
Maintenance & Repair Services- Office Equipment		683	
Postal Charges		775	
Printing, Stationery and Forms		1,627	
Travel		285	
Drugs and Medical Supplies		765	
Office Supplies		1,416	
Office Equipment		1,476	
Total Administration			\$ 288,005

Highway and Bridge Maintenance

Foremen	\$	210,515	
Equipment Operators		565,884	
Truck Drivers		303,352	
Laborers		40,552	
Longevity Pay		8,475	
Overtime Pay		10,961	
Social Security		67,474	
State Retirement		130,733	
Employee and Dependent Insurance		244,426	
Employer Medicare		15,781	
Engineering Services		10,139	
Other Contracted Services		67,284	
Asphalt		2,131,948	
General Construction Materials		7,579	
Pipe - Metal		42,560	
Road Signs		15,807	
Uniforms		19,249	
Total Highway and Bridge Maintenance			3,892,719

(Continued)

## Exhibit M-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	35,259	
Mechanic(s)		144,331	
Laborers		45,960	
Longevity Pay		1,725	
Overtime Pay		3,787	
Social Security		13,784	
State Retirement		25,298	
Employee and Dependent Insurance		44,945	
Employer Medicare		3,224	
Maintenance & Repair Services- Equipment		61,591	
Other Contracted Services		31,635	
Diesel Fuel		122,692	
Equipment and Machinery Parts		120,484	
Garage Supplies		7,838	
Gasoline		39,933	
Lubricants		10,125	
Tires and Tubes		43,446	
Other Supplies and Materials		14,716	
Total Operation and Maintenance of Equipment	\$		770,773

Quarry Operations

Foremen	\$	38,956	
Mechanic(s)		24,497	
Equipment Operators		68,726	
Truck Drivers		100,509	
Clerical Personnel		1,882	
Longevity Pay		2,375	
Overtime Pay		322	
Social Security		13,955	
State Retirement		28,533	
Employee and Dependent Insurance		52,602	
Employer Medicare		3,264	
Communication		747	
Explosive and Drilling Services		25,861	
Electricity		37,060	
Equipment and Machinery Parts		19,157	
Water and Sewer		323	
Building Construction		165	
Total Quarry Operations			418,934

(Continued)

## Exhibit M-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	6,203	
Janitorial Services		6,600	
Electricity		12,489	
Natural Gas		13,572	
Water and Sewer		3,638	
Building and Contents Insurance		2,187	
Liability Insurance		214,959	
Trustee's Commission		64,922	
Other Charges		5,871	
Total Other Charges			\$ 330,441

Employee Benefits

Unemployment Compensation	\$	2,225	
Other Fringe Benefits		23,441	
Workers' Compensation Insurance		117,000	
Total Employee Benefits			142,666

Capital Outlay

Bridge Construction	\$	113,929	
Highway Equipment		230,575	
Right-of-Way		10,000	
State Aid Projects		279,860	
Total Capital Outlay			634,364

Total Highway/Public Works Fund \$ 6,477,902

Public Works Fund

Agriculture & Natural Resources

Storm Water Management

Assistant(s)	\$	48,226	
Foremen		27,039	
Equipment Operators		24,025	
Truck Drivers		42,021	
Secretary(s)		27,298	
Clerical Personnel		10,000	
Part-time Personnel		8,317	
Longevity Pay		125	
Overtime Pay		444	
In-Service Training		2,970	
Social Security		10,894	

(Continued)

## Exhibit M-9

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

Public Works Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Storm Water Management (Cont.)

State Retirement	\$	20,767	
Employee and Dependent Insurance		40,670	
Employer Medicare		2,548	
Communication		3,195	
Contracts with Private Agencies		203,384	
Maintenance Agreements		2,500	
Maintenance & Repair Services- Equipment		1,571	
Postal Charges		47	
Printing, Stationery and Forms		449	
Rentals		3,802	
Other Contracted Services		384	
Crushed Stone		648	
Data Processing Supplies		5,673	
Equipment and Machinery Parts		3,066	
Gasoline		10,030	
Lubricants		30	
Office Supplies		3,192	
Other Supplies and Materials		9,182	
Trustee's Commission		11,125	
Data Processing Equipment		3,272	
Motor Vehicles		11,628	
Other Equipment		393,630	
Total Storm Water Management			\$ 932,152

Total Public Works Fund \$ 932,152

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	552,376	
Other Debt Service		5,585	
Total Other General Administration			\$ 557,961

Principal

General Government

Principal on Bonds	\$	1,460,235	
Principal on Notes		548,500	
Total General Government			2,008,735

(Continued)

## Exhibit M-9

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

General Debt Service Fund (Cont.)Principal (Cont.)Education

Principal on Bonds	\$ 10,674,765	
Principal on Notes	<u>5,035,949</u>	
Total Education		\$ 15,710,714

InterestGeneral Government

Interest on Bonds	\$ 1,900,851	
Interest on Notes	<u>106,954</u>	
Total General Government		2,007,805

Education

Interest on Bonds	\$ 10,764,367	
Interest on Notes	<u>1,293,236</u>	
Total Education		12,057,603

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 148,400	
Other Debt Issuance Charges	<u>145,950</u>	
Total General Government		294,350

Education

Underwriter's Discount	\$ 62,178	
Other Debt Issuance Charges	52,950	
Other Debt Service	<u>213,017</u>	
Total Education		<u>328,145</u>

Total General Debt Service Fund \$ 32,965,313

General Capital Projects FundOther Debt ServiceGeneral Government

Underwriter's Discount	\$ 235,890	
Other Debt Issuance Charges	<u>287,741</u>	
Total General Government		\$ 523,631

Capital ProjectsGeneral Administration Projects

Architects	\$ 82,727	
Building Construction	1,019,778	

(Continued)

## Exhibit M-9

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

General Administration Projects (Cont.)

Building Improvements	\$	3,468	
Data Processing Equipment		3,306	
Furniture and Fixtures		35,671	
Site Development		3,000	
Other Equipment		1,929	
Total General Administration Projects			\$ 1,149,879

Administration of Justice Projects

Architects	\$	2,500	
Furniture and Fixtures		10,481	
Land		1,075,000	
Total Administration of Justice Projects			1,087,981

Public Safety Projects

Consultants	\$	127,250	
Engineering Services		16,775	
Total Public Safety Projects			144,025

Agriculture and Natural Resource Projects

Architects	\$	1,630	
Other Charges		142	
Building Construction		80,026	
Furniture and Fixtures		7,133	
Total Agriculture and Natural Resource Projects			88,931

Highway & Street Capital Projects

Contracts with Government Agencies	\$	1,118,277	
Building Construction		15,252	
Total Highway & Street Capital Projects			1,133,529

Total General Capital Projects Fund \$ 4,127,976

Nursing Home Projects Fund

Capital Projects

Public Health and Welfare Projects

Refunds	\$	33,831	
Health Equipment		3,167	
Total Public Health and Welfare Projects			\$ 36,998

Total Nursing Home Projects Fund 36,998

(Continued)

Exhibit M-9

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

<u>Education Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Payments to Cities</u>			
Other Debt Service	\$	5,131,730	
Total Payments to Cities			\$ 5,131,730
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	42,750,000	
Total Education Capital Projects			<u>42,750,000</u>
Total Education Capital Projects Fund			<u>\$ 47,881,730</u>
Total Governmental Funds - Primary Government			<u><u>\$ 153,565,342</u></u>

Rutherford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2005

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 62,511,217	
Career Ladder Program	794,443	
Career Ladder Extended Contracts	170,038	
Educational Assistants	2,197,899	
Other Salaries & Wages	849,911	
Social Security	4,020,643	
State Retirement	3,767,332	
Life Insurance	81,103	
Medical Insurance	8,153,166	
Unemployment Compensation	95,043	
Employer Medicare	939,668	
Maintenance & Repair Services- Equipment	370	
Contracts for Substitute Teachers - Non-certified	1,079,931	
Other Contracted Services	12,652	
Instructional Supplies and Materials	1,642,157	
Textbooks	2,761,592	
Other Supplies and Materials	184,316	
Fee Waivers	63,641	
Other Charges	117,589	
Regular Instruction Equipment	1,184,902	
Total Regular Instruction Program		\$ 90,627,613

Alternative Instruction Program

Teachers	\$ 884,942	
Career Ladder Program	11,254	
Educational Assistants	67,741	
Social Security	58,359	
State Retirement	57,142	
Life Insurance	1,262	
Medical Insurance	120,840	
Unemployment Compensation	1,332	
Employer Medicare	13,649	
Contracts for Substitute Teachers - Non-certified	14,086	
Other Contracted Services	3,789	
Instructional Supplies and Materials	24,187	
Other Supplies and Materials	500	
Other Equipment	1,189	
Total Alternative Instruction Program		1,260,272

(Continued)

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

Teachers	\$	8,431,689	
Career Ladder Program		115,524	
Career Ladder Extended Contracts		4,500	
Educational Assistants		1,314,551	
Other Salaries & Wages		77,324	
Social Security		600,392	
State Retirement		649,211	
Life Insurance		14,238	
Medical Insurance		1,309,619	
Unemployment Compensation		9,625	
Employer Medicare		140,664	
Maintenance & Repair Services- Equipment		13,217	
Contracts for Substitute Teachers - Non-certified		156,115	
Other Contracted Services		924,439	
Instructional Supplies and Materials		167,945	
Textbooks		89,570	
Other Supplies and Materials		133,387	
Other Charges		13,738	
Special Education Equipment		93,659	
Total Special Education Program			\$ 14,259,407

Vocational Education Program

Teachers	\$	4,251,967
Career Ladder Program		49,817
Career Ladder Extended Contracts		3,600
Clerical Personnel		36,831
Other Salaries & Wages		5,074
Social Security		262,310
State Retirement		220,460
Life Insurance		4,958
Medical Insurance		534,558
Unemployment Compensation		14,937
Employer Medicare		61,341
Maintenance & Repair Services- Equipment		21,538
Contracts for Substitute Teachers - Non-certified		85,121
Other Contracted Services		58,156
Instructional Supplies and Materials		187,683
Textbooks		120,371
Other Supplies and Materials		25,959

(Continued)

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.)

Vocational Education Program (Cont.)

Other Charges	\$ 208	
Vocational Instruction Equipment	64,036	
Total Vocational Education Program		\$ 6,008,925

Adult Education Program

Teachers	\$ 246,943	
Other Salaries & Wages	17,732	
Social Security	16,275	
State Retirement	9,322	
Life Insurance	145	
Medical Insurance	8,258	
Employer Medicare	3,806	
Other Contracted Services	2,662	
Instructional Supplies and Materials	43,827	
Other Supplies and Materials	2,475	
Other Equipment	35,740	
Total Adult Education Program		387,185

Other

Contributions	\$ 2,114,953	
Total Other		2,114,953

Support Services

Attendance

Supervisor/Director	\$ 65,727	
Career Ladder Program	5,000	
Career Ladder Extended Contracts	2,000	
Social Workers	164,998	
Clerical Personnel	31,477	
Social Security	16,283	
State Retirement	16,680	
Life Insurance	192	
Medical Insurance	32,536	
Employer Medicare	3,809	
Travel	5,198	
Other Contracted Services	93,884	
Other Supplies and Materials	3,022	
Other Charges	1,680	
Attendance Equipment	4,144	
Total Attendance		446,630

(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.)

Health Services

Medical Personnel	\$	805,867	
Other Salaries & Wages		177,429	
Social Security		59,655	
State Retirement		112,493	
Life Insurance		1,138	
Medical Insurance		94,778	
Employer Medicare		13,951	
Travel		12,902	
Drugs and Medical Supplies		7,550	
Other Supplies and Materials		7,720	
Other Charges		3,204	
Health Equipment		1,599	
Other Equipment		1,938	
Total Health Services			\$ 1,300,224

Other Student Support

Career Ladder Program	\$	41,960	
Guidance Personnel		2,844,971	
Psychological Personnel		4,120	
Career Ladder Extended Contracts		4,675	
Social Workers		74,539	
Clerical Personnel		139,227	
Attendants		218,663	
Other Salaries & Wages		466	
Social Security		201,403	
State Retirement		203,383	
Life Insurance		4,156	
Medical Insurance		369,158	
Unemployment Compensation		282	
Employer Medicare		47,102	
Contracts with Government Agencies		90,206	
Evaluation and Testing		115,444	
Travel		6,595	
Contracts for Substitute Teachers - Non-certified		17,801	
Other Contracted Services		60,422	
Other Supplies and Materials		20,498	
In Service/Staff Development		281	
Other Equipment		5,066	
Total Other Student Support			4,470,418

(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.)

Regular Instruction Program

Supervisor/Director	\$	533,022	
Career Ladder Program		101,924	
Career Ladder Extended Contracts		16,000	
Librarians		1,935,488	
Materials Supervisor		37,432	
Instructional Computer Personnel		1,300,880	
Secretary(s)		53,779	
Clerical Personnel		51,123	
Educational Assistants		334,678	
Other Salaries & Wages		293,788	
In-Service Training		14,538	
Social Security		281,824	
State Retirement		285,674	
Life Insurance		5,123	
Medical Insurance		529,873	
Unemployment Compensation		434	
Employer Medicare		65,910	
Travel		24,344	
Contracts for Substitute Teachers - Non-certified		22,869	
Other Contracted Services		41,269	
Library Books/Media		161,073	
Other Supplies and Materials		45,343	
In Service/Staff Development		50,672	
Other Equipment		9,093	
Total Regular Instruction Program			\$ 6,196,153

Alternative Instruction Program

Supervisor/Director	\$	133,689
Career Ladder Program		7,496
Guidance Personnel		91,247
Librarians		40,746
Clerical Personnel		38,423
Other Salaries & Wages		46,965
Social Security		21,562
State Retirement		24,921
Life Insurance		384
Medical Insurance		46,317
Employer Medicare		5,043
Contracts for Substitute Teachers - Non-certified		132

(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.)

Alternative Instruction Program (Cont.)

Library Books/Media	\$	674	
Other Supplies and Materials		7,229	
Other Equipment		4,102	
Total Alternative Instruction Program			\$ 468,930

Special Education Program

Supervisor/Director	\$	109,624	
Career Ladder Program		21,201	
Psychological Personnel		257,900	
Career Ladder Extended Contracts		2,000	
Secretary(s)		28,592	
Clerical Personnel		23,845	
Other Salaries & Wages		6,059	
In-Service Training		2,700	
Social Security		27,113	
State Retirement		28,049	
Life Insurance		441	
Medical Insurance		55,616	
Employer Medicare		6,341	
Travel		67,906	
Contracts for Substitute Teachers - Non-certified		72	
Other Contracted Services		1,123	
Other Supplies and Materials		59,986	
In Service/Staff Development		16,278	
Other Charges		5,501	
Other Equipment		15,229	
Total Special Education Program			735,576

Vocational Education Program

Supervisor/Director	\$	73,832	
Social Security		4,446	
State Retirement		4,061	
Life Insurance		48	
Employer Medicare		1,040	
Travel		18,129	
In Service/Staff Development		1,158	
Other Equipment		1,525	
Total Vocational Education Program			104,239

(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.)

Adult Programs

Supervisor/Director	\$	66,225	
Clerical Personnel		32,415	
Social Security		6,063	
State Retirement		7,399	
Life Insurance		96	
Medical Insurance		8,216	
Employer Medicare		1,418	
Travel		1,430	
Other Contracted Services		21,777	
In Service/Staff Development		4,273	
Total Adult Programs			\$ 149,312

Board of Education

Secretary to Board	\$	93,054	
Board and Committee Members Fees		82,736	
Social Security		10,899	
State Retirement		10,785	
Life Insurance		96	
Medical Insurance		416,372	
Employer Medicare		2,549	
Dues and Memberships		8,606	
Legal Services		27,479	
Travel		1,095	
Judgments		9,160	
Liability Insurance		404,307	
Premiums on Corporate Surety Bonds		22,161	
Trustee's Commission		1,390,782	
Workers' Compensation Insurance		504,000	
In Service/Staff Development		1,004	
Criminal Investigation of Applicants - TBI		46,020	
Total Board of Education			3,031,105

Director of Schools

County Official/Administrative Officer	\$	116,000	
Other Salaries & Wages		24,970	
Social Security		7,627	
State Retirement		9,273	
Life Insurance		96	
Medical Insurance		8,212	

(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.)

Director of Schools (Cont.)

Employer Medicare	\$	2,101	
Other Fringe Benefits		4,800	
Communication		197,886	
Dues and Memberships		5,183	
Postal Charges		48,685	
Travel		4,422	
Other Contracted Services		32,405	
In Service/Staff Development		75	
Other Charges		38,206	
Administration Equipment		1,116	
Total Director of Schools			\$ 501,057

Office of the Principal

Principals	\$	2,466,603	
Career Ladder Program		121,331	
Accountants/Bookkeepers		438,342	
Career Ladder Extended Contracts		97,500	
Assistant Principals		2,254,005	
Secretary(s)		730,005	
Clerical Personnel		585,473	
Social Security		401,905	
State Retirement		459,749	
Life Insurance		7,725	
Medical Insurance		700,383	
Unemployment Compensation		4,056	
Employer Medicare		94,063	
Communication		240,998	
Dues and Memberships		17,400	
Contracts for Substitute Teachers - Non-certified		16,733	
Other Contracted Services		16,549	
Office Supplies		9,268	
Other Charges		115,625	
Administration Equipment		11,036	
Total Office of the Principal			8,788,749

Fiscal Services

Supervisor/Director	\$	169,473	
Accountants/Bookkeepers		168,277	
Purchasing Personnel		66,895	

(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.)

Fiscal Services (Cont.)

Social Security	\$	24,410	
State Retirement		46,709	
Life Insurance		468	
Medical Insurance		40,116	
Employer Medicare		5,709	
Travel		3,047	
Other Contracted Services		3,234	
Office Supplies		15,544	
Other Supplies and Materials		2,043	
Administration Equipment		4,322	
Total Fiscal Services			\$ 550,247

Operation of Plant

Custodial Personnel	\$	3,186,045	
Social Security		192,822	
State Retirement		334,835	
Life Insurance		6,943	
Medical Insurance		583,333	
Unemployment Compensation		17,153	
Employer Medicare		45,096	
Other Contracted Services		260,434	
Custodial Supplies		277,825	
Electricity		5,156,284	
Natural Gas		1,516,002	
Water and Sewer		573,527	
Other Supplies and Materials		9,752	
Boiler Insurance		17,120	
Building and Contents Insurance		205,766	
Other Charges		202,366	
Plant Operation Equipment		42,287	
Total Operation of Plant			12,627,590

Maintenance of Plant

Supervisor/Director	\$	139,491	
Secretary(s)		79,859	
Maintenance Personnel		1,290,950	
Social Security		91,829	
State Retirement		174,547	
Life Insurance		2,194	

(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.)

Maintenance of Plant (Cont.)

Medical Insurance	\$	243,740	
Unemployment Compensation		7,175	
Employer Medicare		21,476	
Laundry Service		13,769	
Maintenance & Repair Services- Buildings		477,123	
Maintenance & Repair Services- Equipment		176,312	
Travel		3,185	
Other Contracted Services		457,870	
Other Supplies and Materials		517,369	
Vehicle and Equipment Insurance		44,915	
Other Charges		10,622	
Maintenance Equipment		37,295	
Total Maintenance of Plant			\$ 3,789,721

Transportation

Supervisor/Director	\$	53,036	
Clerical Personnel		65,338	
Other Salaries & Wages		30,013	
Social Security		8,966	
State Retirement		17,198	
Life Insurance		230	
Medical Insurance		15,885	
Employer Medicare		2,097	
Contracts with Vehicle Owners		7,380,436	
Travel		4,991	
Other Contracted Services		34,503	
Other Supplies and Materials		9,157	
Vehicle and Equipment Insurance		50,528	
Other Charges		19,654	
Administration Equipment		1,779	
Total Transportation			7,693,811

Central and Other

Supervisor/Director	\$	213,111	
Computer Programmer(s)		642,660	
Clerical Personnel		112,624	
Other Salaries & Wages		38,860	
Social Security		61,085	
State Retirement		111,647	

(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.)

Central and Other (Cont.)

Life Insurance	\$	1,143	
Medical Insurance		116,894	
Employer Medicare		14,286	
Data Processing Services		30,963	
Maintenance & Repair Services- Equipment		141,767	
Travel		24,681	
Other Contracted Services		60,945	
Data Processing Supplies		2,906	
Other Supplies and Materials		61,168	
In Service/Staff Development		11,662	
Administration Equipment		1,570	
Data Processing Equipment		10,315	
Total Central and Other			\$ 1,658,287

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	113,352	
Career Ladder Program		2,000	
Accountants/Bookkeepers		31,477	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		1,992	
Cafeteria Personnel		72,720	
Social Security		13,561	
State Retirement		18,786	
Life Insurance		145	
Medical Insurance		15,538	
Unemployment Compensation		14,828	
Employer Medicare		3,172	
Payments to Schools - Breakfast		578,633	
Payments to Schools - Lunch		2,955,677	
Travel		4,962	
Other Contracted Services		50,396	
Food Supplies		37,711	
Office Supplies		1,705	
Other Supplies and Materials		5,763	
In Service/Staff Development		3,317	
Food Service Equipment		3,618	
Total Food Service			3,931,353

(Continued)

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.)

Community Services

Teachers	\$	240,570	
Career Ladder Program		2,998	
Educational Assistants		40,042	
Social Security		17,033	
State Retirement		18,037	
Life Insurance		427	
Medical Insurance		42,244	
Employer Medicare		3,984	
Contracts for Substitute Teachers - Non-certified		7,553	
Other Supplies and Materials		1,200	
Other Charges		33,131	
Total Community Services			\$ 407,219

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	21,884	
Site Development		8,500	
Other Capital Outlay		120,059	
Total Regular Capital Outlay			150,443

Total General Purpose School Fund \$ 171,659,419

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,136,893	
Clerical Personnel		3,270	
Educational Assistants		193,516	
Other Salaries & Wages		27,884	
In-Service Training		193,752	
Non-certified Substitute Teachers		29,575	
Social Security		94,512	
State Retirement		94,262	
Life Insurance		1,645	
Medical Insurance		157,308	
Unemployment Compensation		2,254	
Employer Medicare		22,104	
Postal Charges		298	
Travel		1,358	

(Continued)

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	\$	63	
Instructional Supplies and Materials		90,721	
Other Supplies and Materials		129,118	
In Service/Staff Development		11,655	
Regular Instruction Equipment		67,736	
Total Regular Instruction Program			\$ 2,257,924

Special Education Program

Teachers	\$	616,324	
Educational Assistants		830,628	
Other Salaries & Wages		313,634	
Non-certified Substitute Teachers		26,971	
Social Security		106,217	
State Retirement		163,593	
Life Insurance		4,208	
Medical Insurance		340,447	
Employer Medicare		24,842	
Other Contracted Services		267,355	
Instructional Supplies and Materials		751,412	
Other Supplies and Materials		50,429	
Special Education Equipment		273,976	
Total Special Education Program			3,770,036

Vocational Education Program

Clerical Personnel	\$	78,807	
In-Service Training		3,218	
Social Security		4,842	
State Retirement		9,335	
Life Insurance		235	
Medical Insurance		23,238	
Employer Medicare		1,133	
Travel		7,091	
Other Contracted Services		8,735	
Instructional Supplies and Materials		49,634	
Other Supplies and Materials		185,975	
In Service/Staff Development		15,099	
Vocational Instruction Equipment		109,749	
Total Vocational Education Program			497,091

(Continued)

## Exhibit M-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.)Education Edge

Instructional Supplies and Materials	\$	4,279	
Vocational Instruction Equipment		450	
Total Education Edge			\$ 4,729

Support ServicesHealth Services

Medical Personnel	\$	43,549	
Social Security		2,700	
State Retirement		4,307	
Life Insurance		58	
Medical Insurance		912	
Employer Medicare		631	
Total Health Services			52,157

Other Student Support

Social Workers	\$	309,672	
Attendants		177,000	
Other Salaries & Wages		51,683	
Social Security		32,114	
State Retirement		39,617	
Life Insurance		973	
Medical Insurance		101,144	
Employer Medicare		7,511	
Travel		462	
Other Contracted Services		2,525	
Other Supplies and Materials		23,952	
In Service/Staff Development		3,600	
Other Charges		705	
Total Other Student Support			750,958

Regular Instruction Program

Supervisor/Director	\$	70,766	
Secretary(s)		25,255	
Other Salaries & Wages		51,410	
Social Security		8,979	
State Retirement		9,647	
Life Insurance		141	
Medical Insurance		20,157	
Employer Medicare		2,100	

(Continued)

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.)

Regular Instruction Program (Cont.)

Consultants	\$	10,363	
Maintenance & Repair Services- Equipment		45	
Travel		3,259	
Other Contracted Services		90,780	
Other Supplies and Materials		20,870	
In Service/Staff Development		675,291	
Other Equipment		576	
Total Regular Instruction Program			\$ 989,639

Special Education Program

Psychological Personnel	\$	417,337	
Clerical Personnel		23,802	
Other Salaries & Wages		582,397	
Social Security		61,560	
State Retirement		62,358	
Life Insurance		1,033	
Medical Insurance		142,751	
Employer Medicare		14,397	
Other Supplies and Materials		4,149	
In Service/Staff Development		90,833	
Other Equipment		91,284	
Total Special Education Program			1,491,901

Vocational Education Program

Travel	\$	46,199	
In Service/Staff Development		3,390	
Total Vocational Education Program			49,589

Transportation

Contracts with Vehicle Owners	\$	37,838	
Total Transportation			37,838

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	3,314	
Social Security		205	
State Retirement		303	
Employer Medicare		48	
Total Food Service			3,870

Total School Federal Projects Fund \$ 9,905,732

(Continued)

Exhibit M-10

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

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 1,204,827	
Engineering Services	183,091	
Building Construction	13,600,892	
Building Improvements	2,104,345	
Furniture and Fixtures	530,227	
Land	2,693,224	
Regular Instruction Equipment	2,209,172	
Site Development	2,757,615	
Other Equipment	33,438	
Other Capital Outlay	364,592	
Total Education Capital Projects		<u>\$ 25,681,423</u>

Total Other Capital Projects Fund \$ 25,681,423

Total Governmental Funds - Rutherford County School Department \$ 207,246,574

## Exhibit M-11

Rutherford County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2005

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 7,746,168	\$ 7,746,168
Trustee's Collections - Prior Years	0	113,934	113,934
Circuit/Clerk and Master Collections - Prior Years	0	97,207	97,207
Interest and Penalty	0	35,978	35,978
Pick-up Taxes	0	35,495	35,495
Payments in Lieu of Taxes - Local Utilities	0	94,126	94,126
Local Option Sales Tax	30,990,145	5,513,196	36,503,341
Wheel Tax	0	513,634	513,634
Business Tax	0	185,044	185,044
Interstate Telecommunications Tax	0	4,702	4,702
Marriage Licenses	0	2,717	2,717
Total Cash Receipts	<u>\$ 30,990,145</u>	<u>\$ 14,342,201</u>	<u>\$ 45,332,346</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 30,680,244	\$ 14,089,363	\$ 44,769,607
Trustee's Commission	309,901	230,017	539,918
Total Cash Disbursements	<u>\$ 30,990,145</u>	<u>\$ 14,319,380</u>	<u>\$ 45,309,525</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 22,821	\$ 22,821
Cash Balance, July 1, 2004	0	170,355	170,355
Cash Balance, June 30, 2005	<u>\$ 0</u>	<u>\$ 193,176</u>	<u>\$ 193,176</u>

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## STATISTICAL SECTION

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This part of the Rutherford County's comprehensive annual 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.

	Table	Page
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.	1-5	229
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	237
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	242
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	244
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	246

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

Rutherford County, Tennessee  
Net Assets by Component  
Primary Government and Discretely Presented Component Unit  
Last Ten Fiscal Years (in thousands) (Note 3)  
(accrual basis of accounting)

	Fiscal Year									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>PRIMARY GOVERNMENT: (Note 1, 2)</b>										
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,910	\$ 149,327	\$ 166,358	\$ 162,068
Restricted for:										
Capital Projects	-	-	-	-	-	-	4,978	16,114	10,606	14,397
Debt Service	-	-	-	-	-	-	29,430	26,657	26,632	31,323
Solid Waste/Sanitation	-	-	-	-	-	-	-	-	-	4,519
Adequate Facilities/Development Tax	-	-	-	-	-	-	-	-	-	5,827
Highways/Public Works	-	-	-	-	-	-	-	-	-	6,034
Other Purposes	-	-	-	-	-	-	6,910	7,590	10,618	2,924
Unrestricted (2)	-	-	-	-	-	-	(217,979)	(218,611)	(221,776)	(254,549)
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,751)</u>	<u>\$ (18,923)</u>	<u>\$ (7,562)</u>	<u>\$ (27,457)</u>
 <b>COMPONENT UNIT - Rutherford County Schools (Note 2)</b>										
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,730	\$ 246,569	\$ 261,946	\$ 273,716
Restricted for:										
Capital Projects	-	-	-	-	-	-	37,769	19,815	16,309	38,446
Other Purposes	-	-	-	-	-	-	681	819	1,315	1,986
Unrestricted	-	-	-	-	-	-	13,049	12,457	17,378	16,968
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,229</u>	<u>\$ 279,660</u>	<u>\$ 296,948</u>	<u>\$ 331,116</u>

**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 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 2

Rutherford County, Tennessee  
Changes in Net Assets  
Last Ten Fiscal Years (in thousands) (Note 2)  
(accrual basis of accounting)

	Fiscal Year									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>EXPENSES (Note 1)</b>										
Governmental activities:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,291	\$ 930	\$ 2,244	\$ 1,639
Finance	-	-	-	-	-	-	4,414	5,143	4,863	5,480
Administration of Justice	-	-	-	-	-	-	4,289	4,609	4,970	4,753
Public Safety	-	-	-	-	-	-	20,611	23,719	24,925	26,807
Public Health & Welfare	-	-	-	-	-	-	9,802	10,709	10,928	10,792
Social, Cultural & Rec. Services	-	-	-	-	-	-	1,023	2,538	1,203	1,186
Agriculture & Natural Resources	-	-	-	-	-	-	402	346	971	1,439
Other Operations	-	-	-	-	-	-	-	5,118	4,811	6,880
Highways/Public Works	-	-	-	-	-	-	13,268	7,369	10,784	13,859
Education (Pymts to Comp. Unit)	-	-	-	-	-	-	52,058	28,827	40,140	67,167
Interest on Long-Term Debt	-	-	-	-	-	-	12,480	13,346	13,497	13,123
Other Debt Service	-	-	-	-	-	-	-	20	-	1,146
Total Governmental activities expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,638	\$ 102,674	\$ 119,336	\$ 154,271
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,389	\$ 3,345	\$ 3,679	\$ 4,226
Finance	-	-	-	-	-	-	4,102	4,351	5,126	5,514
Administration of Justice	-	-	-	-	-	-	2,987	4,299	4,908	5,525
Public Safety	-	-	-	-	-	-	4,883	4,055	3,459	3,874
Public Health & Welfare	-	-	-	-	-	-	3,792	4,727	5,719	5,616
Social, Cultural & Rec. Services	-	-	-	-	-	-	9	9	9	8
Agriculture & Natural Resources	-	-	-	-	-	-	3	6	65	126
Other Operations	-	-	-	-	-	-	-	-	68	-
Highways/Public Works	-	-	-	-	-	-	142	143	19	-
Education	-	-	-	-	-	-	-	12,164	18,139	21,634
Operating Grants and Contributions	-	-	-	-	-	-	6,361	7,446	5,120	6,279
Capital grants and Contributions	-	-	-	-	-	-	10,594	2,271	9,292	2,327
Total Governmental activities program revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,262	\$ 42,816	\$ 55,603	\$ 55,129

Table 2

Rutherford County, Tennessee  
Changes in Net Assets (Cont.)  
Last Ten Fiscal Years (in thousands) (Note 2)  
(accrual basis of accounting)

	Fiscal Year									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net (expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (91,376)	\$ (59,858)	\$ (63,733)	\$ (99,142)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,945	\$ 17,933	\$ 22,585	22,520
Property tax levied for debt services	-	-	-	-	-	-	19,689	20,805	22,621	25,016
Sales tax	-	-	-	-	-	-	4,328	3,967	3,891	4,007
Other local taxes	-	-	-	-	-	-	11,138	12,154	15,407	16,366
Unrestricted grants and contributions	-	-	-	-	-	-	5,106	5,224	5,905	6,011
Investment earnings	-	-	-	-	-	-	2,377	1,583	1,065	2,501
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	36	2,500
Miscellaneous	-	-	-	-	-	-	32	779	467	325
Total Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,615	\$ 62,445	\$ 71,977	\$ 79,246
<b>Change in Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31,761)	\$ 2,587	\$ 8,244	\$ (19,896)

**Notes:**

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 2a

Rutherford County, Tennessee  
Changes in Net Assets - Rutherford County Schools  
Last Ten Fiscal Years (in thousands) (Note 2)  
(accrual basis of accounting)

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EXPENSES (Note 1)</b>										
Governmental activities:										
Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516
Total Governmental activities expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for Services - Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315	\$ 241	\$ 244	\$ 258
Operating Grants and Contributions	-	-	-	-	-	-	8,953	9,377	13,040	16,650
Capital grants and Contributions	-	-	-	-	-	-	52,058	14,930	23,511	43,554
Total Governmental activities program revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,326	\$ 24,548	\$ 36,795	\$ 60,462
Net (expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (89,281)	\$ (133,904)	\$ (138,461)	\$ (136,054)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,759	\$ 34,645	\$ 41,219	\$ 42,453
Sales tax	-	-	-	-	-	-	22,921	24,124	27,946	29,887
Other local taxes	-	-	-	-	-	-	3,054	3,155	3,398	3,709
Unrestricted grants and contributions	-	-	-	-	-	-	69,910	74,819	82,331	93,215
Investment earnings	-	-	-	-	-	-	463	281	203	460
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	356	-
Miscellaneous	-	-	-	-	-	-	92	311	296	498
Total Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,199	\$ 137,335	\$ 155,749	\$ 170,222
<b>Change in Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,918	\$ 3,431	\$ 17,288	\$ 34,168

**Notes:**

- (1) Rutherford County Schools do not engage in any business-type activities.
- (2) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 3

Rutherford County, Tennessee  
Governmental Activities Tax Revenue by Source  
General Government and Discretely Presented Component Unit  
Last Ten Fiscal Years (1)  
(accrual basis of accounting)  
(amounts expressed in thousands)

Fiscal Year	Property Tax for General Purposes	Property Tax for Ruth. Co. Schools	Property Tax for Debt Service	Sales Tax - Primary Government	Sales Tax - Ruth. Co. Schools	Other Local Tax - Primary Govt.	Other Local Tax - Ruth. Co. Schools	Total
1996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1997	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-
2002	16,945	32,759	19,689	4,328	22,921	11,138	3,054	110,834
2003	17,933	34,645	20,805	3,967	24,124	12,154	3,155	116,783
2004	22,585	41,218	22,621	3,891	27,946	15,407	3,398	137,066
2005	22,520	42,453	25,015	4,007	29,887	16,366	3,709	143,957

(1) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 4

Rutherford County, Tennessee  
 General Government Fund Balances - Primary Government and Discretely presented Component Unit  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (amounts expressed in thousands)

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>PRIMARY GOVERNMENT</b>										
General Fund										
Reserved	\$ 237	\$ 317	\$ 528	\$ 636	\$ 843	\$ 958	\$ 1,006	\$ 1,561	\$ 2,247	\$ 2,978
Unreserved	4,636	6,205	7,326	8,967	9,662	11,705	11,958	12,331	16,234	16,936
Total General Fund	<u>\$ 4,873</u>	<u>\$ 6,522</u>	<u>\$ 7,853</u>	<u>\$ 9,603</u>	<u>\$ 10,504</u>	<u>\$ 12,663</u>	<u>\$ 12,964</u>	<u>\$ 13,892</u>	<u>\$ 18,481</u>	<u>\$ 19,914</u>
All other governmental funds										
Reserved	\$ 999	\$ 12,570	\$ 2,820	\$ 1,591	\$ 1,407	\$ 1,120	\$ 837	\$ 724	\$ 757	\$ 501
Unreserved, reported in:										
Special revenue funds	5,326	7,656	9,909	8,674	10,988	11,952	10,190	11,031	14,743	18,308
Debt Service	12,804	15,256	19,179	21,469	26,004	31,953	31,664	28,975	28,765	30,267
Capital projects funds	2,431	4,035	6,108	5,115	2,601	946	8,456	12,869	6,117	14,382
Total all other governmental funds	<u>\$ 21,560</u>	<u>\$ 39,517</u>	<u>\$ 38,016</u>	<u>\$ 36,849</u>	<u>\$ 41,000</u>	<u>\$ 45,972</u>	<u>\$ 51,148</u>	<u>\$ 53,600</u>	<u>\$ 50,381</u>	<u>\$ 63,458</u>
<b>COMPONENT UNIT - Rutherford County Schools</b>										
General Purpose School Fund										
Reserved	\$ 5,316	\$ 3,330	\$ 4,332	\$ 4,424	\$ 6,060	\$ 3,522	\$ 3,045	\$ 4,415	\$ 7,269	\$ 5,758
Unreserved	5,108	7,913	13,537	15,093	11,817	8,385	7,484	5,412	6,954	9,875
Total General Purpose School Fund	<u>\$ 10,424</u>	<u>\$ 11,243</u>	<u>\$ 17,869</u>	<u>\$ 19,517</u>	<u>\$ 17,877</u>	<u>\$ 11,907</u>	<u>\$ 10,529</u>	<u>\$ 9,827</u>	<u>\$ 14,223</u>	<u>\$ 15,633</u>
All other school funds										
Reserved	\$ 12,225	\$ 16,533	\$ 5,103	\$ 22,374	\$ 38,340	\$ 29,704	\$ 28,556	\$ 22,738	\$ 7,535	\$ 5,659
Unreserved, reported in:										
Capital projects funds	10,821	(2,193)	34,234	2,194	2,991	1,076	9,894	(2,104)	10,089	33,399
Total all other governmental funds	<u>\$ 23,046</u>	<u>\$ 14,340</u>	<u>\$ 39,337</u>	<u>\$ 24,568</u>	<u>\$ 41,331</u>	<u>\$ 30,780</u>	<u>\$ 38,450</u>	<u>\$ 20,634</u>	<u>\$ 17,624</u>	<u>\$ 39,058</u>

Table 5

Rutherford County, Tennessee  
Changes in Fund Balances General Governmental and Discretely Presented Component Unit  
Last Ten Fiscal Years

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Revenues</b>										
Taxes	\$ 67,484	\$ 75,042	\$ 82,188	\$ 89,991	\$ 98,365	\$ 109,730	\$ 115,597	\$ 121,848	\$ 142,164	\$ 150,852
Licenses & Permits	585	521	716	1,115	838	727	946	1,112	1,314	1,693
Fines & Forfeitures	1,081	1,180	1,287	979	1,308	1,347	1,546	1,882	2,286	2,638
Charges for Service	4,651	5,268	5,532	6,072	5,707	6,173	6,883	8,270	9,385	10,046
Other Local Revenue	4,994	5,946	5,619	6,074	7,614	8,242	4,161	3,212	2,881	4,771
Fees from Co. Officials	2,371	2,491	2,999	3,459	3,911	4,295	4,822	5,370	6,029	9,953
State Revenues	53,715	61,065	66,174	70,986	73,821	75,876	78,917	84,838	91,580	99,272
Federal Revenues	4,963	5,624	6,720	6,090	7,960	7,572	9,070	9,717	13,657	16,050
Other Govt/Citizens	206	2,878	334	2,530	277	203	3,627	1,206	545	452
Total revenues	<u>\$ 140,050</u>	<u>\$ 160,015</u>	<u>\$ 171,569</u>	<u>\$ 187,296</u>	<u>\$ 199,801</u>	<u>\$ 214,165</u>	<u>\$ 225,569</u>	<u>\$ 237,455</u>	<u>\$ 269,841</u>	<u>\$ 295,727</u>
<b>Expenditures</b>										
General Government	\$ 5,218	\$ 3,780	\$ 3,648	\$ 3,686	\$ 6,366	\$ 8,783	\$ 4,646	\$ 4,562	\$ 5,096	\$ 5,331
Finance	1,379	2,696	3,167	3,490	2,442	2,696	4,393	5,021	4,872	5,452
Admin. Of Justice	1,998	3,280	2,996	3,166	2,526	2,661	4,268	4,566	4,752	4,780
Public Safety	7,248	8,387	11,084	13,874	15,878	17,716	19,927	22,028	24,010	25,910
Public Health/Welfare	5,248	5,819	6,861	7,769	8,280	9,451	9,504	10,623	11,657	11,591
Social, Cultural/Rec.	568	626	702	889	937	1,006	1,023	1,095	1,103	1,086
Agriculture & Natural Resource	242	257	271	297	335	372	386	359	446	1,418
Other Operations	3,815	4,558	3,486	3,295	4,464	4,072	4,297	5,015	4,712	11,206
Highway & Bridge	4,695	5,063	5,355	5,648	5,222	5,579	5,555	5,831	6,455	6,478
Education	85,750	97,233	101,415	112,558	122,877	133,889	138,682	147,432	161,932	181,565
Debt Service										
Principal	10,184	11,301	11,379	12,811	12,744	13,543	14,070	16,975	16,384	17,719
Interest	5,597	6,701	7,174	8,841	8,314	10,271	12,537	13,105	13,761	14,065
Other charges						170	290		164	1,146
Capital Projects-General	3,615	21,038	12,050	9,046	5,436	3,610	2,468	5,585	8,716	3,289
Capital Projects-Schools	18,756	20,384	18,914	14,569	27,593	43,187	45,727	32,804	28,206	25,681
	<u>\$ 154,313</u>	<u>\$ 191,123</u>	<u>\$ 188,502</u>	<u>\$ 199,939</u>	<u>\$ 223,414</u>	<u>\$ 257,006</u>	<u>\$ 267,773</u>	<u>\$ 275,001</u>	<u>\$ 292,266</u>	<u>\$ 316,717</u>
Excess of revenues over (under) expenditures	\$ (14,263)	\$ (31,108)	\$ (16,933)	\$ (12,643)	\$ (23,613)	\$ (42,841)	\$ (42,204)	\$ (37,546)	\$ (22,425)	\$ (20,990)

Table 5

Rutherford County, Tennessee  
Changes in Fund Balances General Governmental and Discretely Presented Component Unit  
Last Ten Fiscal Years (Cont.)

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Other financing sources (uses)</b>										
Transfers in	\$ 42,948	\$ 14,794	\$ 46,032	\$ 141	\$ 916	\$ 2,732	\$ 7,488	\$ 5,583	\$ 7,383	\$ 11,187
Transfers out	(42,948)	(14,794)	(45,946)	(38)	(805)	(2,605)	(8,471)	(5,912)	(7,197)	(11,678)
Bond proceeds	-	22,500	35,015	-	43,900	30,850	54,220	22,581	24,995	53,500
Note proceeds	2,180	20,332	13,190	-	-	2,133	-	-	-	-
Proceeds on refunded bonds	-	-	-	-	-	73,585	-	7,534	-	60,165
Payments to refunded bond escrow agent	-	-	-	-	-	(74,074)	-	(7,534)	-	(64,792)
Premiums on Bonds sold	-	-	18	-	27	902	628	158	-	6,502
Transfer to component unit	-	-	-	-	(250)	(72)	-	-	-	-
Proceeds on Sale of Land	-	-	-	-	-	-	-	-	-	4,000
<b>TOTAL OTHER SOURCES</b>	<u>\$ 2,180</u>	<u>\$ 42,832</u>	<u>\$ 48,309</u>	<u>\$ 104</u>	<u>\$ 43,788</u>	<u>\$ 33,451</u>	<u>\$ 53,865</u>	<u>\$ 22,409</u>	<u>\$ 25,181</u>	<u>\$ 58,884</u>
Net change in fund balances	\$ (12,083)	\$ 11,724	\$ 31,376	\$ (12,539)	\$ 20,175	\$ (9,390)	\$ 11,661	\$ (15,137)	\$ 2,756	\$ 37,894
Debt Service as a percentage of noncapital expenditures	12.0%	12.0%	11.8%	12.3%	11.1%	11.4%	12.2%	12.7%	11.9%	11.4%

General Governmental and Discretely Presented Component Unit TAX Revenues by Source  
Last Ten Fiscal Years (expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Hotel Tax	Wheel Tax	Litigation Tax	Business Tax	Mineral Tax	Other local Tax	Bank Excise Tax	Wholesale Beer	Interstate Telecom	Total Tax Revenue
1996	\$48,478	\$13,201	\$345	\$3,310	\$381	\$1,001	\$376	\$0	\$110	\$282	\$0	\$67,484
1997	52,670	14,457	410	3,476	420	1,088	363	1,662	204	292	0	75,042
1998	57,996	15,543	441	3,645	480	1,154	385	2,069	178	297	0	82,188
1999	63,270	16,843	445	3,841	479	1,340	429	2,754	221	359	0	89,981
2000	67,899	18,686	456	4,086	529	1,341	493	4,165	269	441	0	98,365
2001	70,934	25,647	632	6,180	674	1,356	310	3,102	168	698	29	109,730
2002	74,293	26,810	543	6,625	749	1,420	335	3,890	241	658	33	115,597
2003	78,153	28,172	579	6,820	873	1,462	361	4,429	214	744	41	121,848
2004	91,540	31,549	644	7,205	884	1,664	453	7,150	279	761	35	142,164
2005	96,676	33,700	645	7,649	909	1,969	534	7,701	406	628	35	150,852

Includes recurring expenditures of the general, special revenue, capital projects and debt service fund types.

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	<u>Real Property</u>		<u>Personal Property</u>		<u>Public Utilities</u>		<u>Total</u>		Ratio of Total Assessed Value To Total Estimated
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Actual Value
1996	1995	\$ 3.15	\$ 4,424,508,000	\$ 1,274,934,645	\$ 620,552,975	\$ 186,165,892	\$ 178,805,224	\$ 89,402,612	\$ 5,223,866,199	\$ 1,550,503,149	29.68%
1997	1996	3.30	4,745,928,800	1,366,884,875	669,991,587	200,997,476	149,501,544	82,225,849	5,565,421,931	1,650,108,200	29.65
1998	1997	3.37	5,078,872,200	1,465,911,480	724,533,679	217,360,103	145,589,653	80,074,309	5,948,995,532	1,763,345,892	29.64
1999	1998	2.78	6,839,877,800	1,962,731,840	807,020,614	242,118,810	177,208,473	97,464,660	7,824,106,887	2,302,315,310	29.43
2000	1999	2.78	7,308,228,200	2,100,499,940	859,717,699	257,924,467	191,292,080	105,210,644	8,359,237,979	2,463,635,051	29.47
2001	2000	2.78	7,793,905,200	2,237,519,835	823,454,620	247,060,102	188,371,398	103,604,269	8,805,731,218	2,588,184,206	29.39
2002	2001	2.78	8,268,341,800	2,373,819,640	845,079,350	253,563,060	194,901,282	107,195,705	9,308,322,432	2,734,578,405	29.38
2003	2002	2.51	9,748,484,300	2,798,492,465	889,493,780	266,890,260	216,907,176	119,298,947	10,854,885,256	3,184,681,672	29.34
2004	2003	2.80	10,227,529,400	2,927,993,510	913,226,059	274,004,385	201,952,962	116,024,129	11,342,708,421	3,318,022,024	29.25
2005	2004	2.80	10,802,285,100	3,086,158,845	941,673,640	282,527,970	217,588,269	119,673,548	11,961,547,009	3,488,360,363	29.16

Sources: Trustee Tax Rolls, Assessor Geographic Tax Rolls, Public Service Commission

Note: Exempt properties are not included in the assessed or estimated value because the property assessor does not currently place values on these.

Table 7

Rutherford County, Tennessee  
Property Tax Rates (per \$100 assessed value)  
Direct and Overlapping Governments  
Last Ten Fiscal Years

<b>Fiscal Year</b>			(1)	(2)	Percent of					
<b>Ending</b>	<b>Tax</b>	Rutherford	Average Daily	Net	County Tax	Benefit of the City	City of	Town of	City of	City of
<b>June 30</b>	<b>Year</b>	County	Attendance Factor	County	Rate Collected for	of Murfreesboro	Murfreesboro	Smyrna	LaVergne	Eagleville
				Rate						
1996	1995	\$ 3.15	0.1884	\$ 2.80	11.11%		\$ 2.28	\$ 0.48	\$ 0.54	\$ 1.03
1997	1996	3.30	0.1856	2.96	10.30%		2.26	0.48	0.54	1.03
1998	1997	3.37	0.1832	2.51	10.00%		2.26	0.48	0.54	1.03
1999	1998	2.78	0.1820	2.51	9.71%		1.90	0.48	0.50	0.79
2000	1999	2.78	0.1767	2.52	9.35%		1.90	0.72	0.50	0.79
2001	2000	2.78	0.1739	2.53	8.99%		1.90	0.83	0.50	0.79
2002	2001	2.78	0.1684	2.54	8.63%		1.90	0.72	0.50	0.79
2003	2002	2.51	0.1670	2.29	8.76%		1.70	0.72	0.50	0.72
2004	2003	2.80	0.1631	2.56	8.57%		1.72	0.69	0.50	0.72
2005	2004	2.80	0.1575	2.57	8.21%		1.72	0.69	0.50	0.72

Source: Trustee's Office, City Records, and Tennessee Association of Businesses

- (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 county and city 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.

Table 8

Rutherford County, Tennessee  
Principal Taxpayers  
For the Fiscal Year Ended June 30, 2005

<u>Taxpayer</u>	Type of Business	2004			Percentage of Total Taxes Levied (2)	1995			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2004 Tax Liability		Rank	Assessed Valuation	1995 Tax Liability	
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 202,313,155	\$ 4,042,645	4.13%	1	\$ 219,637,464	\$ 3,624,222 (1)	8.33%
Bridgestone Tire Maker		2	37,934,645	1,062,170	1.09%	2	53,493,064	1,685,031	3.87%
Middle Tennessee Electric Public Utility-Electric Company		3	36,115,893	1,011,245	1.03%	4	21,026,090	662,332	1.52%
Pillsbury Co./General Mills Bakery Goods		4	26,143,259	732,010	0.75%	5	20,861,930	657,151	1.51%
BellSouth Public Utility-Telephone Co.		5	21,989,484	615,706	0.63%	3	25,594,907	806,239	1.85%
Southpark, Nashville, LLC Warehousing		6	21,577,920	604,181	0.62%				
HCA Health Services Stone Crest Medical Center		7	18,119,075	507,334	0.52%				
Stones River, LLC Mall		8	14,097,680	394,734	0.40%	9	9,346,000	294,339	0.68%
Rich-Healy Bakery Goods		9	13,493,750	377,825	0.39%	6	7,237,005	476,341 (3)	1.09%
Osborne-Hessey Storage Co. Warehousing		10	11,444,240	320,439	0.33%				
State Farm Insurance Regional Office-Insurance Co.						7	12,061,113	379,925	0.87%
Cumberland Swann Pharmaceutical/Health Co.						8	11,025,288	328,620	0.75%
United Cities Gas Public Utilities						10	9,034,242	284,578	0.65%
					<u>9.88%</u>				<u>21.13%</u>

Source: Trustee Tax Rolls, In-Lieu-of Tax Agreements

- (1) The taxes represent \$697,625 (1995 tax year) and \$867,228 (2004 tax year) collected on real and personal property for the transport division. The remaining amount of \$2,926,597 (1995) and \$3,175,417 (2004) 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.
- (3) Of total taxes collected in 1995-96, \$286,338 represents payments made for prior year in lieu of payments not billed.

Table 9

Rutherford County, Tennessee  
Property Tax Levies and Collections-By Tax Year  
Last Ten Fiscal Years  
As of June 30, 2005

<b>Tax Year</b>	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	Ratio of Delinquent Taxes to Total Tax Levy
1995	\$ 48,463,816	\$ 46,983,363	96.95%	\$ 1,384,487	\$ 48,367,850	99.80%	\$ 95,966	0.20%
1996	53,625,211	51,236,492	95.55%	2,334,270	53,570,762	99.90%	54,450	0.10%
1997	58,776,790	56,966,453	96.92%	1,732,006	58,698,459	99.87%	78,331	0.13%
1998	64,252,785	62,134,729	96.70%	1,996,654	64,131,383	99.81%	121,402	0.19%
1999	68,779,516	65,913,865	95.83%	2,810,222	68,724,087	99.92%	55,429	0.08%
2000	72,057,084	68,830,952	95.52%	3,141,721	71,972,673	99.88%	84,411	0.12%
2001	76,232,827	72,780,582	95.47%	3,256,621	76,037,203	99.74%	195,624	0.26%
2002	79,909,122	76,104,340	95.24%	3,545,933	79,650,273	99.68%	258,849	0.32%
2003	93,099,927	89,736,798	96.39%	2,788,444	92,525,242	99.38%	574,685	0.62%
2004	97,889,256	94,864,349	96.91%	(1)	94,864,348	96.91%	3,024,907	3.09%

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.

Table 10

Rutherford County, Tennessee  
Assessed and Estimated Actual Value of In-Lieu-of Tax Agreements  
and Tax Payments  
Last Ten Fiscal Years

<b>Fiscal Year</b>				
<b>Ending</b>	<b>Tax</b>			<b>Tax</b>
<b>June 30</b>	<b>Year</b>	<b>Estimated</b>	<b>Assessed</b>	<b>Payments</b>
1996	1995	\$ 1,078,086,001	\$ 387,687,709	\$ 3,489,173
1997	1996	1,096,700,168	387,133,376	3,369,071
1998	1997	1,093,417,168	411,865,838	3,389,612
1999	1998	1,087,029,548	383,265,128	2,881,009
2000	1999	1,087,029,548	383,265,128	2,881,009
2001	2000	1,087,029,548	383,265,128	2,881,008
2002	2001	1,317,357,830	377,729,024	2,884,301
2003	2002	1,351,106,813	392,534,657	2,914,150
2004	2003	1,218,399,585	424,667,199	3,370,062
2005	2004	1,246,266,807	423,810,464	3,381,739

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 six companies in 2004-2005, with Nissan representing approximately 93.9% 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.

Table 11

Rutherford County, Tennessee  
Ratio of Net General Obligation Bonded Debt  
To Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years

<b>Fiscal Year</b>	General Bonded Debt	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Assessed Value	Ratio of Net Bonded Debt to Assessed Value	(1) Population	Net Bonded Debt per Capita
1996	\$ 116,033,098	\$ 12,803,874	\$ 103,229,224	\$ 1,550,503,149	6.66%	146,573	\$ 704
1997	147,780,521	16,198,276	131,582,245	1,650,108,208	7.97	154,543	851
1998	185,313,634	19,411,437	165,902,197	1,763,345,892	9.41	161,942	1,024
1999	173,328,929	21,469,367	151,859,562	2,302,315,310	6.60	167,703	906
2000	205,361,403	26,003,765	179,357,638	2,463,635,051	7.28	171,783	1,044
2001	229,156,330	31,952,799	197,203,531	2,588,184,206	7.62	182,023	1,083
2002	269,306,881	31,664,227	237,642,654	2,734,578,405	8.69	190,143	1,250
2003	275,187,432	28,975,397	246,212,035	3,184,681,672	7.73	194,934	1,263
2004	283,797,983	28,764,889	246,212,035	3,318,022,024	7.42	202,310	1,217
2005	318,888,534	30,266,866	288,621,668	3,488,360,363	8.27	210,025	1,374

Sources: Table 5, Tennessee Dept. of Economic & Community Development

(1) Population figures are estimated for all years except 1996 and 2001 fiscal years

NOTE: General Bonded Debt on this table includes capital outlay notes, since most have maturities in excess of 10 year:

Table 12

Rutherford County, Tennessee  
Direct and Overlapping Debt  
General Obligation Bonds and Notes  
As of June 30, 2005

**Direct Debt**

General Bonded Debt	\$ 302,245,000	
Notes Payable	16,643,534	
Less: General Debt Service Fund	<u>(30,266,866)</u>	
Total Direct Debt		\$ 288,621,668

**Overlapping Debt**

City of Murfreesboro	\$ 114,946,047	
Town of Smyrna	4,985,187	
City of Lavergne	10,620,000	
City of Eagleville	<u>140,000</u>	
Total Overlapping Debt		<u>130,691,234</u>

<b>Total Direct and Overlapping Debt</b>	<b><u><u>\$ 419,312,902</u></u></b>
--	-------------------------------------

Source: City Records

Table 13

Rutherford County, Tennessee  
Demographic Statistics  
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population		Per Capita Income	(3) Median Age	County School Enrollment	Average Unemployment rate
1996	146,573	(2)	\$ 22,041	29.8	21,943	3.6%
1997	159,543		22,575	29.8	22,930	3.4%
1998	161,942		24,321	29.8	23,898	3.8%
1999	167,703		25,212	29.8	24,228	2.6%
2000	171,783		25,716	29.8	24,750	2.5%
2001	182,023		26,630	31.2	25,793	2.9%
2002	190,143		26,533	31.2	26,817	3.8%
2003	194,934		26,946	31.2	28,049	4.1%
2004	202,310		26,935	31.2	29,410	4.1%
2005	210,025		27,910	31.2	31,058	4.1%

Source: University of Tennessee, Center for Business & Economic Research,  
Tennessee Department of Education, Bureau of Economic Analysis &  
Business and Economic Research Center

(1) Populations are estimated for all years except fiscal years 1996 & 2001.

(2) Special Census conducted- represents actual figures.

(3) The Census Bureau determines the median age for local areas each decade.

The last determination was during the 2000 census and will be determined again after the 2010 census.

Table 14

Rutherford County, Tennessee  
Principal Employer  
Current Year (1)

Employer	2005		% of Total County Employment
	Employees	Rank	
Nissan Motor Manufacturing Corp. USA	7,000	1	6.54%
Rutherford County Government & Board of Education	2,985	2	2.79%
Ingram Book Company	2,010	3	1.88%
Bridgestone/Firestone, Inc.	1,887	4	1.76%
Middle Tennessee State University	1,835	5	1.71%
Whirlpool Corporation	1,500	6	1.40%
Alvin C. York Veterans Administration Medical Center	1,411	7	1.32%
City of Murfreesboro	1,300	8	1.21%
Middle Tennessee Medical Center	1,200	9	1.12%
Verizon Wireless	1,200	10	1.12%
Total			<u>20.86%</u>

Source: Chamber of Commerce  
Tennessee Department of Labor

(1) Data for nine years ago is not available.

Table 15

Rutherford County, Tennessee  
Full-Time Employees by Function  
Last Ten Years

	Employees as of June 30,									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Function:</b>										
General Government	46	47	49	52	54	54	57	58	58	58
Finance	41	42	44	45	49	50	52	52	52	52
Justice	52	52	52	59	68	68	73	76	77	78
Public Safety	191	209	289	313	348	352	357	366	387	397
Health & Welfare	106	117	130	137	156	157	159	169	179	186
Agriculture	1	1	1	1	4	4	6	6	7	12
Other	2	2	2	2	3	3	3	3	3	3
Road & Bridge	71	71	72	71	72	71	73	71	71	71
<b>Total</b>	<b>510</b>	<b>541</b>	<b>639</b>	<b>680</b>	<b>754</b>	<b>759</b>	<b>780</b>	<b>801</b>	<b>834</b>	<b>857</b>
<b>COMPONENT UNIT:</b>										
Education	1,832	1,935	2,055	2,199	2,204	2,354	2,467	2,444	2,597	2,748

Table 16

Rutherford County, Tennessee  
Operating Indicators by Function  
June 30, 2005

FUNCTION	Fiscal Year									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b><u>General Government</u></b>										
Registered Voters	70,989	77,569	80,738	82,766	86,541	89,247	93,415	96,682	105,286	116,705
Building Permits Issued										
Single Family Homes	786	1,047	992	858	779	642	618	585	566	828
All other permits	1,030	933	1,119	1,126	1,327	1,777	1,583	1,668	1,588	1,586
<b><u>Public Safety</u></b>										
Number of warrants served:										
State	8,850	8,720	8,304	7,433	8,742	9,764	10,155	9,518	10,542	10,216
Civil	17,477	10,793	16,385	14,035	14,624	15,964	16,762	16,390	17,638	17,655
<b><u>Public Health</u></b>										
Ambulance- Call Volume	N/A	N/A	12,030	12,617	12,613	13,688	14,803	16,432	17,341	16,978
Response Time -avg. minutes	N/A	N/A	8	8	9	9	8	8	8	9
Animal Control										
Requests for service	N/A	N/A	N/A	N/A	7,662	9,327	12,764	14,765	13,313	10,937
Animals Impounded	N/A	N/A	N/A	N/A	8,312	8,510	8,822	9,739	8,510	7,421
Animals Adopted	N/A	N/A	N/A	N/A	1,335	1,496	1,498	1,385	1,596	1,774
<b><u>Road &amp; Bridge</u></b>										
Street Resurfaced (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.7
<b><u>Sanitation</u></b>										
(tons per day)										
Refuse Collected	N/A	N/A	N/A	80.4	83.8	84.1	92.9	97.9	103.1	111.8
Recyclables Collected	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.8	12.7

N/A= Information is not available for this period.

Table 17

Rutherford County, Tennessee  
Capital Assets by Function  
June 30, 2005

[illegible]

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## **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
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

September 21, 2005

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

To the County Mayor and Board of County Commissioners:

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 Rutherford County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated September 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rutherford County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Rutherford County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the

accompanying Schedule of Findings and Questioned Costs as items 05.02, 05.04, 05.05, 05.06, 05.08 and 05.09.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

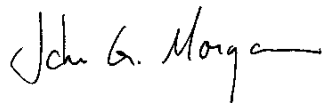
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rutherford County's statements are free of 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 which are described in the accompanying Schedule of Findings and Questioned Costs as items 05.01, 05.03, and 05.07.

We also noted certain matters that we reported to the management of Rutherford County in separate communications.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "John G. Morgan". The signature is fluid and cursive, with a long horizontal stroke at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/yu



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

September 21, 2005

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Rutherford County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Rutherford County's management. Our responsibility is to express an opinion on Rutherford County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing 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. Our audit does not provide a legal determination on Rutherford County's compliance with those requirements.

In our opinion, Rutherford County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

#### Internal Control Over Compliance

The management of Rutherford County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Rutherford County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

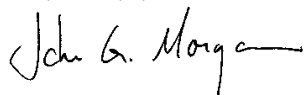
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### Schedule of Federal Awards

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, 2005, and have issued our report thereon dated September 21, 2005. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John G. Morgan", with a stylized flourish at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
For Community Care of Rutherford County, Inc.

Board of Directors  
Community Care of Rutherford County, Inc.  
Murfreesboro, Tennessee

We have audited the financial statements of Community Care of Rutherford County, Inc., a component unit of Rutherford County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Care of Rutherford County, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Care of Rutherford County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors of Community Care of Rutherford County, Inc., management, and state and federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
For Rutherford County Emergency Communications District

To the Board of Directors  
Rutherford County Emergency Communications District  
Murfreesboro, Tennessee

We have audited the financial statements of Rutherford County Emergency Communications District as of and for the year ended June 30, 2005, and have issued our report thereon. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rutherford County Emergency Communications District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Rutherford County Emergency Communications District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Commissioners, management, and appropriate regulatory authorities and is not intended to be and should not be used by anyone other than these specified parties.

Rutherford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2005

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass- through Agency's Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Distribution (Noncash Assistance)	10.550	(2)	\$ 973,486
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	591,894
National School Lunch Program	10.555	(2)	2,980,008
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	(2)	72,479
Total U.S. Department of Agriculture			<u>\$ 4,617,867</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM0361	\$ 111,310
Total U.S. Department of Housing and Urban Development			<u>\$ 111,310</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 32,369
Total U.S. Department of the Interior			<u>\$ 32,369</u>
U.S. Department of Justice:			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 82,000
Local Law Enforcement Block Grants Program	16.592	N/A	18,406
Public Safety Partnership and Community Policing (COPS - UHP)	16.710	N/A	370,214 (3)
Public Safety Partnership and Community Policing (COPS IN SCHOOLS)	16.710	N/A	238,297 (3)
Passed-through State Department of Children's Services:			
Juvenile Accountability Incentive Block Grants	16.523	GG039856501	27,380 (4)
Juvenile Accountability Incentive Block Grants	16.523	GG041052800	9,534 (4)
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Program	16.580	Z9908837600	75,001
Violence Against Women Formula Grants	16.588	Z0000140401	45,491
Total U.S. Department of Justice			<u>\$ 866,323</u>
U.S. Department of Labor:			
Passed-through State Department of Education:			
WIA Incentive Grants-Section 503 Grants to States	17.267	GG051117001	\$ 29,293
Total U.S. Department of Labor			<u>\$ 29,293</u>
National Science Foundation:			
Passed-through Tennessee State University:			
Education and Human Resources	47.076	(2)	\$ 7,994
Total National Science Foundation			<u>\$ 7,994</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	(2)	\$ 240,808
Civil Rights Training and Advisory Services	84.004	N/A	13,033
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,969,651
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	6,438,231
Special Education - Preschool Grants	84.173	N/A	101,064
Vocational Education - Basic Grants to States	84.048	N/A	444,962

(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 Agency's Number	Expenditures
Special Education Cluster (Cont.):			
Safe and Drug Free Schools and Communities - State Grants	84.186A	(2)	84,480
Education for Homeless Children and Youth	84.196	(2)	65,949
Education Edge (School-to-Work Opportunities)	84.278	N/A	3,507
Twenty-First Century Community Learning Centers	84.287	(2)	45,726
State Grants for Innovative Programs	84.298	N/A	298,876
Education Technology State Grants	84.318	(2)	55,274
Comprehensive School Reform Demonstration	84.332A	(2)	99,075
Advanced Placement Program	84.330	N/A	1,205
English Language Acquisition Grants	84.365A	N/A	191,211
Improving Teacher Quality State Grants	84.367	N/A	832,291
Total U.S. Department of Education			<u>\$ 10,885,343</u>
U.S. Department of Health and Human Services:			
Passed-through State Office of Criminal Justice Programs:			
Child Support Enforcement	93.563	HM0361	<u>\$ 3,995</u>
Total U.S. Department of Health and Human Services			<u>\$ 3,995</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.004	Z0301779600	\$ 149,001 (5)
Homeland Security Grant Program	97.004	Z0402014101	492,337 (5)
Homeland Security Grant Program	97.004	Z0402248900	36,699 (5)
Flood Mitigation Assistance	97.029	GG04112880	151,312
Emergency Management Performance Grants	97.042	(2)	35,824
Total U.S. Department of Homeland Security			<u>\$ 865,173</u>
Total Expenditures of Federal Awards			<u>\$ 17,419,667</u>
State Grants			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 49,020
Teen Trax Grant - State Department of Children's Service	N/A	GG0410510	62,827
Juvenile Justice - State Commission on Children and Youth	N/A	Z0502042400	9,000
Helicon Grant - State Department of Economic and Community Development	N/A	(2)	437,820
Adult Education - State Department of Education	N/A	Z050222610	60,762
Safe Schools Act - State Department of Education	N/A	(2)	113,978
Litter Grant - State Department of Environment & Conservation	N/A	(2)	89,969
Recycling Program - State Department of Environment & Conservation	N/A	(2)	25,724
Waste Tire Program - State Department of Environment & Conservation	N/A	Z0301135100	121,920
Rural Local Health Services - State Department of Health	N/A	Z0401537000	1,085,965
Total State Grants			<u>\$ 2,056,985</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 Public Safety Partnership and Community Policing from the  
U. S. Department of Justice (CFDA Number 16.710) \$608,511.

(4) Total Juvenile Accountability Incentive Block Grants from the  
U. S. Department of Justice (CFDA Number 16.523) \$36,914.

(5) Total Homeland Security Grant Program from the  
U. S. Department of Homeland Security (CFDA Number 97.004) \$678,037.

Rutherford County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2005

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, 2004, which have not been corrected.

**OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

Finding Number	Page Number	Subject
04.04	256	Sufficient user documentation for the courts' software application was not maintained

**OFFICE OF REGISTER**

Finding Number	Page Number	Subject
04.05	256	The Office of Register allowed individuals unsupervised access to the office after business hours

**OFFICE OF SHERIFF**

Finding Number	Page Number	Subject
04.07	257	The commissary did not deposit funds within three days of collection

**OTHER FINDINGS AND RECOMMENDATIONS**

Finding Number	Page Number	Subject
04.08	257	Duties were not segregated adequately in the Office of Juvenile Court Clerk
04.09	258	A central system of purchasing had not been adopted

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**RUTHERFORD COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2005**

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

1. An unqualified opinion was issued on the financial statements of Rutherford County.
2. The audit of the financial statements disclosed reportable conditions in internal control. None of these conditions was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Rutherford County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified 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 Food Distribution (CFDA No. 10.550); the Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Title I Grants to Local Educational Agencies (CFDA No. 84.010); and Homeland Security Grant Program (CFDA No. 97.004) were determined to be major programs.
8. A threshold of \$522,590 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 have reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the register is paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 05.01      **BID SPECIFICATIONS FOR A TRUCK PURCHASE APPLIED ONLY TO ONE BRAND** (Noncompliance Under Government Auditing Standards)**

The office solicited bids for the purchase of a truck using bid specifications that could be met by only one manufacturer and accepted the one bid received (\$92,875). Using bid specifications that apply only to a particular brand of equipment violates the intent of Chapter 421, Private Acts of 1943, as amended, which requires competitive bids on purchases exceeding \$5,000.

#### **RECOMMENDATION**

The office should develop bid specifications that are not brand specific. Bids should then be evaluated on the basis of several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc.

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### **OFFICE OF DIRECTOR OF FINANCE**

#### **FINDING 05.02      **THE WORKERS' COMPENSATION FUND HAD A NET ASSETS DEFICIT** (Internal Control – Reportable Condition Under Government Auditing Standards)**

The Workers' Compensation Fund (Internal Service Fund) had a net assets deficit of \$395,906 at June 30, 2005. This net assets deficit resulted from an increase in the estimate of claims incurred as of June 30, 2005.

#### **RECOMMENDATION**

County officials should liquidate the net assets deficit and should closely review and monitor this situation to determine if the fund can be self-sufficient over an extended period of time.

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## **OFFICE OF HIGHWAY SUPERINTENDENT**

### **FINDING 05.03**      **COMPETITIVE BIDS WERE NOT SOLICITED FOR A TRUCK** (Noncompliance Under Government Auditing Standards)

Highway Department officials advised that the department did not competitively bid on a truck but purchased the truck (\$21,552) from a local vendor under a state contract. However, it was subsequently determined that this vendor did not have the state contract for this type of truck. Therefore, the Highway Department violated the Uniform Road Law, Section 54-7-113, Tennessee Code Annotated, which requires competitive bids on purchases exceeding \$10,000.

### **RECOMMENDATION**

Highway Department officials should verify the state contract information prior to purchasing from vendors representing themselves to be on the state contract.

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## **OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

### **FINDING 05.04**      **THE OFFICE USED AN UNAUTHORIZED SIGNATURE STAMP** (Internal Control – Reportable Condition Under Government Auditing Standards)

The Office of Circuit, General Sessions, and Juvenile Courts Clerk used a signature stamp to affix the clerk's signature to checks issued by the office. State statutes do not provide authority for county offices and departments to use a signature stamp in place of an individual's actual signature.

### **RECOMMENDATION**

In the absence of statutory authority, the clerk should discontinue using the signature stamp.

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### **FINDING 05.05**      **SUFFICIENT USER DOCUMENTATION FOR THE COURTS' SOFTWARE APPLICATION WAS NOT MAINTAINED** (Internal Control – Reportable Condition Under Government Auditing Standards)

The Office of Circuit, General Sessions, and Juvenile Courts Clerk did not maintain formal user documentation pertaining to the courts' software. This documentation is necessary to

provide users with information regarding system maintenance, system inputs, application processing requirements, output definitions, and system recovery. Inadequate documentation may result in inaccurate and inefficient processing of applications.

#### RECOMMENDATION

The office should maintain user documentation for the courts' software. The county's agreement with the software vendor explicitly states that the vendor will provide the county with a user's manual and related documentation. Therefore, management should contact their vendor and obtain current user documentation for the court software.

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#### OFFICE OF REGISTER

##### FINDING 05.06      **THE OFFICE OF REGISTER ALLOWED INDIVIDUALS UNSUPERVISED ACCESS TO THE OFFICE AFTER BUSINESS HOURS**

(Internal Control – Reportable Condition Under Government Auditing Standards)

The register did not adequately control access to her office. Individuals who were not office employees had unsupervised access to the office after business hours. Allowing persons who are not employees to have unsupervised access to an office after business hours seriously weakens internal controls over assets.

#### RECOMMENDATION

Individuals who are not office employees should not be allowed unsupervised access to the office after business hours.

#### MANAGEMENT'S RESPONSE – REGISTER

For over 40 years attorneys and others performing title searches have had access to the office after business hours, and during this time there have never been any problems occurring as a result. All cash is secured at the close of business and is inaccessible to anyone other than my staff. This process benefits not only the attorneys involved but my staff as well.

#### REBUTTAL

Internal control over assets extends beyond the cash of the office, to include the security of records and equipment which are subject to theft and abuse. This unsupervised access could expose the county to potential liability claims and safety issues for people who are not employees.

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## **OFFICE OF SHERIFF**

### **FINDING 05.07      **THE OFFICE DID NOT DEPOSIT COMMISSARY FUNDS WITHIN THREE DAYS OF COLLECTION****

(Noncompliance Under Government Auditing Standards)

The Sheriff's Department did not deposit commissary funds within three days of collection. Section 5-8-207, Tennessee Code Annotated, requires county officials to deposit public funds to the office bank account within three days after receipt of the funds.

### **RECOMMENDATION**

The sheriff should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

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## **OTHER FINDINGS AND RECOMMENDATIONS**

### **FINDING 05.08      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF JUVENILE COURT CLERK AND THE CORRECTIONAL WORK CENTER****

(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not adequately segregated among the official and employees in the Office of Juvenile Court Clerk and the Rutherford County Correctional Work Center. Employees responsible for maintaining the accounting records in these offices were also involved in receipting, depositing, and/or disbursing funds.

### **RECOMMENDATION**

To strengthen internal controls over operations, these offices should segregate duties adequately among employees.

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### **FINDING 05.09      **A CENTRAL SYSTEM OF PURCHASING HAD NOT BEEN ADOPTED****

(Internal Control – Reportable Condition Under Government Auditing Standards)

Rutherford County officials had not adopted a central system of purchasing. Establishing a central system would significantly improve internal controls over the purchasing process.

### RECOMMENDATION

Rutherford County officials should consider adopting the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.

**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, 2005**

There were no audit findings relative to federal awards presented in the prior audit's Schedule of Findings and Questioned Costs or the current year's Schedule of Findings and Questioned Costs.