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



**FOR THE YEAR ENDED JUNE 30, 2007**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**RUTHERFORD COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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

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

***JAMES R. ARNETTE***  
***Director***

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

***EUGENE HAMPTON II, CPA, CGFM***  
***Auditor 4***

***PATTY VARGO, CFE***  
***SUZZIE SINGLETON, CGFM***  
***KELLEY McNEAL, CPA, CGFM***  
***JAY FINCHER***  
***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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# RUTHERFORD COUNTY, TENNESSEE

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# ***Audit Highlights***

Comprehensive Annual Financial Report  
Rutherford County, Tennessee  
For the Year Ended June 30, 2007

## ***Scope***

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2007.

## ***Results***

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

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

## ***Findings***

The following are summaries of the audit findings:

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

- ◆ The Workers' Compensation and Self-Insurance Funds had net assets deficits of \$414,675 and \$328,193, respectively, at June 30, 2007.

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### **OFFICE OF SHERIFF**

- ◆ Federal equitable shared funds were not channeled through the county's budgetary process as required by state statute.

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### **OTHER FINDING**

- ◆ County officials had not adopted a central system of purchasing.

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## INTRODUCTORY SECTION

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

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## LETTER OF TRANSMITTAL

October 31, 2007

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

The Comprehensive Annual Financial Report of Rutherford County, Tennessee, for the year ended June 30, 2007, 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 financial statements in conformity with GAAP in Rutherford County. The cost of internal controls should not outweigh their benefits in Rutherford County, Tennessee. The comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The goal of the independent audit was to provide reasonable assurance that the financial statements of Rutherford County, Tennessee, for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The financial statements of Rutherford County, Tennessee, have been audited by the 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 on the financial statements of Rutherford County, Tennessee, for the fiscal year ended June 30, 2007, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Rutherford County, 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 F as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, this information is presented on Exhibit G-3 through Exhibit H.

The financial statements include separate reporting for three legally separate entities: (1) Rutherford County Board of Education, which operates the public school system in the county; (2) Community Care of Rutherford County, Inc., which provides nursing home care to the citizens of Rutherford County; and (3) Rutherford County Emergency Communications District, which provides a simplified means of securing emergency services through a uniform emergency number for the residents of Rutherford County. Rutherford County is financially accountable 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 growth rate of over 41.3 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 23,000, 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. Government 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 2.9 percent in fiscal 1999 (compared to 4.3 percent for Tennessee and 4.4 percent for the United States) to a high of 4.5 percent in fiscal 2004 (compared to 5.7 percent for Tennessee and 5.81 percent for the United States). For the fiscal year ended June 30, 2007, the average unemployment rate for Rutherford

County remained at 4.2 percent compared to 4.8 percent for Tennessee and 4.5 percent for the United States.

### **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 to 69 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 to build ten elementary schools, seven middle schools, and three high schools.

Planned general capital projects within the next ten years include road improvements, renovation of the Smyrna Health Department, workhouse, juvenile detention center, criminal justice center, parking garage, and an addition to the existing jail. It is estimated that the county will have a need for capital investment in these areas of more than \$110 million over the next five to ten years. As of June 30, 2007, Rutherford County has funded approximately \$28.9 million toward those projects.

### **Long-term Financial Planning and Relevant Financial Policies**

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

Unreserved undesignated fund balance in the General Fund totals almost \$19.9 million. This represents 30 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.

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 debt service fund. Initially the policy dictated that the unreserved undesignated fund balance in the 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 debt service fund that is conservatively calculated to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies, (4) variable rate volatility

contingencies, and (5) future forecasted needs. The ending fund balance of the debt service fund meets the new fund balance 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, 2006. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. Rutherford County has received the Certificate of Achievement for 12 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, Sue Hollandsworth, 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,

A handwritten signature in black ink, reading "Lisa A. Nolen". The signature is fluid and cursive, with the first name "Lisa" being the most prominent.

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, 2006

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.

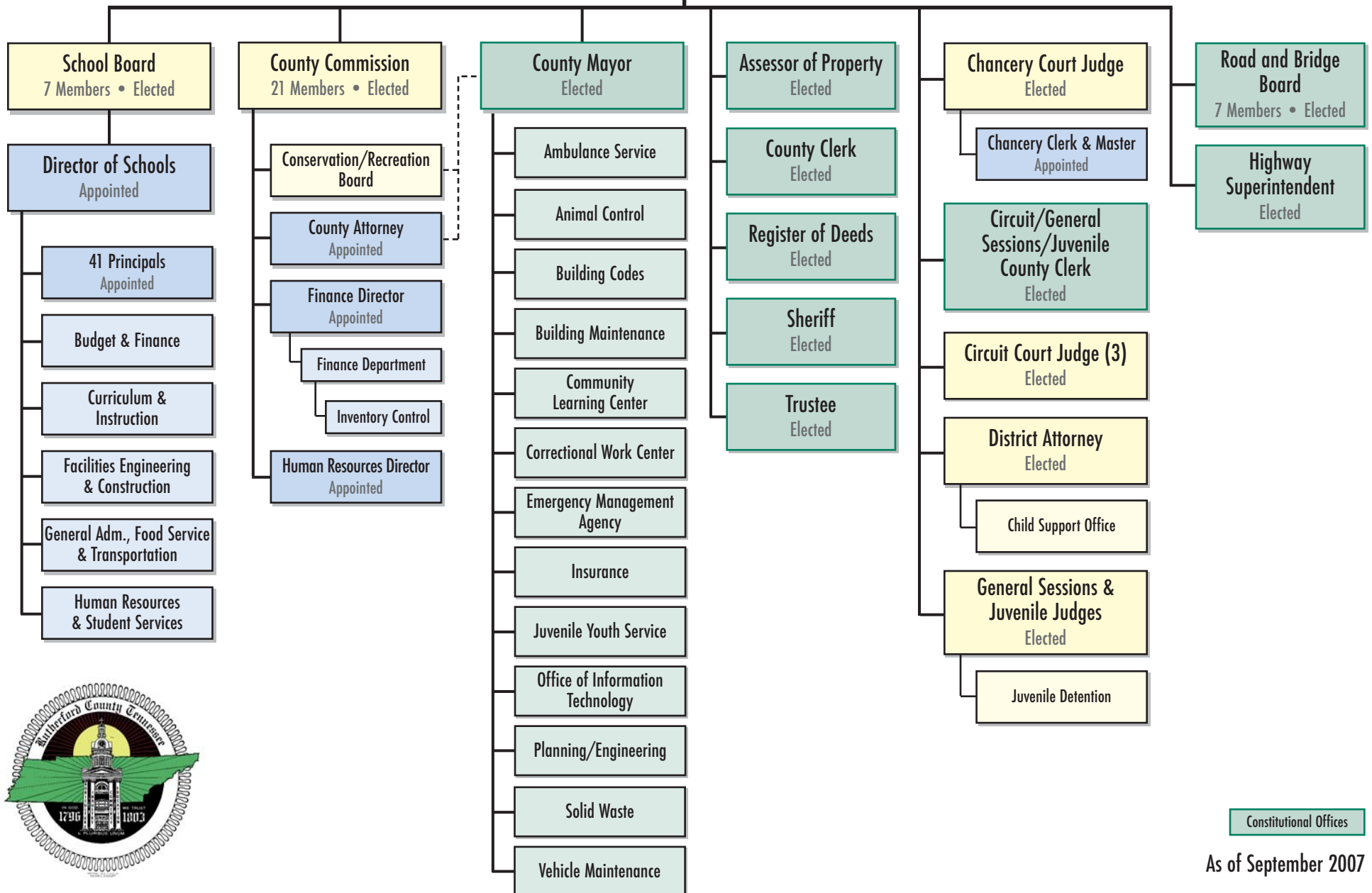


President

Executive Director

# RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

## ELECTORATE



Constitutional Offices

As of September 2007

## Rutherford County Officials

June 30, 2007

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### Officials

Ernest Burgess, County Mayor  
Mike Williams, Highway Superintendent  
Harry Gill, Jr., Director of Schools  
Thomas Batey, 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

Ernest Burgess, Chairman	Mike Sparks
Doug Shafer	Rick Hall
Jack Black	Jeff Jordan
Will Jordan	John Rodgers
Robert Peay, Jr.	Adam Coggin
Carol Cook	Bob Bullen
Joe Jernigan	Jeff Phillips
Gary Farley	Allen McAdoo
Ronald Williams	Joyce Ealy
Steven Sandlin	William Gooch
Anthony Johnson	Dorris Daniel, Jr.

### Highway Commissioners

David Victory, Chairman	Randal Jones
Michael Anderson	Paul Johnson
William Bratcher	Richard Stegall
John Goad	

## Rutherford County Officials (Cont.)

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### **Board of Education**

Rick Wise, Chairman  
Wayne Blair  
Mark Byrnes  
Terry Hodge

Donald Jernigan  
Dorris Jernigan, Sr.  
Grant Kelley

### **Budget, Finance, and Investment Committee**

Joyce Ealy, Chairman  
Bob Bullen  
Joe Jernigan  
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**

October 31, 2007

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, 2007, 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 .85 percent and 3.6 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 .8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2007, 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, 2007, 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.

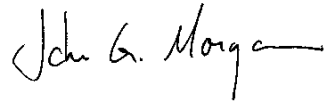
In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2007, on our consideration of Rutherford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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.

The management's discussion and analysis on pages 23 through 33 and the budgetary comparison and pension information on pages 99 through 105 are not required parts 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/sb

**Rutherford County, Tennessee  
Management's Discussion and Analysis  
For the Year Ended June 30, 2007**

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, 2007. 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 \$14,424 (net assets). Of this amount, \$280,256 is long-term debt that is attributable to the Rutherford County Board of Education.
- The government's total net assets increased by \$31,829. This increase resulted from the county not needing to issue debt on behalf of the school system.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$92,748, a decrease of \$12,423 in comparison with the prior year. Most of this total amount, \$88,119, 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 \$19,931, or 30 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, decreased by \$24,539 (6.76%) during the current fiscal year.

**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 the finances of Rutherford County, Tennessee, 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). The governmental activities of Rutherford County, Tennessee, include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; 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 Exhibits A and B of this report.

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

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

Because the focus of governmental funds is 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 12 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, and the General Capital Projects Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 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 Exhibits D-1 through D-3 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Rutherford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit E 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 49 through 95 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 Exhibits G-1 through J-2 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 exceeded assets by \$14,424 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 the Rutherford County Government. As of June 30, 2007, Rutherford County had outstanding debt totaling \$280,256 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	
	2006	2007
Assets:		
Current and other assets	\$ 177,289	\$ 178,245
Capital assets	210,174	225,262
Total Assets	<u>\$ 387,463</u>	<u>\$ 403,507</u>
Liabilities:		
Long-term liabilities outstanding	\$ 349,532	\$ 325,411
Other liabilities	84,184	92,520
Total Liabilities	<u>\$ 433,716</u>	<u>\$ 417,931</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 146,463	\$ 166,386
Restricted	85,672	70,551
Unrestricted	<u>(278,388)</u>	<u>(251,361)</u>
Total Net Assets	<u>\$ (46,253)</u>	<u>\$ (14,424)</u>

By far the largest portion of Rutherford County's net assets (\$166,386) 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.

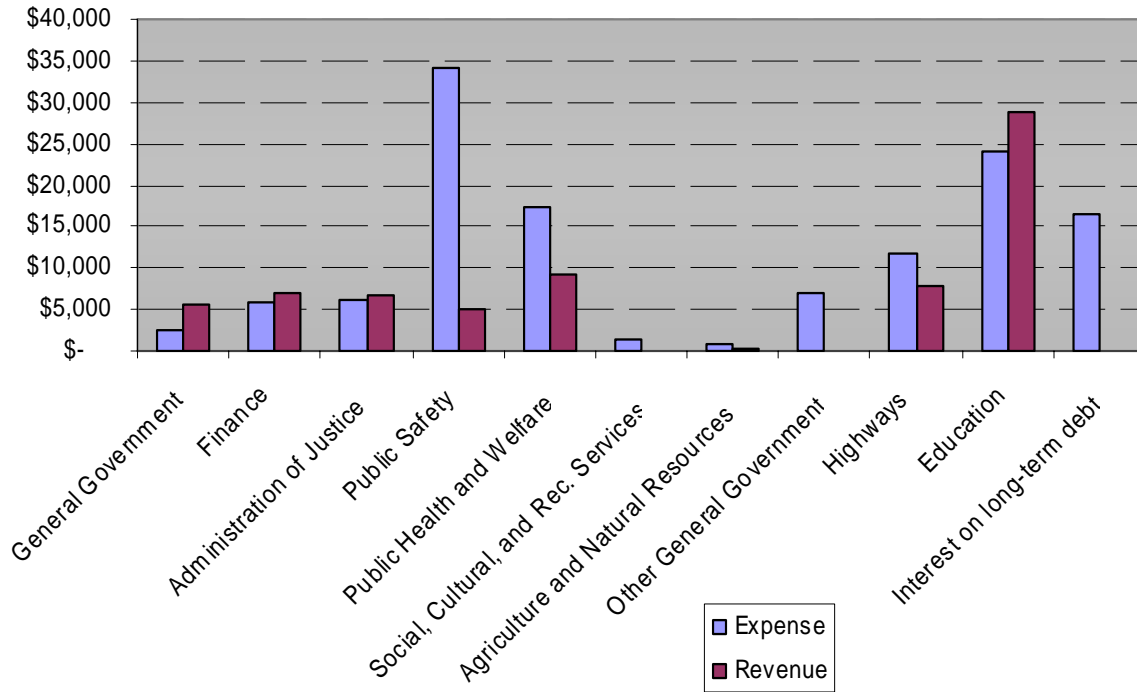
An additional portion of the net assets of Rutherford County, Tennessee, (\$70,551) represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

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

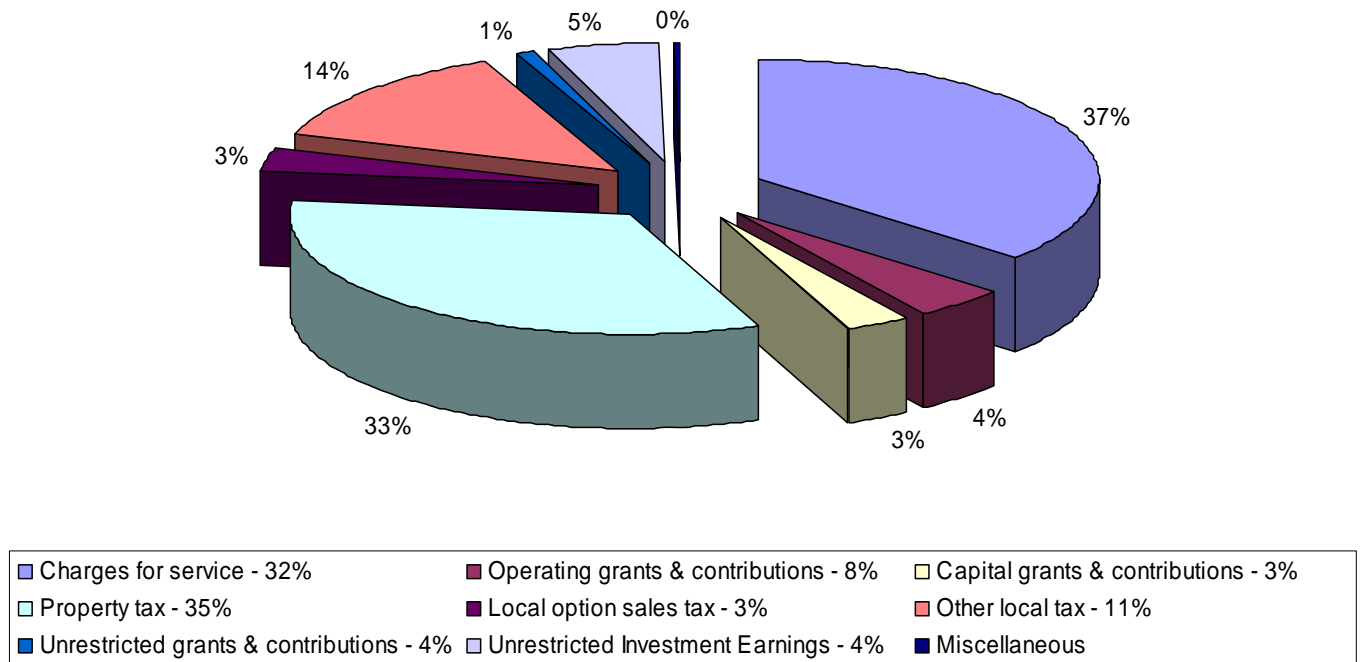
**Governmental activities.** Governmental activities increased Rutherford County Government's net assets by \$31,829. Key elements of this increase are as follows:

	Governmental Activities	
	2006	2007
Revenues:		
Program revenues:		
Charges for services	\$ 46,913	\$ 58,050
Operating grants and contributions	11,044	7,002
Capital grants and contributions	4,872	5,041
General revenues:		
Property taxes	50,967	52,452
Other taxes	20,232	26,928
Grants and contributions not restricted to specific programs	6,014	1,054
Unrestricted investment earnings	5,114	8,500
Gain on disposal of capital asset	62	0
Other	0	424
Total revenues	<u>\$ 145,218</u>	<u>\$ 159,451</u>
Expenses:		
General government	\$ 5,341	\$ 2,469
Finance	5,727	5,874
Administration of justice	5,331	6,265
Public safety	28,398	34,122
Public health and welfare	15,762	17,313
Social, cultural, and recreation services	1,352	1,350
Agriculture and natural resources	802	918
Other operations	6,104	6,899
Highways	9,750	11,855
Education	70,937	23,940
Interest on long-term debt	14,510	16,617
Total expenses	<u>\$ 164,014</u>	<u>\$ 127,622</u>
Increase (Decrease) in net assets	\$ (18,796)	\$ 31,829
Net assets, July 1	<u>(27,457)</u>	<u>(46,253)</u>
Net assets, June 30	<u><u>\$ (46,253)</u></u>	<u><u>\$ (14,424)</u></u>

## Expense and Program Revenues – Governmental Activities



## Revenue by Source – Governmental Activities



## **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 \$92,748, a decrease of \$12,423 in comparison with the prior year. Most of this total amount (\$88,119) 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 (1) to liquidate contracts and purchase orders of the prior period (\$2,195) or (2) for a variety of other restricted purposes (\$2,435).

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unreserved fund balance was \$19,931 while total fund balance reached \$23,725. 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 30 percent of total General Fund expenditures, while total fund balance represents 35.8 percent of that same amount. The fund balance of Rutherford County Government's General Fund decreased by \$242 during the current fiscal year.

The General Debt Service Fund has a total fund balance of \$30,928. The decrease in fund balance during the current year in the General Debt Service Fund totaled \$255.

### **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 in the following table:

Net Change in Budget - Amended over (under) Original

	2006	2007
General Government	\$ 450	\$ 56
Finance	(493)	88
Administration of Justice	15	133
Public Safety	2,843	938
Public Health and Welfare	276	135
Social, Cultural, and Recreational	9	15
Agriculture	1	28
Other Operations	500	407
Transfers Out	(199)	64
Total Increase in Appropriations	<u>\$ 3,402</u>	<u>\$ 1,864</u>

The largest increase to the original budget was noted in Public Safety. The county experienced extraordinarily high medical services that take place outside the detention facility. The county's third party provider of medical services within the facility continues to negotiate with the area hospitals and physicians to discount their fees charged to the county.

The increase in Other Operations resulted from the PILOT agreement with Nissan. The county receives payments for both the county and the City of Smyrna. The city's share of the agreement is paid by the county. During the fiscal year, Nissan's PILOT payment had increased over the prior year, which resulted in the City of Smyrna receiving more funds than originally budgeted.

Variance of Actual Results with Final Budget - Positive (Negative)

	2006	2007
General Government	\$ 261	\$ 368
Finance	338	365
Administration of Justice	232	225
Public Safety	1,115	1,363
Public Health and Welfare	698	627
Social, Cultural, and Recreational	48	65
Agriculture	54	89
Other Operations	423	203
Transfers Out	0	0
Total Results	<u>\$ 3,169</u>	<u>\$ 3,305</u>

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, actual expenditures were \$3.3 million less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnover, there are normally appropriations left unspent in those cost categories. Since Public Safety has almost 50 percent of the total full-time employment, this function typically will have more unspent appropriations than the other functions.

### Capital Assets and Debt Administration

**Capital Assets.** Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2007, totals \$225,262 (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 increase in Rutherford County Government's investment in capital assets for the current fiscal year totaled \$15,088 which represented a 7.2 percent increase over the prior year.

	Governmental Activities	
	2006	2007
Land	\$ 68,752	\$ 73,046
Buildings and improvements	48,977	48,767
Infrastructure	83,327	84,795
Other capital assets	7,319	8,306
Construction in progress	1,799	10,348
Total	<u>\$ 210,174</u>	<u>\$ 225,262</u>

Additional information on Rutherford County's capital assets can be found in Note IV.C. on pages 64 through 66 of this report.

**Long-term Debt.** At the end of the current fiscal year, Rutherford County Government had total bonded debt outstanding of \$337,640 and notes outstanding of \$925. 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	
	2006	2007	2006	2007	2006	2007
Notes	\$ 9,654	\$ -	\$ 1,125	\$ 925	\$ 10,779	\$ 925
Bonds	<u>293,247</u>	<u>280,256</u>	<u>59,078</u>	<u>57,384</u>	<u>352,325</u>	<u>337,640</u>
Total	<u>\$ 302,901</u>	<u>\$ 280,256</u>	<u>\$ 60,203</u>	<u>\$ 58,309</u>	<u>\$ 363,104</u>	<u>\$ 338,565</u>

Rutherford County Government's total debt decreased by \$24,539 (6.76%) during the current fiscal year. No additional debt was issued during the fiscal year ended June 30, 2007.

Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. On October 18, 2007, the county obtained ratings from Moody's and Standard & Poor's for a \$42.7 million general obligation bond issue. Rutherford County Government maintained an "Aa2" from Moody's for general obligation debt; however, Standard & Poor's raised its standard long-term rating and underlying rating on Rutherford County general obligation debt one notch to "AA+" from "AA" based on the county's continued economic diversification away from the manufacturing industry and conservative financial management.

Additional information on the Rutherford County Government's long-term debt can be found in Exhibits L-1, L-2, and Note IV.F. 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 2007 was 4.2 percent which was the same for the previous year's unemployment rate. This compares favorably to the state's average unemployment rate of 4.8 percent and the national average of 4.5 percent.

Some of the significant business activity in Rutherford County includes the following:

- There are three new retail developments underway in the county. These include Colonial Promenade and Smyrna Commons in Smyrna and The Avenue at Murfreesboro in Murfreesboro. Colonial Promenade is to be developed by Birmingham-based Colonial Properties Trust. It is a 500,000 square feet, mixed-use development fronting I-24. Smyrna Commons sits on 85 acres facing Nissan North America, Inc.'s manufacturing plant. This site will offer shoppers another 500,000 square foot of retail, banks, and restaurants. The Avenue at Murfreesboro is an 808,000 square foot open-air retail center. It is the eighth and largest Avenue project since the concept was introduced in 1998.
- Land for the hotel and conference center was purchased by the city and is being leased by John Q. Hammons for development. The new ten story, 283-suite Embassy Suites – Hotel & Conference Center, currently under construction, is strategically located near SR-840 in the southeast quadrant of I-24 and Medical Center Parkway and will be adjacent to the new lifestyle center, The Avenue Murfreesboro.
- The first floor occupancy rate of the government's central business district has remained at 95 percent for the past eight 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 2007-2008 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund decreased slightly to \$19,931. Rutherford County Government has appropriated \$5,590 of this amount for spending in the 2007-2008 fiscal year. Unreserved fund balance in the General Debt Service Fund also decreased slightly to \$30,928. Of this amount, \$688 has been appropriated for spending in the 2007-2008 fiscal year. Projected unreserved fund balance in the General Debt Service Fund as of June 30, 2008, is expected to be 71 percent of budgeted debt service expenditures.

The State of Tennessee approved an additional tax on tobacco products to provide additional funding to Tennessee schools. Rutherford County Board of Education benefited significantly from this additional tax and from the state changing its method of determining the Better Education Program allocation to local government school systems. Because of the additional revenue, the county property tax rate for the 2007 tax year has been adopted at the same level as the 2006 tax year (\$2.44), however the allocation of the tax has changed. For the 2007-2008 fiscal year, a new fund was established to account for property tax specifically designated for major capital repairs at the county's 41 schools. While setting the 2006 property tax rate, the General Fund lost three cents, while schools had increased almost eight cents. The additional state funding allows for the three cents to be given back to the General Fund. The change in the property tax rate allocation is reflected below.

<b>Fund</b>	<b>2006 Rate</b>	<b>Change</b>	<b>2007 Rate</b>
General	\$0.47	\$0.03	\$0.50
Highway/Public Works	0.01	.00	.01
General Purpose School	1.29	(.10)	1.19
Education Capital Projects	.00	.05	.05
General Debt Service	0.67	.02	0.69
Total County Property Tax	\$2.44	\$0.00	\$2.44

### **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, 2007

	Primary Governmental Activities	Rutherford County School Department	Component Units Community Care of Rutherford County, Inc.		Emergency Communications District
<u>ASSETS</u>					
Cash	\$ 2,399,582	\$ 150	\$ 2,688,467	\$	3,158,284
Equity in Pooled Cash and Investments	108,757,093	42,704,368	0		0
Inventories	0	0	24,290		0
Investments	1,986,255	0	0		0
Accounts Receivable	6,062,136	1,036,417	785,813		74,601
Allowance for Uncollectibles	(2,746,401)	0	(150,000)		0
Property Taxes Receivable	58,592,211	48,962,828	0		0
Allowance for Uncollectible Property Taxes	(2,962,256)	(2,510,024)	0		0
Accrued Interest Receivable	0	0	28,744		9,223
Due from Other Governments	2,638,561	9,769,830	0		213,000
Due from Component Units	1,306	0	0		0
Prepaid Items	25,416	0	12,506		25,195
Notes Receivable - Long-term	1,623,960	0	0		0
Deferred Charges - Debt Issuance Costs	1,866,677	38,562	0		0
Capital Assets:					
Assets Not Depreciated:					
Land	73,045,937	6,632,564	0		17,500
Construction in Progress	10,347,834	35,061,424	15,000		0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	48,767,431	288,610,986	0		1,411,020
Infrastructure	84,794,933	0	0		0
Other Capital Assets	8,306,245	4,713,830	377,131		0
Total Assets	<u>\$ 403,506,920</u>	<u>\$ 435,020,935</u>	<u>\$ 3,781,951</u>	<u>\$</u>	<u>4,908,823</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 331,309	\$ 2,322,204	\$ 166,827	\$	1,728
Accrued Payroll	260,709	12,866,989	163,343		0
Accrued Interest Payable	3,171,230	53,667	0		0
Contracts Payable	1,516,924	0	0		0
Retainage Payable	168,547	0	0		0
Payroll Deductions Payable	381	25	135,276		0
Deferred Revenue - Current Property Taxes	54,443,369	45,335,129	0		0
Other Current Liabilities	106,965	0	46,650		0
Noncurrent Liabilities:					
Due Within One Year	32,520,709	564,311	0		9,150
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	325,411,293	3,936,157	0		0
Total Liabilities	<u>\$ 417,931,436</u>	<u>\$ 65,078,482</u>	<u>\$ 512,096</u>	<u>\$</u>	<u>10,878</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 165,996,990	\$ 331,319,634	\$ 0	\$ 0
Invested in Capital Assets	0	0	392,131	1,428,520
Restricted for:				
Capital Projects	17,760,896	15,927,102	0	0
Debt Service	31,703,342	0	0	0
Highway/Public Works	6,724,594	0	0	0
Solid Waste/Sanitation	4,648,814	0	0	0
Drug Control	1,186,950	0	0	0
Adequate Facilities/Development Tax	5,924,745	0	0	0
Computer System - Register	590,233	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	871,604	0	0	0
Long-term Notes Receivable	664,877	0	0	0
School Federal Projects	0	1,002,121	0	0
Advances to Other Funds	0	1,569,000	0	0
Other Purposes	474,764	268,033	0	0
Unrestricted	(250,972,325)	19,856,563	2,877,724	3,469,425
Total Net Assets	<u>\$ (14,424,516)</u>	<u>\$ 369,942,453</u>	<u>\$ 3,269,855</u>	<u>\$ 4,897,945</u>

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

Exhibit B

Rutherford County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							
	Expenses	Program Revenues			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
Primary Government:								
General Government	\$ 2,468,842	\$ 4,756,532	\$ 673,804	\$ 38,600	\$ 3,000,094	\$ 0	\$ 0	\$ 0
Finance	5,874,271	6,819,378	53,597	0	998,704	0	0	0
Administration of Justice	6,264,861	5,878,707	714,795	0	328,641	0	0	0
Public Safety	34,121,712	3,904,549	1,007,956	9,950	(29,199,257)	0	0	0
Public Health and Welfare	17,313,328	7,647,314	1,530,187	0	(8,135,827)	0	0	0
Social, Cultural, and Recreational Services	1,349,865	820	4,958	0	(1,344,087)	0	0	0
Agriculture and Natural Resources	918,336	112,645	13,349	50,000	(742,342)	0	0	0
Other Operations	6,898,633	0	0	0	(6,898,633)	0	0	0
Highways/Public Works	11,854,609	0	3,003,003	4,942,600	(3,909,006)	0	0	0
Education	23,940,278	28,929,877	0	0	4,989,599	0	0	0
Interest on Long-term Debt	16,617,196	0	0	0	(16,617,196)	0	0	0
Total Primary Government	\$ 127,621,931	\$ 58,049,822	\$ 7,001,649	\$ 5,041,150	\$ (57,529,310)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 225,406,883	\$ 215,186	\$ 18,017,613	\$ 0	\$ 0	\$ (207,174,084)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	8,086,451	8,288,472	0	0	0	0	202,021	0
Emergency Communications District	1,158,713	1,434,163	0	0	0	0	0	275,450
Total Component Units	\$ 234,652,047	\$ 9,937,821	\$ 18,017,613	\$ 0	\$ 0	\$ (207,174,084)	\$ 202,021	\$ 275,450

(Continued)

Exhibit B

Rutherford County, Tennessee  
Statement of Activities (Cont.)

		Net (Expense) Revenue and Changes in Net Assets						
Functions/Programs	Expenses	Program Revenues			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
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 21,928,771	\$ 49,366,274	\$ 0	\$ 0
Property Taxes Levied for Debt Service					30,522,978	0	0	0
Local Option Sales Tax					4,812,732	34,921,762	0	0
Other Local Taxes					22,115,131	4,803,816	0	0
Grants and Contributions Not Restricted to Specific Programs					1,053,910	110,660,179	9,452	170,000
Unrestricted Investment Earnings					8,499,747	1,624,066	80,591	145,728
Gain (Loss) on Disposal of Capital Assets					0	0	1,396	(6,547)
Miscellaneous					424,315	359,409	0	0
Total General Revenues					<u>\$ 89,357,584</u>	<u>\$ 201,735,506</u>	<u>\$ 91,439</u>	<u>\$ 309,181</u>
Change in Net Assets								
Net Assets, July 1, 2006					<u>\$ 31,828,274</u> <u>(46,252,790)</u>	<u>\$ (5,438,578)</u> <u>375,381,031</u>	<u>\$ 293,460</u> <u>2,976,395</u>	<u>\$ 584,631</u> <u>4,313,314</u>
Net Assets, June 30, 2007					<u>\$ (14,424,516)</u>	<u>\$ 369,942,453</u>	<u>\$ 3,269,855</u>	<u>\$ 4,897,945</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, 2007

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>					
Cash	\$ 51,894	\$ 0	\$ 0	\$ 1,539,480	\$ 1,591,374
Equity in Pooled Cash and Investments	22,152,429	30,055,760	17,427,110	18,102,647	87,737,946
Investments	0	0	1,986,255	0	1,986,255
Accounts Receivable	5,212,627	322,913	0	123,288	5,658,828
Allowance for Uncollectibles	(1,787,318)	0	0	0	(1,787,318)
Due from Other Governments	1,050,396	689,666	0	892,474	2,632,536
Due from Other Funds	798,700	3,750	0	0	802,450
Due from Component Units	1,306	0	0	0	1,306
Property Taxes Receivable	24,400,799	33,702,570	0	488,842	58,592,211
Allowance for Uncollectible Property Taxes	(1,231,110)	(1,706,318)	0	(24,828)	(2,962,256)
Prepaid Items	25,416	0	0	0	25,416
Notes Receivable - Long-term	0	0	0	1,623,960	1,623,960
Allowance for Doubtful Notes Receivable	0	0	0	(959,083)	(959,083)
Total Assets	\$ 50,675,139	\$ 63,068,341	\$ 19,413,365	\$ 21,786,780	\$ 154,943,625
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 313,153	\$ 0	\$ 0	\$ 4,203	\$ 317,356
Accrued Payroll	245,355	0	0	15,354	260,709
Payroll Deductions Payable	381	0	0	0	381
Contracts Payable	0	0	1,516,924	0	1,516,924
Retainage Payable	0	0	168,547	0	168,547
Due to Other Funds	0	0	0	797,822	797,822
Due to Litigants, Heirs, and Others	49,735	0	0	0	49,735
Other Current Liabilities	10,000	0	0	0	10,000
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	47,230	0	0	0	47,230
Deferred Revenue - Current Property Taxes	22,684,737	31,304,937	0	453,695	54,443,369
Deferred Revenue - Delinquent Property Taxes	416,539	593,790	0	8,863	1,019,192
Other Deferred Revenues	3,182,980	241,189	0	139,735	3,563,904
Total Liabilities	\$ 26,950,110	\$ 32,139,916	\$ 1,685,471	\$ 1,419,672	\$ 62,195,169
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 2,023,607	\$ 0	\$ 42,160	\$ 129,105	\$ 2,194,872
Reserved for Alcohol and Drug Treatment	293,693	0	0	0	293,693
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	871,604	0	0	0	871,604
Reserved for Sexual Offender Registration	10,322	0	0	0	10,322
Reserved for Computer System - Register	590,233	0	0	0	590,233
Reserved for Long-term Notes Receivable	0	0	0	664,877	664,877
Reserved for Other General Purposes	4,270	0	0	0	4,270
Unreserved, Reported In:					
General Fund	19,931,300	0	0	0	19,931,300
Special Revenue Funds	0	0	0	19,540,124	19,540,124
Debt Service Funds	0	30,928,425	0	0	30,928,425
Capital Projects Funds	0	0	17,685,734	33,002	17,718,736
Total Fund Balances	\$ 23,725,029	\$ 30,928,425	\$ 17,727,894	\$ 20,367,108	\$ 92,748,456
Total Liabilities and Fund Balances	\$ 50,675,139	\$ 63,068,341	\$ 19,413,365	\$ 21,786,780	\$ 154,943,625

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, 2007

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)		\$	92,748,456
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	73,045,937	
Add: construction in progress		10,347,834	
Add: buildings and improvements net of accumulated depreciation		48,767,431	
Add: infrastructure net of accumulated depreciation		84,794,933	
Add: other capital assets net of accumulated depreciation		<u>8,306,245</u>	225,262,380
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			4,583,096
(3) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.			12,564,016
(4) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges are reflected on the statement of net assets.			1,866,677
(5) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.			(3,171,230)
(6) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(337,640,000)	
Less: notes payable		(925,000)	
Less: compensated absences		(3,664,538)	
Less: landfill closure/postclosure care costs		(172,500)	
Less: unamortized debt premiums		(8,987,041)	
Add: deferred charge on refunding (to be amortized as interest expense)		<u>3,111,168</u>	<u>(348,277,911)</u>
Net assets of governmental activities (Exhibit A)		\$	<u>(14,424,516)</u>

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

Exhibit C-3

Rutherford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2007

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 33,535,573	\$ 34,790,514	\$ 0	\$ 11,558,746	\$ 79,884,833
Licenses and Permits	1,830,202	0	0	0	1,830,202
Fines, Forfeitures, and Penalties	1,911,455	0	0	567,148	2,478,603
Charges for Current Services	5,559,578	0	0	6,444,612	12,004,190
Other Local Revenues	4,491,835	3,848,441	184,014	1,041,682	9,565,972
Fees Received from County Officials	7,729,707	0	0	0	7,729,707
State of Tennessee	6,914,534	0	0	4,272,632	11,187,166
Federal Government	1,533,114	0	0	0	1,533,114
Other Governments and Citizens Groups	803,337	0	0	581	803,918
Total Revenues	\$ 64,309,335	\$ 38,638,955	\$ 184,014	\$ 23,885,401	\$ 127,017,705
<u>Expenditures</u>					
Current:					
General Government	\$ 5,466,054	\$ 692,944	\$ 0	\$ 874,182	\$ 7,033,180
Finance	4,242,803	0	0	2,174,566	6,417,369
Administration of Justice	4,291,380	0	0	1,781,546	6,072,926
Public Safety	31,230,320	0	0	813,974	32,044,294
Public Health and Welfare	12,487,659	0	0	3,529,944	16,017,603
Social, Cultural, and Recreational Services	1,349,865	0	0	0	1,349,865
Agriculture and Natural Resources	735,144	0	0	0	735,144
Other Operations	6,533,924	0	0	343,534	6,877,458
Highways	0	0	0	8,254,163	8,254,163
Debt Service:					
Principal on Debt	0	24,539,085	0	0	24,539,085
Interest on Debt	0	16,896,822	0	0	16,896,822
Capital Projects	0	0	13,587,272	44,737	13,632,009
Total Expenditures	\$ 66,337,149	\$ 42,128,851	\$ 13,587,272	\$ 17,816,646	\$ 139,869,918
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,027,814)	\$ (3,489,896)	\$ (13,403,258)	\$ 6,068,755	\$ (12,852,213)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 112,750	\$ 0	\$ 0	\$ 55	\$ 112,805
Transfers In	2,139,231	3,235,188	1,510,140	402,207	7,286,766
Transfers Out	(466,394)	0	(120,625)	(6,383,525)	(6,970,544)
Total Other Financing Sources (Uses)	\$ 1,785,587	\$ 3,235,188	\$ 1,389,515	\$ (5,981,263)	\$ 429,027
Net Change in Fund Balances	\$ (242,227)	\$ (254,708)	\$ (12,013,743)	\$ 87,492	\$ (12,423,186)
Fund Balance, July 1, 2006	23,967,256	31,183,133	29,741,637	20,279,616	105,171,642
Fund Balance, June 30, 2007	\$ 23,725,029	\$ 30,928,425	\$ 17,727,894	\$ 20,367,108	\$ 92,748,456

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

Exhibit C-4

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (12,423,186)

(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 18,651,529	
Less: current year depreciation expense	<u>(5,182,132)</u>	13,469,397
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: capital assets donations	\$ 4,224,305	
Less: capital assets disposals	<u>(2,605,014)</u>	1,619,291
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$ (4,007,840)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>4,583,096</u>	575,256
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Add: principal payment on notes	\$ 9,854,085	
Add: principal payment on bonds	<u>14,685,000</u>	24,539,085
(5) Governmental funds report the effect of issuance costs, premiums, discounts, and similar items related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment reflects debt issuance cost expensed during the year recorded in the statement of activities.		
Add: amortization of debt issuance premiums	\$ 550,674	
Less: amortization of deferred amount of refunding	(361,419)	
Less: amortization of debt issuance costs	<u>(110,776)</u>	78,479
(6) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 201,147	
Change in postclosure care costs	23,407	
Change in compensated absences	<u>(226,179)</u>	(1,625)
(7) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		
		<u>3,971,577</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 31,828,274</u>

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

Exhibit D-1

Rutherford County, Tennessee  
Statement of Net Assets  
Proprietary Funds  
June 30, 2007

	Governmental Activities - Internal Service Funds
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 808,208
Equity in Pooled Cash and Investments	21,019,147
Accounts Receivable	403,308
Due from Other Governments	6,025
Total Assets	<u>\$ 22,236,688</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 13,953
Claims and Judgments Payable	9,654,091
Due to Other Funds	4,628
Total Liabilities	<u>\$ 9,672,672</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 12,564,016</u>
Total Net Assets	<u><u>\$ 12,564,016</u></u>

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

Exhibit D-2

Rutherford County, Tennessee  
Statement of Revenues, Expenses, and Changes  
in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2007

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 34,643,108
Other Local Revenues:	
Retirees' Insurance Payments	1,455,443
Cobra Insurance Payments	86,019
Total Operating Revenues	<u>\$ 36,184,570</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,526,063
Consultants	12,769
Contracts with Private Agencies	1,703,511
Legal Services	1,151
Drug and Medical Supplies	32,480
Excess Risk Insurance	114,710
Worker's Compensation Insurance	14,023
Medical Claims	24,126,903
Liability Claims	1,559,360
Other Self-Insured Claims	1,583,882
Other Fringe Benefits	158,632
Refunds	135
Other Charges	6,696
Other Contracted Services	63,707
Total Operating Expenses	<u>\$ 31,904,022</u>
Operating Income (Loss)	<u>\$ 4,280,548</u>
<u>Nonoperating Revenues (Expenses)</u>	
Miscellaneous Refunds	<u>\$ 7,251</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 7,251</u>
Income (Loss) Before Transfers	\$ 4,287,799
Transfers Out	<u>(316,222)</u>
Change in Net Assets	\$ 3,971,577
Net Assets, July 1, 2006	<u>8,592,439</u>
Net Assets, June 30, 2007	<u><u>\$ 12,564,016</u></u>

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

Exhibit D-3

Rutherford County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2007

	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers and Users	\$ 36,216,726
Payment to Suppliers	(4,729,073)
Claims Paid	(25,185,017)
Other Receipts (Payments)	(4,464)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 6,298,172</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers to Other Funds	\$ (316,222)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (316,222)</u>
Net Increase (Decrease) In Cash	\$ 5,981,950
Cash, July 1, 2006	<u>15,845,405</u>
Cash, June 30, 2007	<u><u>\$ 21,827,355</u></u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>	
<u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>	
Operating Income (Loss)	\$ 4,280,548
Miscellaneous Refunds	7,251
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	(274,551)
(Increase) Decrease in Due from Other Governments	(1,835)
(Increase) Decrease in Due from Other Funds	268,218
(Increase) Decrease in Due from Component Units	40,305
Increase (Decrease) in Accounts Payable	(107,375)
Increase (Decrease) in Claims and Judgments Payable	2,084,915
Increase (Decrease) in Due to Other Funds	696
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 6,298,172</u></u>

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

Exhibit E

Rutherford County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,530,754
Equity in Pooled Cash and Investments	238,701
Investments	521,555
Due from Other Governments	7,349,975
Taxes Receivable	9,727,849
Allowance for Uncollectible Taxes	<u>(496,302)</u>
Total Assets	<u><u>\$ 23,872,532</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 16,790,467
Due to Joint Ventures	29,756
Due to Litigants, Heirs, and Others	<u>7,052,309</u>
Total Liabilities	<u><u>\$ 23,872,532</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, 2007**

**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 Boulevard  
Murfreesboro, TN 37128

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

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net 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. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation of the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Rutherford County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Rutherford County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Rutherford County issues most debt for the discretely presented Rutherford County School Department. No debt issues were contributed by the county to the School Department for the year ended June 30, 2007.

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

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

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

Fund financial statements of Rutherford County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, 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 grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Rutherford County reports the following major governmental funds:

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

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

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

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, 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.

**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 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.

**Debt Service Fund** – The Education Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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, cash on deposit with the county trustee, and cash on deposit with a paying agent.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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 the 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 two 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 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 loan. All other outstanding balances between funds are reported as due to/from other funds.

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.

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.

Most payables are disaggregated on the face of the financial statements. 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 (\$47,230). Claims and judgments payable totaling \$9,654,091 are discussed in Note V.A. Risk Management.

### **3. Prepaid Items**

Using the consumption method, Rutherford County had prepaid postage totaling \$25,416 in the General Fund.

#### 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 Capital 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 the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## **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 refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

The government-wide statement of net assets reports \$70,550,819 of restricted net assets for the primary government, of which \$5,924,745 is restricted by enabling legislation.

As of June 30, 2007, Rutherford County had \$280,255,760 in outstanding debt for capital purposes for the discretely presented Rutherford County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with another public school system in the county (Murfreesboro City School District) based on an average daily attendance proration. This debt is a liability of Rutherford County, but the capital assets acquired are reported in the financial statements of the Rutherford County School Department and Murfreesboro City School District. Therefore, Rutherford County has incurred a liability significantly decreasing its unrestricted net 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, 2007:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Animal shelter	\$ 34,059
Agriculture extension	23,802
Adequate Facilities/Development Tax:	
General debt service	975,000
Highway/Public Works:	
Storm water easement	757,103
General Capital Projects:	
Beasley Road connector	1,986,255

## **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 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

### **Discretely Presented Rutherford County School Department**

Exhibit K-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

## **B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

### **Primary Government**

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

### **Discretely Presented Rutherford County School Department**

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

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

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the 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/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

**B. Net Assets Deficits**

The Workers' Compensation Fund and the Self-Insurance Fund (internal service funds) had net assets deficits of \$414,675 and \$328,193, respectively, at June 30, 2007. These net assets deficits resulted from an increase in claims and estimates. Funding for these future expenditures is expected to be received from the General and General Purpose School Funds.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded total appropriations approved by the County Commission in the Adequate Facilities/Development Tax Fund by \$665. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

**D. Cash Shortage**

As noted in the prior year's Comprehensive Annual Financial Report, a cash shortage of \$3,031.34 existed in the Office of Director of Schools as of June 30, 2006. Evelyn Smith liquidated that cash shortage from personal funds on April 3, 2007. In March 2007, Ms. Smith entered a guilty plea in Circuit Court to charges of theft related to the cash shortage.

**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 and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

## **Deposits**

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

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

## **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, 2007, Rutherford County had the following investments carried at 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	Cost
Pooled:		
State Treasurer's Investment Pool	Daily	<u>\$ 80,018,385</u>
Nonpooled:		
Primary Government:		
General Capital Projects Fund:		
State Treasurer's Investment Pool	Daily	\$ 1,986,255
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	Daily	<u>521,555</u>
Total Nonpooled		<u>\$ 2,507,810</u>

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

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Rutherford County has an investment policy that further limits its investment choices. The policy allows the trustee to invest up to 70 percent of the portfolio in collateralized certificates of deposit and up to 100 percent of the portfolio in either U.S. Treasury Bills and Notes or the State Treasurer's Investment Pool. As of June 30, 2007, 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 \$959,083 from Wherry Housing on June 30, 2007.

The Industrial/Economic Development Fund had another long-term note receivable of \$664,877 on June 30, 2007, 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 \$1,569,000 to purchase land and pay for engineering/architects fees for school construction projects.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2007, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 25,804,967	\$ 347,679	\$ 0	\$ 26,152,646
Right-of-ways	42,946,943	4,031,013	(84,665)	46,893,291
Construction in Progress	1,798,663	9,625,557	(1,076,386)	10,347,834
Total Capital Assets Not Depreciated	<u>\$ 70,550,573</u>	<u>\$ 14,004,249</u>	<u>\$ (1,161,051)</u>	<u>\$ 83,393,771</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 65,942,237	\$ 1,344,621	\$ 0	\$ 67,286,858
Infrastructure	111,510,607	4,349,229	(1,708,776)	114,151,060
Other Capital Assets	23,892,527	3,191,735	(553,717)	26,530,545
Total Capital Assets Depreciated	<u>\$ 201,345,371</u>	<u>\$ 8,885,585</u>	<u>\$ (2,262,493)</u>	<u>\$ 207,968,463</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 16,964,786	\$ 1,554,641	\$ 0	\$ 18,519,427
Infrastructure	28,183,891	1,553,746	(381,510)	29,356,127
Other Capital Assets	16,573,575	2,073,745	(423,020)	18,224,300
Total Accumulated Depreciation	<u>\$ 61,722,252</u>	<u>\$ 5,182,132</u>	<u>\$ (804,530)</u>	<u>\$ 66,099,854</u>
Total Capital Assets Depreciated, Net	<u>\$ 139,623,119</u>	<u>\$ 3,703,453</u>	<u>\$ (1,457,963)</u>	<u>\$ 141,868,609</u>
Governmental Activities Capital Assets, Net	<u>\$ 210,173,692</u>	<u>\$ 17,707,702</u>	<u>\$ (2,619,014)</u>	<u>\$ 225,262,380</u>

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

Governmental Activities:

General Government	\$ 524,185
Finance	149,307
Administration of Justice	16,896
Public Safety	1,292,680
Public Health and Welfare	1,092,622
Agriculture and Natural Resources	80,589
Other Operations	8,518
Highways	<u>2,017,335</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 5,182,132</u></u>
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**Discretely Presented Rutherford County School Department**

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 7,955,617	\$ 0	\$ (1,323,053)	\$ 6,632,564
Construction in Progress	<u>30,200,852</u>	<u>33,962,294</u>	<u>(29,101,722)</u>	<u>35,061,424</u>
Total Capital Assets Not Depreciated	<u>\$ 38,156,469</u>	<u>\$ 33,962,294</u>	<u>\$ (30,424,775)</u>	<u>\$ 41,693,988</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 317,893,386	\$ 33,277,076	\$ 0	\$ 351,170,462
Other Capital Assets	<u>11,012,989</u>	<u>999,282</u>	<u>(402,019)</u>	<u>11,610,252</u>
Total Capital Assets Depreciated	<u>\$ 328,906,375</u>	<u>\$ 34,276,358</u>	<u>\$ (402,019)</u>	<u>\$ 362,780,714</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 55,720,769	\$ 6,838,707	\$ 0	\$ 62,559,476
Other Capital Assets	<u>6,269,083</u>	<u>938,220</u>	<u>(310,881)</u>	<u>6,896,422</u>
Total Accumulated Depreciation	<u>\$ 61,989,852</u>	<u>\$ 7,776,927</u>	<u>\$ (310,881)</u>	<u>\$ 69,455,898</u>
Total Capital Assets Depreciated, Net	<u>\$ 266,916,523</u>	<u>\$ 26,499,431</u>	<u>\$ (91,138)</u>	<u>\$ 293,324,816</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 305,072,992</u></u>	<u><u>\$ 60,461,725</u></u>	<u><u>\$ (30,515,913)</u></u>	<u><u>\$ 335,018,804</u></u>

Depreciation expense totaling \$7,776,927 was charged to the discretely presented Rutherford County School Department.

**D. Construction Commitments**

At June 30, 2007, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$14,800,269 in the Other Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2007, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 794,072
General	Internal service	4,628
General Debt Service	Nonmajor governmental	3,750
School Department:		
General Purpose School	Nonmajor governmental	25,573
Nonmajor governmental	General Purpose School	190

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	\$ 1,569,000

The discretely presented General Purpose School Fund advanced the School Department's Other Capital Projects Fund \$1,569,000 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 Co., Inc.	1,306

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In			
	General Fund	General Debt Service Fund	General Capital Projects Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 64,187	\$ 402,207
General Capital Projects Fund	0	120,625	0	0
Nonmajor governmental funds	1,823,009	3,114,563	1,445,953	0
Internal service funds	316,222	0	0	0
Total	\$ 2,139,231	\$ 3,235,188	\$ 1,510,140	\$ 402,207

**Discretely Presented Rutherford County School Department**

Transfers Out	Transfers In		
	General Purpose School Fund	Other Capital Projects Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 3,291,000	\$ 609,218
Other Capital Projects Fund	0	0	5,135
Nonmajor governmental funds	37,515	0	0
Total	\$ 37,515	\$ 3,291,000	\$ 614,353

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 seven 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, 2007, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	2.5 to 5.58 %	\$ 329,500,066	\$ 202,815,066
General Obligation Bonds - Refunding	2.25 to 5.25	181,664,934	134,824,934
Capital Outlay Notes	6	2,000,000	925,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2007, including interest payments, are as follows:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 23,590,000	\$ 15,555,392	\$ 925,000	\$ 55,500
2009	21,220,000	14,518,841	0	0
2010	18,985,000	13,650,741	0	0
2011	19,215,000	12,860,241	0	0
2012	21,215,000	11,986,341	0	0
2013-2017	105,865,000	44,303,546	0	0
2018-2022	81,355,000	21,359,656	0	0
2023-2027	36,395,000	6,530,494	0	0
2028-2030	9,800,000	897,750	0	0
Total	\$ 337,640,000	\$ 141,663,003	\$ 925,000	\$ 55,500

There is \$30,928,425 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,855, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$1,860, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2006	\$ 352,325,000	\$ 10,779,085
Deductions	(14,685,000)	(9,854,085)
Balance, June 30, 2007	\$ 337,640,000	\$ 925,000
Balance Due Within One Year	\$ 23,590,000	\$ 925,000

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2006	\$ 3,438,359	\$ 195,907
Additions	226,179	0
Deductions	0	(23,407)
Balance, June 30, 2007	\$ 3,664,538	\$ 172,500
Balance Due Within One Year	\$ 109,936	\$ 172,500

	Claims and Judgments
Balance, July 1, 2006	\$ 7,569,176
Additions	27,270,145
Deductions	(25,185,230)
Balance, June 30, 2007	\$ 9,654,091
Balance Due Within One Year	\$ 7,723,273

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 352,056,129
Less: Due Within One Year	(32,520,709)
Add: Unamortized Premium on Debt	8,987,041
Less: Deferred Amount on Refunding	<u>(3,111,168)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 325,411,293</u></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, \$9,654,091 of claims and judgments are included in the above amounts. Compensated absences 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.

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. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2007, the following outstanding bonds are considered defeased:

	<u>Amount</u>
1998 School Facilities and Closure Costs	\$ 21,520,000
1999 School Facilities	6,200,000
2000 School Bonds	22,600,000
2001 School Facilities	17,885,000
2001 School Facilities and Public Improvement	15,250,000

**Discretely Presented Rutherford County School Department**

General Obligation Bonds and Notes

The county issues general obligation bonds for the School Department to provide funds for the acquisition and construction of major capital facilities. 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 eight years for bonds and up to seven 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, 2007, will be retired from the Education Debt Service Fund.

General obligation bonds and notes outstanding as of June 30, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Obligation Bonds	3.7 to 4 %	\$4,035,000	\$ 3,265,000
Capital Outlay Notes	0	500,000	428,571

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2007, including interest payments, are as follows:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 490,000	\$ 128,800	\$ 71,429	\$ 0
2009	510,000	109,200	71,429	0
2010	530,000	88,800	71,429	0
2011	555,000	67,600	71,428	0
2012	580,000	45,400	71,428	0
2013	600,000	22,200	71,428	0
Total	\$ 3,265,000	\$ 462,000	\$ 428,571	\$ 0

#### Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Rutherford County School Department for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Bonds	Notes	Compensated Absences
Balance, July 1, 2006	\$ 3,735,000	\$ 0	\$ 662,234
Additions	0	500,000	100,502
Deductions	(470,000)	(71,429)	0
Balance, June 30, 2007	<u>\$ 3,265,000</u>	<u>\$ 428,571</u>	<u>\$ 762,736</u>
Balance Due Within One Year	<u>\$ 490,000</u>	<u>\$ 71,429</u>	<u>\$ 22,882</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 4,456,307
Less: Due Within One Year	(564,311)
Add: Unamortized Premium on Debt	<u>44,161</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,936,157</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, 2007, interest earned and expended totaled \$1,439 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 \$50,000 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 Self-Insurance Fund, the Employee Insurance - Health Fund, and the Workers' Compensation Fund are as follows:

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2005-06	\$ 0	\$ 1,383,367	\$ (1,298,367)	\$ 85,000
2006-07	85,000	1,559,360	(758,498)	885,862

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2005-06	\$ 3,475,521	\$ 22,558,436	\$ (20,628,781)	\$ 5,405,176
2006-07	5,405,176	24,126,903	(23,478,850)	6,053,229

Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2005-06	\$ 1,723,000	\$ 1,453,849	\$ (1,097,849)	\$ 2,079,000
2006-07	2,079,000	1,583,882	(947,882)	2,715,000

**B. Subsequent Events**

On September 25, 2007, Rutherford County issued capital outlay notes totaling \$600,000 for school construction.

On October 4, 2007, Rutherford County issued \$42,700,000 in general obligation bonds for school and county building construction.

**C. Contingent Liabilities**

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

**D. Changes in Administration**

On August 31, 2006, Nancy Allen left the Office of the County Mayor and was succeeded by Ernest Burgess, and Evans Maples left the Office of Trustee and was succeeded by Thomas Batey.

**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 one 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 \$172,500 reported as landfill closure and postclosure care liability at June 30, 2007, 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 \$993,151 to the operations of the libraries during the year ended June 30, 2007.

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

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

the Rutherford County Commission, two by the City of Smyrna, and one jointly appointed by Rutherford County and the City of Smyrna. Rutherford County has control over budgeting and financing the joint venture only to the extent of its representation by its board members.

The Joint Parking Authority of Rutherford County was created by Rutherford County and the City of Murfreesboro to operate and maintain a jointly owned parking garage. The Joint Parking Authority comprises seven members, three of whom are appointed by Rutherford County, three by the City of Murfreesboro, and one jointly by the county mayor and the city mayor. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the three board members appointed. This agency 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 Boulevard  
Smyrna, TN 37167

## **G. Retirement Commitments**

### **Employees**

#### **Plan Description**

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.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, 2007, was 12.94 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, 2007, Rutherford County's annual pension cost of \$7,813,151 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, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$7,813,151	100%	\$0
6-30-06	6,369,684	100	0
6-30-05	5,719,396	100	0

## **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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.treasury.state.tn.us>.

### **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, 2007 was 6.13 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, 2007, 2006, and 2005, were \$6,656,128, \$5,434,251, and \$4,699,570, respectively, equal to the required contributions for each year.

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

In addition to the retirement commitments described above, 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, 58 county and 262 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 \$108,956 (county) and \$577,616 (School Department) were recognized for post-employment benefits.

**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 (TCA), (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

**Office of Director of Schools**

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

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

**A. Summary of Significant Accounting Policies**

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

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

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.

Legally, the nursing home is a separate nonprofit entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but is instead entirely appointed by the Rutherford County Commission, 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, which have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. One of these activities is to issue bonded debt without approval by another government. The nursing home may not issue debt without Rutherford County's approval, as the county remains contingently liable for all debt obligations. Because the nursing home is both a legal entity and financially accountable to the primary government of Rutherford County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County, Tennessee.

Basis of Presentation – The financial statements are prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when the liability is incurred.

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

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 that of private businesses. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Cash, Cash Equivalents, and Investments – Cash and cash equivalents consist of cash, demand deposits, and short-term certificates of deposit with an original maturity of three months or less. All certificates of deposit reflected a maturity of greater than three months at June 30, 2007. Investments were limited to certificates of deposit and were stated at fair value.

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

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

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

Property and Equipment – Property and equipment are defined by the nursing home as assets with an initial individual cost of \$1,000 or more and an estimated useful life of three years or longer. All property and equipment are valued at cost. Donated capital assets are valued at their estimated fair value on the date donated.

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

Depreciation has been calculated using the straight-line method and estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Land improvements	10-20
Buildings and leasehold improvements	15-25
Transportation equipment	4-5
Furniture, fixtures, and equipment	3-20

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

Operating Revenues and Expenses – The nursing home's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. All other revenues and expenses are reported as nonoperating revenues and expenses.

Risk Financing – The nursing home is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The nursing home maintains commercial insurance coverage on each area of risk. Exposure is limited to claims in excess of standard policy limitations. The nursing home annually reviews its insurance needs based on claims and/or potential claims to minimize exposure. There were no claims in excess of insurance coverage during the past three years.

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

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

## **B. Deposits**

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United State; certificates of deposit at Tennessee state chartered or federally chartered banks and savings and loans associations; Federal Loan Bank bonds; Federal Home Loan Bank notes and bonds; Federal National Mortgage Association notes and debentures; bank and 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, 2007, the board of directors chose to limit the investment of funds to certificates of deposit at banks and saving and loan institutions. Cash reserves for operations were held in bank checking and savings.

Cash – At June 30, 2007, the carrying amount of cash deposits was \$1,584,927 and the bank balance was \$1,773,047. At June 30, 2007, the entire bank balance was covered by federal depository insurance or collateral held by the Local Government Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to members of the pool if the value of collateral is inadequate to cover a loss.

Certificates of Deposit – The certificates of deposit are insured by federal depository insurance or Tennessee Bank Collateral Pool.

### C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Description	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not depreciated:				
Construction in progress	\$ 0	\$ 15,000	\$ 0	\$ 15,000
Capital assets being depreciated:				
Land improvements	\$ 3,883	\$ 0	\$ 0	\$ 3,883
Buildings and improvements	137,018	6,113	0	143,131
Transportation equipment	51,460	0	0	51,460
Furniture, fixtures, and equipment	429,557	46,622	4,788	471,391
Total	\$ 621,918	\$ 52,735	\$ 4,788	\$ 669,865
Accumulated depreciation:				
Land improvements	\$ 2,775	\$ 66	\$ 0	\$ 2,841
Buildings and improvements	26,573	8,898	0	35,471
Transportation equipment	45,047	4,788	0	49,835
Furniture, fixtures, and equipment	171,541	34,443	(1,397)	204,587
Total	\$ 245,936	\$ 48,195	\$ (1,397)	\$ 292,734
Net capital assets	\$ 375,982	\$ 19,540	\$ 6,185	\$ 392,131

**D. Accounts Receivable**

Receivables totaling \$634,646 as of June 30, 2007, were comprised of:

Resident service fees	\$ 777,365
Less: allowance for uncollectibles	<u>(150,000)</u>
Net resident service fees	\$ 627,365
Resident trust funds loss	<u>7,281</u>
Total	<u><u>\$ 634,646</u></u>

Resident trust funds loss receivable relates to a theft discovered in the resident trust funds accounts. The shortage was determined as a result of an audit of the trust accounts by a third-party. Legal council has taken action to obtain reimbursement.

**E. Resident Funds Held in Trust**

At June 30, 2007, the nursing home had a fiduciary responsibility for funds totaling \$46,650 on behalf of residents. Of this amount, \$12,248 was held in a separate interest-bearing cash account, \$22,362 was held in an interest-bearing escrow account, \$7,281 was believed to be receivable as a result of the theft noted in Note VI.D., \$100 was held as cash on hand for resident trust petty cash and \$4,659 was due from the facility's operating cash account as of June 30, 2007.

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

**F. Leases**

Equipment – The nursing home is party to a noncancelable capital lease for the purchase of a copier. The capitalized cost and accumulated depreciation of this copier at June 30, 2007, was \$12,113. The remaining unpaid balance of \$377 was reflected as a component of accounts payable as of June 30, 2007.

Facilities – The nursing home renewed on May 3, 2006, a lease agreement with Rutherford County, Tennessee, for the use of the building it occupies. The nursing home, under terms of the lease, will incur no lease expense as

long as the nursing home meets its responsibility to pay timely its cost of group health and life insurance premiums incurred. The lease term is five years, from July 1, 2006, and ends on June 30, 2011.

During the fiscal year ended June 30, 2007, incurred and paid group health and life insurance premiums totaled \$841,306.

On May 31, 2007, the nursing home entered into a twelve-month lease agreement with an employee for the use of a house maintained on the grounds of the nursing home. In-lieu-of rent, the employee is to pay all utility bills and must remain employed by the nursing home.

**G. Concentration of Credit Risk**

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

Medicaid	11.75 %
Medicare	41.22
Private	20.58
Insurance	26.45

Approximately 85.94 percent of net resident revenue is derived from third-party payers.

**H. 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 pension (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, Inc., is included in the retirement program noted in footnote V.G. above. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information regarding the retirement plan can be found in footnote V.G. The nursing home's payroll for employees covered by the TCRS for the year ended June 30, 2007, was \$3,533,465. Contributions to the plan by the nursing home for the year ended June 30, 2007, totaled \$456,093.

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 or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, were 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 the Tennessee Code Annotated.

Rutherford County is non-contributory and pays the total cost of pension compensation with the exception of certain employees whose contributions are identified in the pension plan in footnote V.G.

**I. Post-employment Benefits**

In addition to the benefits described above, the county provides post-employment 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, 2007, three retirees met those eligibility requirements. The nursing home matches 50 percent of the health care premium that pays secondary to Medicare for each retiree. During the year ended June 30, 2007, expenditures of \$10,601 were recognized for post-employment health care premiums.

**J. Health Care Regulations**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient/resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient/resident services previously billed. Management believes that the nursing home is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

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

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

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

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

Financial Reporting Entity - Component Unit – 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.

Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but instead is entirely appointed by the Rutherford County Commission, the district cannot be a primary government. Instead, it qualifies as a component unit according to the directives of 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 activities do not require approval by another government: to issue bonded debt and to levy taxes or set rates or charges. As provided by Section 7-86-114, Tennessee Code Annotated, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Rutherford County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and is financially accountable to the primary government of Rutherford County, as the County Commission appoints all members of the governing board and by the nature

of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County.

At June 30, 2007, 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, 2007, the district had no long-term debt.

Budgetary Law and Practice – The director of the district files an annual budget with the mayor of Rutherford County in accordance with Tennessee Code Annotated, Title 7, Chapter 86, Part 1. In March of each year, the director presents 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, 2007, prepaid insurance and service contract costs were \$25,195.

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 nonoperating revenue or loss.

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Furniture and fixtures	5-10
Communications equipment	2-10
Vehicle	5
Other capital assets	5-10

Compensated Absences – The Board of Directors voted to adopt a policy for vacation, sick leave, and holidays effective January 1, 1995. Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the district. Excess days earned are transferred to sick leave days. Sick leave accrues to full-time, permanent employees at the rate of one day per month of service. An employee is entitled to accrue sick leave days without limitation on the number of days. If an employee should leave prior to the vesting of his retirement benefits, no compensation will be paid for unused sick days. After

an employee is eligible to receive vested benefits in the retirement plan, any sick leave that said employee has accrued will be credited 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. Any hours exceeding the maximum amount 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, 2007, and is \$9,150.

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, 2007, 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 types of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the district's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

**B. Cash and Certificates of Deposit Investments**

The district is authorized to make investments in bonds, notes, or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks 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, 2007, the Board of Directors chose to limit the investment of funds to certificates of deposits at banks. Cash reserves for operations were held in bank checking and savings accounts.

Cash – At June 30, 2007, the carrying amount of cash deposits was \$1,720,964 and the bank balance was \$1,831,221 as listed below. All bank accounts earn a variable rate of interest. At June 30, 2007, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate		Amount
Sun Trust Bank checking	5.39	%	\$ 967,074
Sun Trust Bank cash investment	5.39		<u>753,890</u>
Total			<u><u>\$ 1,720,964</u></u>

Certificates of Deposit – At June 30, 2007, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
First Bank	2-2-08	5.25 %	\$ 100,000
Pinnacle National Bank	3-13-08	5.00	100,000
SunTrust Bank	7-15-07	5.15	123,046
First Tennessee Bank	7-17-07	5.00	103,690
Fifth Third Bank	9-22-07	5.26	100,000
US Bank	4-20-08	5.00	100,000
Bank of the South	9-20-07	5.54	100,000
Bank of America	3-13-08	3.44	100,000
Regions Bank	10-16-07	5.15	100,000
MidSouth Bank	8-13-08	5.25	100,063
Greene County Bank	3-15-08	5.25	110,397
AmSouth Bank	02-28-08	5.05	100,124
Wilson Bank & Trust	11-19-07	5.58	100,000
Community First Bank	12-20-07	5.45	<u>100,000</u>
Total			<u><u>\$ 1,437,320</u></u>

The certificates of deposit are insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool.

**C. Accounts Receivable**

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

The following are receivables from the telephone companies at June 30, 2007:

BellSouth Telecommunications, Inc.	\$ 47,488
Tennessee Telephone Co.	7,112
NUVOX Communications	3,891
Others	<u>16,110</u>
Total	<u><u>\$ 74,601</u></u>

**D. Capital Assets**

Capital assets are summarized as follows:

Depreciable Assets	Balance 7-1-06	Additions	Deletions	Balance 6-30-07
Buildings and Improvements	\$ 1,098,077	\$ 0	\$ 0	\$ 1,098,077
Communications Equipment	534,398	202,489	(69,512)	667,375
Furniture and Fixtures	44,776	0	0	44,776
Office Equipment	37,389	3,778	(8,798)	32,369
Vehicle	33,810	0	0	33,810
Other Capital Assets	<u>121,592</u>	<u>11,031</u>	<u>(59,608)</u>	<u>73,015</u>
Total	\$ 1,870,042	\$ 217,298	\$ (137,918)	\$ 1,949,422
Less: Accumulated Depreciation	<u>(527,805)</u>	<u>(106,517)</u>	<u>95,920</u>	<u>(538,402)</u>
Total	<u>\$ 1,342,237</u>	<u>\$ 110,781</u>	<u>\$ (41,998)</u>	<u>\$ 1,411,020</u>
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Total	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,500</u>
Total Capital Assets	<u><u>\$ 1,359,737</u></u>	<u><u>\$ 110,781</u></u>	<u><u>\$ (41,998)</u></u>	<u><u>\$ 1,428,520</u></u>

## **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 <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, 2007, was 8.38 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, 2007, Rutherford County Emergency Communications District's annual pension cost of \$15,508 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, 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 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 15 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006. Trend information is as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$ 15,508	100 %	\$ 0
6-30-06	15,683	100	0
6-30-05	11,411	100	0

**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.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 33,535,573	\$ 0	\$ 0	\$ 33,535,573	\$ 32,174,487	\$ 33,537,630	\$ (2,057)
Licenses and Permits	1,830,202	0	0	1,830,202	1,841,500	1,837,200	(6,998)
Fines, Forfeitures, and Penalties	1,911,455	0	0	1,911,455	1,972,302	1,921,492	(10,037)
Charges for Current Services	5,559,578	0	0	5,559,578	5,062,700	5,520,887	38,691
Other Local Revenues	4,491,835	0	0	4,491,835	2,953,541	4,522,486	(30,651)
Fees Received from County Officials	7,729,707	0	0	7,729,707	7,024,000	7,523,500	206,207
State of Tennessee	6,914,534	0	0	6,914,534	6,876,379	7,432,284	(517,750)
Federal Government	1,533,114	0	0	1,533,114	903,906	1,543,408	(10,294)
Other Governments and Citizens Groups	803,337	0	0	803,337	691,000	760,600	42,737
Total Revenues	\$ 64,309,335	\$ 0	\$ 0	\$ 64,309,335	\$ 59,499,815	\$ 64,599,487	\$ (290,152)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 186,988	\$ 0	\$ 0	\$ 186,988	\$ 203,470	\$ 203,470	\$ 16,482
Board of Equalization	4,932	0	0	4,932	19,300	19,300	14,368
County Mayor/Executive	333,918	(2,420)	3,948	335,446	337,454	353,472	18,026
Personnel Office	160,717	(3,619)	1,530	158,628	164,005	164,005	5,377
County Attorney	250,601	0	0	250,601	256,765	256,765	6,164
Election Commission	1,120,813	(470,339)	4,203	654,677	686,294	695,240	40,563
Register of Deeds	117,893	(11,135)	808	107,566	137,689	137,689	30,123
Planning	780,393	(7,471)	29,634	802,556	834,171	836,891	34,335
Codes Compliance	46,787	0	0	46,787	47,124	47,124	337
Geographical Information Systems	645,819	(94,309)	894,138	1,445,648	1,508,770	1,458,167	12,519
County Buildings	1,157,854	(52,582)	71,314	1,176,586	1,240,271	1,319,271	142,685
Other General Administration	220,025	0	1,500	221,525	223,266	223,266	1,741
Preservation of Records	121,678	(26,309)	4,876	100,245	123,047	123,324	23,079
Risk Management	317,636	(1,396)	0	316,240	338,179	338,179	21,939

(Continued)

Exhibit F-1

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 7/1/2006	Add: Encumbrances 6/30/2007	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	\$ 804,448	\$ (280)	\$ 3,512	\$ 807,680	\$ 822,455	\$ 822,455	\$ 14,775
Property Assessor's Office	1,395,356	(69,373)	71,163	1,397,146	1,591,674	1,594,244	197,098
Reappraisal Program	489,691	0	87	489,778	530,026	530,026	40,248
County Trustee's Office	52,742	0	528	53,270	81,350	81,350	28,080
County Clerk's Office	173,349	(9,631)	12,360	176,078	201,043	201,043	24,965
Data Processing	1,327,217	(41,508)	32,881	1,318,590	1,292,860	1,378,463	59,873
<u>Administration of Justice</u>							
Circuit Court	457,278	0	2,817	460,095	482,153	482,153	22,058
Circuit Court Judge	197,300	(1,550)	237	195,987	237,657	237,657	41,670
General Sessions Court	1,036,552	(250)	400	1,036,702	1,046,138	1,062,602	25,900
Drug Court	401,333	(148)	2,292	403,477	438,985	459,712	56,235
Chancery Court	701,805	(1,074)	1,840	702,571	738,932	738,932	36,361
Juvenile Court	300,989	(765)	0	300,224	324,664	324,664	24,440
District Attorney General	62,654	0	0	62,654	62,759	62,759	105
Other Administration of Justice	68,552	0	0	68,552	70,666	70,666	2,114
Probation Services	1,064,917	(164)	400	1,065,153	985,199	1,080,984	15,831
<u>Public Safety</u>							
Sheriff's Department	14,846,252	(312,146)	353,602	14,887,708	15,303,491	15,439,726	552,018
Special Patrols	46,549	0	0	46,549	67,507	67,507	20,958
Traffic Control	13,369	0	0	13,369	10,000	14,900	1,531
Wheel Tax Officer	410	(410)	0	0	0	0	0
Administration of the Sexual Offender Registry	454	0	0	454	0	695	241
Jail	10,991,798	(155,449)	229,756	11,066,105	10,794,034	11,312,245	246,140
Workhouse	2,291,251	(10,698)	37,391	2,317,944	2,498,722	2,504,786	186,842
Juvenile Services	1,271,151	(2,649)	12,349	1,280,851	1,372,490	1,375,289	94,438
Rescue Squad	75,000	0	0	75,000	75,000	75,000	0

(Continued)

Exhibit F-1

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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Disaster Relief	\$ 874,313	\$ (257,802)	\$ 86,551	\$ 703,062	\$ 669,515	\$ 931,580	\$ 228,518
Inspection and Regulation	819,773	(2,074)	1,089	818,788	844,225	851,125	32,337
<u>Public Health and Welfare</u>							
Local Health Center	526,380	(9,568)	3,931	520,743	641,742	583,554	62,811
Rabies and Animal Control	1,032,893	(48,372)	62,197	1,046,718	1,079,509	1,135,399	88,681
Ambulance/Emergency Medical Services	9,167,395	(179,565)	72,757	9,060,587	9,301,552	9,393,878	333,291
Nursing Home	18,294	0	0	18,294	20,000	20,000	1,706
Dental Health Program	13,228	(2,738)	2,000	12,490	14,400	14,400	1,910
Other Local Health Services	1,481,092	(2,129)	6,761	1,485,724	1,620,314	1,620,314	134,590
General Welfare Assistance	39,900	0	0	39,900	39,900	39,900	0
Sanitation Management	18,427	0	0	18,427	18,427	18,427	0
Other Public Health and Welfare	190,050	0	0	190,050	149,400	194,400	4,350
<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	993,151	0	0	993,151	993,151	993,151	0
Parks and Fair Boards	330,644	(460)	0	330,184	380,765	395,508	65,324
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	539,606	0	0	539,606	602,145	602,145	62,539
Soil Conservation	66,309	0	0	66,309	66,480	66,480	171
Storm Water Management	129,229	(4,381)	4,898	129,746	128,110	155,646	25,900
<u>Other Operations</u>							
Tourism	267,952	0	0	267,952	237,000	270,000	2,048
Other Economic and Community Development	163,346	0	0	163,346	166,305	166,305	2,959
Other Charges	214,982	(1,619)	3,059	216,422	262,530	263,530	47,108
Employee Benefits	774,853	0	0	774,853	668,400	826,540	51,687

(Continued)

## Exhibit F-1

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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Payments to Cities	\$ 1,912,348	\$ 0	\$ 0	\$ 1,912,348	\$ 1,622,124	\$ 1,912,348	\$ 0
Miscellaneous	3,200,443	(29,456)	6,798	3,177,785	3,352,355	3,277,488	99,703
Total Expenditures	\$ 66,337,149	\$ (1,813,839)	\$ 2,023,607	\$ 66,546,917	\$ 68,052,029	\$ 69,852,209	\$ 3,305,292
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,027,814)	\$ 1,813,839	\$ (2,023,607)	\$ (2,237,582)	\$ (8,552,214)	\$ (5,252,722)	\$ 3,015,140
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 112,750	\$ 0	\$ 0	\$ 112,750	\$ 0	\$ 112,750	\$ 0
Transfers In	2,139,231	0	0	2,139,231	2,368,310	2,368,310	(229,079)
Transfers Out	(466,394)	0	0	(466,394)	(402,300)	(466,488)	94
Total Other Financing Sources (Uses)	\$ 1,785,587	\$ 0	\$ 0	\$ 1,785,587	\$ 1,966,010	\$ 2,014,572	\$ (228,985)
Net Change in Fund Balance	\$ (242,227)	\$ 1,813,839	\$ (2,023,607)	\$ (451,995)	\$ (6,586,204)	\$ (3,238,150)	\$ 2,786,155
Fund Balance, July 1, 2006	23,967,256	(1,813,839)	0	22,153,417	20,679,196	20,679,196	1,474,221
Fund Balance, June 30, 2007	\$ 23,725,029	\$ 0	\$ (2,023,607)	\$ 21,701,422	\$ 14,092,992	\$ 17,441,046	\$ 4,260,376

Exhibit F-2

Rutherford County, Tennessee

Schedule of Funding Progress – Pension Plan

Primary Government, Discretely Presented Rutherford County School Department, and  
Discretely Presented Community Care of Rutherford County, Inc.

June 30, 2007

**Required Supplementary Information**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b)-(a)	(a/b)	(c)	((b-a)/c)
6-30-05	\$ 80,580	\$ 87,883	\$ 7,303	91.69 %	\$ 48,428	15.08 %
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

Exhibit F-3

Rutherford County, Tennessee

Schedule of Funding Progress – Pension Plan

Discretely Presented Rutherford County Emergency Communications District

June 30, 2007

**Required Supplementary Information**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b)-(a)	(a/b)	(c)	((b-a)/c)
6-30-05	\$ 195	\$ 206	\$ 11	94.45 %	\$ 120	9.55 %
6-30-03	155	168	13	92.26	111	11.71
6-30-01	123	137	14	89.78	102	13.73

**RUTHERFORD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2007**

**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/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with 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 schedule.

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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’s Highway 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 G-1

Rutherford County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2007

	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	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,539,280
Equity in Pooled Cash and Investments	4,286,194	252,471	1,181,513	5,892,662	166,367	0
Accounts Receivable	97,262	0	500	7,500	0	0
Due from Other Governments	282,607	0	5,163	28,333	496	0
Property Taxes Receivable	0	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0	0
Notes Receivable - Long-Term	0	1,623,960	0	0	0	0
Allowance for Doubtful Notes Receivable	0	(959,083)	0	0	0	0
Total Assets	<u>\$ 4,666,263</u>	<u>\$ 917,348</u>	<u>\$ 1,187,176</u>	<u>\$ 5,928,495</u>	<u>\$ 166,863</u>	<u>\$ 1,539,280</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 2,637	\$ 0	\$ 39	\$ 0	\$ 27	\$ 0
Accrued Payroll	14,810	0	187	0	357	0
Due to Other Funds	2	0	0	3,750	0	794,068
Deferred Revenue - Current Property Taxes	0	0	0	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	0	0
Other Deferred Revenues	104,801	0	0	0	0	0
Total Liabilities	<u>\$ 122,250</u>	<u>\$ 0</u>	<u>\$ 226</u>	<u>\$ 3,750</u>	<u>\$ 384</u>	<u>\$ 794,068</u>
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 110,587	\$ 0	\$ 18,518	\$ 0	\$ 0	\$ 0
Reserved for Long-Term Notes Receivable	0	664,877	0	0	0	0
Unreserved	4,433,426	252,471	1,168,432	5,924,745	166,479	745,212
Total Fund Balances	<u>\$ 4,544,013</u>	<u>\$ 917,348</u>	<u>\$ 1,186,950</u>	<u>\$ 5,924,745</u>	<u>\$ 166,479</u>	<u>\$ 745,212</u>
Total Liabilities and Fund Balances	<u>\$ 4,666,263</u>	<u>\$ 917,348</u>	<u>\$ 1,187,176</u>	<u>\$ 5,928,495</u>	<u>\$ 166,863</u>	<u>\$ 1,539,280</u>

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	Community Development/ Industrial Park	Nursing Home Projects	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,539,480	\$ 0	\$ 0	\$ 0	\$ 1,539,480
Equity in Pooled Cash and Investments	6,290,438	18,069,645	28,850	4,152	33,002	18,102,647
Accounts Receivable	18,026	123,288	0	0	0	123,288
Due from Other Governments	575,875	892,474	0	0	0	892,474
Property Taxes Receivable	488,842	488,842	0	0	0	488,842
Allowance for Uncollectible Property Taxes	(24,828)	(24,828)	0	0	0	(24,828)
Notes Receivable - Long-Term	0	1,623,960	0	0	0	1,623,960
Allowance for Doubtful Notes Receivable	0	(959,083)	0	0	0	(959,083)
Total Assets	\$ 7,348,353	\$ 21,753,778	\$ 28,850	\$ 4,152	\$ 33,002	\$ 21,786,780
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 1,500	\$ 4,203	\$ 0	\$ 0	\$ 0	\$ 4,203
Accrued Payroll	0	15,354	0	0	0	15,354
Due to Other Funds	2	797,822	0	0	0	797,822
Deferred Revenue - Current Property Taxes	453,695	453,695	0	0	0	453,695
Deferred Revenue - Delinquent Property Taxes	8,863	8,863	0	0	0	8,863
Other Deferred Revenues	34,934	139,735	0	0	0	139,735
Total Liabilities	\$ 498,994	\$ 1,419,672	\$ 0	\$ 0	\$ 0	\$ 1,419,672
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 0	\$ 129,105	\$ 0	\$ 0	\$ 0	\$ 129,105
Reserved for Long-Term Notes Receivable	0	664,877	0	0	0	664,877
Unreserved	6,849,359	19,540,124	28,850	4,152	33,002	19,573,126
Total Fund Balances	\$ 6,849,359	\$ 20,334,106	\$ 28,850	\$ 4,152	\$ 33,002	\$ 20,367,108
Total Liabilities and Fund Balances	\$ 7,348,353	\$ 21,753,778	\$ 28,850	\$ 4,152	\$ 33,002	\$ 21,786,780

## Exhibit G-2

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2007

	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	\$ 1,104,857	\$ 0	\$ 21,743	\$ 6,229,125	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	526,974	0	40,174	0
Charges for Current Services	1,733,893	0	0	0	0	4,710,719
Other Local Revenues	99,497	172,257	70,757	308,597	0	0
State of Tennessee	174,908	0	0	0	0	0
Other Governments and Citizens Groups	100	0	0	481	0	0
Total Revenues	<u>\$ 3,113,255</u>	<u>\$ 172,257</u>	<u>\$ 619,474</u>	<u>\$ 6,538,203</u>	<u>\$ 40,174</u>	<u>\$ 4,710,719</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 65,415	\$ 403	\$ 808,364
Finance	0	0	0	0	0	2,174,566
Administration of Justice	0	0	0	0	20,599	1,760,947
Public Safety	0	0	813,974	0	0	0
Public Health and Welfare	3,529,944	0	0	0	0	0
Other Operations	123,412	220,122	0	0	0	0
Highways	0	0	0	0	0	0
Capital Projects	0	0	0	37,937	0	0
Total Expenditures	<u>\$ 3,653,356</u>	<u>\$ 220,122</u>	<u>\$ 813,974</u>	<u>\$ 103,352</u>	<u>\$ 21,002</u>	<u>\$ 4,743,877</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (540,101)</u>	<u>\$ (47,865)</u>	<u>\$ (194,500)</u>	<u>\$ 6,434,851</u>	<u>\$ 19,172</u>	<u>\$ (33,158)</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	402,207	0	0	0	0
Transfers Out	0	0	0	(6,383,525)	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 402,207</u>	<u>\$ 0</u>	<u>\$ (6,383,525)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (540,101)</u>	<u>\$ 354,342</u>	<u>\$ (194,500)</u>	<u>\$ 51,326</u>	<u>\$ 19,172</u>	<u>\$ (33,158)</u>
Fund Balance, July 1, 2006	<u>5,084,114</u>	<u>563,006</u>	<u>1,381,450</u>	<u>5,873,419</u>	<u>147,307</u>	<u>778,370</u>
Fund Balance, June 30, 2007	<u>\$ 4,544,013</u>	<u>\$ 917,348</u>	<u>\$ 1,186,950</u>	<u>\$ 5,924,745</u>	<u>\$ 166,479</u>	<u>\$ 745,212</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	Community Development/ Industrial Park	Nursing Home Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 4,203,021	\$ 11,558,746	\$ 0	\$ 0	\$ 0	\$ 11,558,746
Fines, Forfeitures, and Penalties	0	567,148	0	0	0	567,148
Charges for Current Services	0	6,444,612	0	0	0	6,444,612
Other Local Revenues	390,574	1,041,682	0	0	0	1,041,682
State of Tennessee	4,097,724	4,272,632	0	0	0	4,272,632
Other Governments and Citizens Groups	0	581	0	0	0	581
Total Revenues	\$ 8,691,319	\$ 23,885,401	\$ 0	\$ 0	\$ 0	\$ 23,885,401
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 874,182	\$ 0	\$ 0	\$ 0	\$ 874,182
Finance	0	2,174,566	0	0	0	2,174,566
Administration of Justice	0	1,781,546	0	0	0	1,781,546
Public Safety	0	813,974	0	0	0	813,974
Public Health and Welfare	0	3,529,944	0	0	0	3,529,944
Other Operations	0	343,534	0	0	0	343,534
Highways	8,254,163	8,254,163	0	0	0	8,254,163
Capital Projects	0	37,937	0	6,800	6,800	44,737
Total Expenditures	\$ 8,254,163	\$ 17,809,846	\$ 0	\$ 6,800	\$ 6,800	\$ 17,816,646
Excess (Deficiency) of Revenues Over Expenditures	\$ 437,156	\$ 6,075,555	\$ 0	\$ (6,800)	\$ (6,800)	\$ 6,068,755
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 55	\$ 55	\$ 0	\$ 0	\$ 0	\$ 55
Transfers In	0	402,207	0	0	0	402,207
Transfers Out	0	(6,383,525)	0	0	0	(6,383,525)
Total Other Financing Sources (Uses)	\$ 55	\$ (5,981,263)	\$ 0	\$ 0	\$ 0	\$ (5,981,263)
Net Change in Fund Balances	\$ 437,211	\$ 94,292	\$ 0	\$ (6,800)	\$ (6,800)	\$ 87,492
Fund Balance, July 1, 2006	6,412,148	20,239,814	28,850	10,952	39,802	20,279,616
Fund Balance, June 30, 2007	\$ 6,849,359	\$ 20,334,106	\$ 28,850	\$ 4,152	\$ 33,002	\$ 20,367,108

Exhibit G-3

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,104,857	\$ 0	\$ 0	\$ 1,104,857	\$ 993,160	\$ 1,089,372	\$ 15,485
Charges for Current Services	1,733,893	0	0	1,733,893	1,110,000	1,802,550	(68,657)
Other Local Revenues	99,497	0	0	99,497	64,000	98,100	1,397
State of Tennessee	174,908	0	0	174,908	274,806	296,806	(121,898)
Other Governments and Citizens Groups	100	0	0	100	0	100	0
Total Revenues	\$ 3,113,255	\$ 0	\$ 0	\$ 3,113,255	\$ 2,441,966	\$ 3,286,928	\$ (173,673)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 118,241	\$ 0	\$ 1,068	\$ 119,309	\$ 122,410	\$ 124,185	\$ 4,876
Convenience Centers	2,034,342	(34,253)	16,761	2,016,850	2,154,698	2,159,298	142,448
Other Waste Collection	335,049	(4,350)	1,250	331,949	312,500	347,500	15,551
Landfill Operation and Maintenance	912,178	(78,338)	77,528	911,368	886,086	1,036,806	125,438
Postclosure Care Costs	130,134	(2,850)	13,980	141,264	142,500	185,400	44,136
<u>Other Operations</u>							
Employee Benefits	59,100	0	0	59,100	50,600	64,100	5,000
Miscellaneous	64,312	0	0	64,312	85,605	85,605	21,293
Total Expenditures	\$ 3,653,356	\$ (119,791)	\$ 110,587	\$ 3,644,152	\$ 3,754,399	\$ 4,002,894	\$ 358,742
Excess (Deficiency) of Revenues Over Expenditures	\$ (540,101)	\$ 119,791	\$ (110,587)	\$ (530,897)	\$ (1,312,433)	\$ (715,966)	\$ 185,069
Net Change in Fund Balance	\$ (540,101)	\$ 119,791	\$ (110,587)	\$ (530,897)	\$ (1,312,433)	\$ (715,966)	\$ 185,069
Fund Balance, July 1, 2006	5,084,114	(119,791)	0	4,964,323	4,960,543	4,960,543	3,780
Fund Balance, June 30, 2007	\$ 4,544,013	\$ 0	\$ (110,587)	\$ 4,433,426	\$ 3,648,110	\$ 4,244,577	\$ 188,849

Exhibit G-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 172,257	\$ 131,203	\$ 172,258	\$ (1)
Total Revenues	\$ 172,257	\$ 131,203	\$ 172,258	\$ (1)
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 203,092	\$ 202,890	\$ 203,093	\$ 1
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 220,122	\$ 219,920	\$ 220,123	\$ 1
Excess (Deficiency) of Revenues Over Expenditures	\$ (47,865)	\$ (88,717)	\$ (47,865)	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 402,207	\$ 402,300	\$ 402,300	\$ (93)
Total Other Financing Sources (Uses)	\$ 402,207	\$ 402,300	\$ 402,300	\$ (93)
Net Change in Fund Balance	\$ 354,342	\$ 313,583	\$ 354,435	\$ (93)
Fund Balance, July 1, 2006	563,006	258,334	258,334	304,672
Fund Balance, June 30, 2007	\$ 917,348	\$ 571,917	\$ 612,769	\$ 304,579

Exhibit G-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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 21,743	\$ 0	\$ 0	\$ 21,743	\$ 0	\$ 13,000	\$ 8,743
Fines, Forfeitures, and Penalties	526,974	0	0	526,974	695,000	701,000	(174,026)
Other Local Revenues	70,757	0	0	70,757	32,000	70,900	(143)
Total Revenues	\$ 619,474	\$ 0	\$ 0	\$ 619,474	\$ 727,000	\$ 784,900	\$ (165,426)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 813,974	\$ (10,691)	\$ 18,518	\$ 821,801	\$ 904,335	\$ 1,107,613	\$ 285,812
Total Expenditures	\$ 813,974	\$ (10,691)	\$ 18,518	\$ 821,801	\$ 904,335	\$ 1,107,613	\$ 285,812
Excess (Deficiency) of Revenues Over Expenditures	\$ (194,500)	\$ 10,691	\$ (18,518)	\$ (202,327)	\$ (177,335)	\$ (322,713)	\$ 120,386
Net Change in Fund Balance	\$ (194,500)	\$ 10,691	\$ (18,518)	\$ (202,327)	\$ (177,335)	\$ (322,713)	\$ 120,386
Fund Balance, July 1, 2006	1,381,450	(10,691)	0	1,370,759	1,370,761	1,370,761	(2)
Fund Balance, June 30, 2007	\$ 1,186,950	\$ 0	\$ (18,518)	\$ 1,168,432	\$ 1,193,426	\$ 1,048,048	\$ 120,384

## Exhibit G-6

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Adequate Facilities/Development Tax Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,229,125	\$ 5,875,000	\$ 6,135,000	\$ 94,125
Other Local Revenues	308,597	200,000	307,200	1,397
Other Governments and Citizens Groups	481	0	481	0
Total Revenues	<u>\$ 6,538,203</u>	<u>\$ 6,075,000</u>	<u>\$ 6,442,681</u>	<u>\$ 95,522</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 65,415	\$ 60,750	\$ 64,750	\$ (665)
<u>Capital Projects</u>				
Other General Government Projects	37,937	0	37,937	0
Total Expenditures	<u>\$ 103,352</u>	<u>\$ 60,750</u>	<u>\$ 102,687</u>	<u>\$ (665)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,434,851</u>	<u>\$ 6,014,250</u>	<u>\$ 6,339,994</u>	<u>\$ 94,857</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (6,383,525)	\$ (5,612,500)	\$ (6,398,454)	\$ 14,929
Total Other Financing Sources (Uses)	<u>\$ (6,383,525)</u>	<u>\$ (5,612,500)</u>	<u>\$ (6,398,454)</u>	<u>\$ 14,929</u>
Net Change in Fund Balance	\$ 51,326	\$ 401,750	\$ (58,460)	\$ 109,786
Fund Balance, July 1, 2006	<u>5,873,419</u>	<u>4,898,418</u>	<u>4,898,418</u>	<u>975,001</u>
Fund Balance, June 30, 2007	<u><u>\$ 5,924,745</u></u>	<u><u>\$ 5,300,168</u></u>	<u><u>\$ 4,839,958</u></u>	<u><u>\$ 1,084,787</u></u>

## Exhibit G-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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,203,021	\$ 3,917,903	\$ 4,180,449	\$ 22,572
Other Local Revenues	390,574	212,500	388,860	1,714
State of Tennessee	4,097,724	3,656,500	4,108,645	(10,921)
Total Revenues	<u>\$ 8,691,319</u>	<u>\$ 7,786,903</u>	<u>\$ 8,677,954</u>	<u>\$ 13,365</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 564,159	\$ 641,576	\$ 653,569	\$ 89,410
Highway and Bridge Maintenance	5,060,703	4,425,820	5,425,820	365,117
Operation and Maintenance of Equipment	708,907	1,063,850	1,063,850	354,943
Quarry Operations	402,049	566,900	566,900	164,851
Other Charges	387,602	515,055	515,055	127,453
Employee Benefits	181,077	171,200	184,600	3,523
Capital Outlay	949,666	934,860	1,414,860	465,194
Total Expenditures	<u>\$ 8,254,163</u>	<u>\$ 8,319,261</u>	<u>\$ 9,824,654</u>	<u>\$ 1,570,491</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 437,156</u>	<u>\$ (532,358)</u>	<u>\$ (1,146,700)</u>	<u>\$ 1,583,856</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 55	\$ 0	\$ 55	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 55</u>	<u>\$ 0</u>	<u>\$ 55</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 437,211	\$ (532,358)	\$ (1,146,645)	\$ 1,583,856
Fund Balance, July 1, 2006	<u>6,412,148</u>	<u>5,970,685</u>	<u>5,970,685</u>	<u>441,463</u>
Fund Balance, June 30, 2007	<u><u>\$ 6,849,359</u></u>	<u><u>\$ 5,438,327</u></u>	<u><u>\$ 4,824,040</u></u>	<u><u>\$ 2,025,319</u></u>

# **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, long-term debt principal, interest, and related costs.

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## Exhibit H

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 34,790,514	\$ 33,953,746	\$ 34,783,046	\$ 7,468
Other Local Revenues	3,848,441	2,816,250	4,116,250	(267,809)
Total Revenues	<u>\$ 38,638,955</u>	<u>\$ 36,769,996</u>	<u>\$ 38,899,296</u>	<u>\$ (260,341)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 692,944	\$ 1,001,400	\$ 1,001,400	\$ 308,456
<u>Principal on Debt</u>				
General Government	1,894,195	1,894,195	1,894,195	0
Education	22,644,890	22,644,891	22,644,890	0
<u>Interest on Debt</u>				
General Government	2,808,521	2,808,521	2,808,521	0
Education	14,088,301	14,088,304	14,088,304	3
Total Expenditures	<u>\$ 42,128,851</u>	<u>\$ 42,437,311</u>	<u>\$ 42,437,310</u>	<u>\$ 308,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,489,896)</u>	<u>\$ (5,667,315)</u>	<u>\$ (3,538,014)</u>	<u>\$ 48,118</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,235,188	\$ 2,937,500	\$ 3,188,126	\$ 47,062
Total Other Financing Sources (Uses)	<u>\$ 3,235,188</u>	<u>\$ 2,937,500</u>	<u>\$ 3,188,126</u>	<u>\$ 47,062</u>
Net Change in Fund Balance	\$ (254,708)	\$ (2,729,815)	\$ (349,888)	\$ 95,180
Fund Balance, July 1, 2006	<u>31,183,133</u>	<u>31,221,464</u>	<u>31,221,464</u>	<u>(38,331)</u>
Fund Balance, June 30, 2007	<u>\$ 30,928,425</u>	<u>\$ 28,491,649</u>	<u>\$ 30,871,576</u>	<u>\$ 56,849</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.

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

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

## Exhibit I-1

Rutherford County, Tennessee  
Combining Statement of Net Assets  
Proprietary Funds  
June 30, 2007

	<u>Internal Service Funds</u>			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>ASSETS</u>				
Cash	\$ 77,748	\$ 548,000	\$ 182,460	\$ 808,208
Equity in Pooled Cash and Investments	227,110	18,672,978	2,119,059	21,019,147
Accounts Receivable	259,011	143,177	1,120	403,308
Due from Other Governments	0	6,025	0	6,025
Total Assets	<u>\$ 563,869</u>	<u>\$ 19,370,180</u>	<u>\$ 2,302,639</u>	<u>\$ 22,236,688</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 6,200	\$ 7,753	\$ 0	\$ 13,953
Claims and Judgments Payable	885,862	6,053,229	2,715,000	9,654,091
Due to Other Funds	0	2,314	2,314	4,628
Total Liabilities	<u>\$ 892,062</u>	<u>\$ 6,063,296</u>	<u>\$ 2,717,314</u>	<u>\$ 9,672,672</u>
<u>NET ASSETS</u>				
Unrestricted	<u>\$ (328,193)</u>	<u>\$ 13,306,884</u>	<u>\$ (414,675)</u>	<u>\$ 12,564,016</u>
Total Net Assets	<u>\$ (328,193)</u>	<u>\$ 13,306,884</u>	<u>\$ (414,675)</u>	<u>\$ 12,564,016</u>

Exhibit I-2

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2007

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 803,457	\$ 31,921,051	\$ 1,918,600	\$ 34,643,108
Other Local Revenues:				
Retirees' Insurance Payments	0	1,455,443	0	1,455,443
Cobra Insurance Payments	0	86,019	0	86,019
Total Operating Revenues	<u>\$ 803,457</u>	<u>\$ 33,462,513</u>	<u>\$ 1,918,600</u>	<u>\$ 36,184,570</u>
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 31,175	\$ 2,424,388	\$ 70,500	\$ 2,526,063
Consultants	0	11,769	1,000	12,769
Contracts with Private Agencies	0	1,703,511	0	1,703,511
Legal Services	1,151	0	0	1,151
Drug and Medical Supplies	0	32,480	0	32,480
Excess Risk Insurance	0	0	114,710	114,710
Worker's Compensation Insurance	0	0	14,023	14,023
Medical Claims	0	24,126,903	0	24,126,903
Liability Claims	1,559,360	0	0	1,559,360
Other Self-Insured Claims	0	0	1,583,882	1,583,882
Other Fringe Benefits	0	158,632	0	158,632
Refunds	0	135	0	135
Other Charges	0	1,696	5,000	6,696
Other Contracted Services	29,750	33,957	0	63,707
Total Operating Expenses	<u>\$ 1,621,436</u>	<u>\$ 28,493,471</u>	<u>\$ 1,789,115</u>	<u>\$ 31,904,022</u>
Operating Income (Loss)	<u>\$ (817,979)</u>	<u>\$ 4,969,042</u>	<u>\$ 129,485</u>	<u>\$ 4,280,548</u>
<u>Nonoperating Revenues (Expenses)</u>				
Miscellaneous Refunds	\$ 0	\$ 19	\$ 7,232	\$ 7,251
Total Nonoperating Revenues (Expenses)	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 7,232</u>	<u>\$ 7,251</u>
Income (Loss) Before Transfers	\$ (817,979)	\$ 4,969,061	\$ 136,717	\$ 4,287,799
Transfers Out	0	(158,111)	(158,111)	(316,222)
Change in Net Assets	\$ (817,979)	\$ 4,810,950	\$ (21,394)	\$ 3,971,577
Net Assets, July 1, 2006	489,786	8,495,934	(393,281)	8,592,439
Net Assets, June 30, 2007	<u>\$ (328,193)</u>	<u>\$ 13,306,884</u>	<u>\$ (414,675)</u>	<u>\$ 12,564,016</u>

Exhibit I-3

Rutherford County, Tennessee  
Combining Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2007

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Customers and Users	\$ 821,446	\$ 33,477,107	\$ 1,918,173	\$ 36,216,726
Payment to Suppliers	(124,561)	(4,405,279)	(199,233)	(4,729,073)
Claims Paid	(758,498)	(23,478,985)	(947,534)	(25,185,017)
Other Receipts (Payments)	0	(5,696)	1,232	(4,464)
Net Cash Provided By (Used In) Operating Activities	\$ (61,613)	\$ 5,587,147	\$ 772,638	\$ 6,298,172
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers to Other Funds	\$ 0	\$ (158,111)	\$ (158,111)	\$ (316,222)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (158,111)	\$ (158,111)	\$ (316,222)
Net Increase (Decrease) in Cash	\$ (61,613)	\$ 5,429,036	\$ 614,527	\$ 5,981,950
Cash, July 1, 2006	366,471	13,791,942	1,686,992	15,845,405
Cash, June 30, 2007	\$ 304,858	\$ 19,220,978	\$ 2,301,519	\$ 21,827,355
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u> <u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
Operating Income (Loss)	\$ (817,979)	\$ 4,969,042	\$ 129,485	\$ 4,280,548
Miscellaneous Refunds	0	19	7,232	7,251
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	(249,011)	(25,113)	(427)	(274,551)
(Increase) Decrease in Due from Other Governments	0	(1,835)	0	(1,835)
(Increase) Decrease in Due from Other Funds	267,000	1,218	0	268,218
(Increase) Decrease in Due from Component Units	0	40,305	0	40,305
Increase (Decrease) in Accounts Payable	(62,485)	(44,890)	0	(107,375)
Increase (Decrease) in Claims and Judgments Payable	800,862	648,053	636,000	2,084,915
Increase (Decrease) in Due to Other Funds	0	348	348	696
Net Cash Provided By (Used In) Operating Activities	\$ (61,613)	\$ 5,587,147	\$ 772,638	\$ 6,298,172

# 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 J-1

Rutherford County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2007

	Agency Funds				
	Cities -	City		Constitu-	
	Sales	School		tional	
	Tax	ADA -	Joint	Officers -	
		Murfreesboro	Venture	Agency	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 6,530,754	\$ 6,530,754
Equity in Pooled Cash and Investments	0	208,945	29,756	0	238,701
Investments	0	0	0	521,555	521,555
Due from Other Governments	6,122,784	1,227,191	0	0	7,349,975
Taxes Receivable	0	9,727,849	0	0	9,727,849
Allowance for Uncollectible Taxes	0	(496,302)	0	0	(496,302)
Total Assets	<u>\$ 6,122,784</u>	<u>\$ 10,667,683</u>	<u>\$ 29,756</u>	<u>\$ 7,052,309</u>	<u>\$ 23,872,532</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 6,122,784	\$ 10,667,683	\$ 0	\$ 0	\$ 16,790,467
Due to Joint Ventures	0	0	29,756	0	29,756
Due to Litigants, Heirs, and Others	0	0	0	7,052,309	7,052,309
Total Liabilities	<u>\$ 6,122,784</u>	<u>\$ 10,667,683</u>	<u>\$ 29,756</u>	<u>\$ 7,052,309</u>	<u>\$ 23,872,532</u>

## Exhibit J-2

Rutherford County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 36,832,256	\$ 36,832,256	\$ 0
Due from Other Governments	5,870,080	6,122,784	5,870,080	6,122,784
Total Assets	\$ 5,870,080	\$ 42,955,040	\$ 42,702,336	\$ 6,122,784
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,870,080	\$ 42,955,040	\$ 42,702,336	\$ 6,122,784
Total Liabilities	\$ 5,870,080	\$ 42,955,040	\$ 42,702,336	\$ 6,122,784
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 198,679	\$ 17,243,534	\$ 17,233,268	\$ 208,945
Due from Other Governments	1,177,239	1,227,191	1,177,239	1,227,191
Taxes Receivable	9,412,736	9,727,849	9,412,736	9,727,849
Allowance for Uncollectible Taxes	(482,098)	(496,302)	(482,098)	(496,302)
Total Assets	\$ 10,306,556	\$ 27,702,272	\$ 27,341,145	\$ 10,667,683
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,306,556	\$ 27,702,272	\$ 27,341,145	\$ 10,667,683
Total Liabilities	\$ 10,306,556	\$ 27,702,272	\$ 27,341,145	\$ 10,667,683
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 33,254	\$ 0	\$ 3,498	\$ 29,756
Total Assets	\$ 33,254	\$ 0	\$ 3,498	\$ 29,756
<u>Liabilities</u>				
Accounts Payable	\$ 206	\$ 0	\$ 206	\$ 0
Due to Joint Ventures	33,048	0	3,292	29,756
Total Liabilities	\$ 33,254	\$ 0	\$ 3,498	\$ 29,756
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,059,869	\$ 64,112,604	\$ 64,641,719	\$ 6,530,754
Investments	650,099	521,555	650,099	521,555
Total Assets	\$ 7,709,968	\$ 64,634,159	\$ 65,291,818	\$ 7,052,309
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,709,968	\$ 64,634,159	\$ 65,291,818	\$ 7,052,309
Total Liabilities	\$ 7,709,968	\$ 64,634,159	\$ 65,291,818	\$ 7,052,309

(Continued)

## Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,059,869	\$ 64,112,604	\$ 64,641,719	\$ 6,530,754
Equity in Pooled Cash and Investments	231,933	54,075,790	54,069,022	238,701
Investments	650,099	521,555	650,099	521,555
Due from Other Governments	7,047,319	7,349,975	7,047,319	7,349,975
Taxes Receivable	9,412,736	9,727,849	9,412,736	9,727,849
Allowance for Uncollectible Taxes	(482,098)	(496,302)	(482,098)	(496,302)
Total Assets	<u>\$ 23,919,858</u>	<u>\$ 135,291,471</u>	<u>\$ 135,338,797</u>	<u>\$ 23,872,532</u>
<u>Liabilities</u>				
Accounts Payable	\$ 206	\$ 0	\$ 206	\$ 0
Due to Other Taxing Units	16,176,636	70,657,312	70,043,481	16,790,467
Due to Joint Ventures	33,048	0	3,292	29,756
Due to Litigants, Heirs, and Others	7,709,968	64,634,159	65,291,818	7,052,309
Total Liabilities	<u>\$ 23,919,858</u>	<u>\$ 135,291,471</u>	<u>\$ 135,338,797</u>	<u>\$ 23,872,532</u>

# 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 Debt Service 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.

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

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

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

## Exhibit K-1

Rutherford County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Rutherford County School Department  
June 30, 2007

	Major Funds		Nonmajor Fund	Total
	General Purpose School	Other Capital Projects	School Federal Projects Funds	Govern-mental Funds
<u>ASSETS</u>				
Cash	\$ 150	\$ 0	\$ 0	\$ 150
Equity in Pooled Cash and Investments	25,159,131	16,621,102	924,135	42,704,368
Accounts Receivable	160,912	875,000	505	1,036,417
Due from Other Governments	9,218,642	0	551,188	9,769,830
Due from Other Funds	25,573	0	190	25,763
Property Taxes Receivable	48,962,828	0	0	48,962,828
Allowance for Uncollectible Property Taxes	(2,510,024)	0	0	(2,510,024)
Advances to Other Funds	1,569,000	0	0	1,569,000
Total Assets	\$ 82,586,212	\$ 17,496,102	\$ 1,476,018	\$ 101,558,332
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 2,267,452	\$ 0	\$ 54,752	\$ 2,322,204
Accrued Payroll	12,473,417	0	393,572	12,866,989
Payroll Deductions Payable	25	0	0	25
Due to Other Funds	190	0	25,573	25,763
Advances Payable to Other Funds	0	1,569,000	0	1,569,000
Deferred Revenue - Current Property Taxes	45,335,129	0	0	45,335,129
Deferred Revenue - Delinquent Property Taxes	960,002	0	0	960,002
Other Deferred Revenues	2,918,882	0	0	2,918,882
Total Liabilities	\$ 63,955,097	\$ 1,569,000	\$ 473,897	\$ 65,997,994
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 3,962,444	\$ 14,800,269	\$ 307,719	\$ 19,070,432
Reserved for Advances to Other Funds	1,569,000	0	0	1,569,000
Reserved for Driver Education	202,337	0	0	202,337
Reserved for Career Ladder - Extended Contract	9,069	0	0	9,069
Reserved for Career Ladder Program	56,627	0	0	56,627
Reserved for Title I Grants to Local Education Agencies	0	0	111,628	111,628
Reserved for Innovative Education Program Strategies	0	0	4,267	4,267
Reserved for Special Education - Grants to States	0	0	511,516	511,516
Other Federal Reserves	0	0	66,991	66,991
Unreserved, Reported In:				
General Fund	12,831,638	0	0	12,831,638
Capital Projects Funds	0	1,126,833	0	1,126,833
Total Fund Balances	\$ 18,631,115	\$ 15,927,102	\$ 1,002,121	\$ 35,560,338
Total Liabilities and Fund Balances	\$ 82,586,212	\$ 17,496,102	\$ 1,476,018	\$ 101,558,332

Exhibit K-2

Rutherford County, Tennessee

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

Discretely Presented Rutherford County School Department

June 30, 2007

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

Total fund balances - balance sheet - governmental funds (Exhibit K-1)		\$	35,560,338
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	6,632,564	
Add: construction in progress		35,061,424	
Add: buildings and improvements net of accumulated depreciation		288,610,986	
Add: other capital assets net of accumulated depreciation		<u>4,713,830</u>	335,018,804
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			3,878,884
(3) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges are reflected on the statement of net assets.			38,562
(4) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.			(53,667)
(5) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(3,265,000)	
Less: notes payable		(428,571)	
Less: compensated absences		(762,736)	
Less: unamortized debt premiums		<u>(44,161)</u>	<u>(4,500,468)</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>369,942,453</u></u>

Exhibit K-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, 2007

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 89,098,982	\$ 0	\$ 0	\$ 89,098,982
Licenses and Permits	15,671	0	0	15,671
Charges for Current Services	186,106	0	0	186,106
Other Local Revenues	2,177,288	1,392,655	6,628	3,576,571
State of Tennessee	112,172,698	0	16,000	112,188,698
Federal Government	5,745,145	0	10,081,757	15,826,902
Total Revenues	\$ 209,395,890	\$ 1,392,655	\$ 10,104,385	\$ 220,892,930
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 101	\$ 101
Instruction	134,933,948	0	5,914,846	140,848,794
Support Services	63,853,017	0	3,826,821	67,679,838
Operation of Non-Instructional Services	6,298,574	0	0	6,298,574
Capital Outlay	149,557	0	0	149,557
Debt Service:				
Principal on Debt	0	0	541,429	541,429
Interest on Debt	0	0	147,600	147,600
Other Debt Service	0	0	2	2
Capital Projects	0	40,975,165	0	40,975,165
Total Expenditures	\$ 205,235,096	\$ 40,975,165	\$ 10,430,799	\$ 256,641,060
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,160,794	\$ (39,582,510)	\$ (326,414)	\$ (35,748,130)
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 0	\$ 500,000	\$ 0	\$ 500,000
Transfers In	37,515	3,291,000	614,353	3,942,868
Transfers Out	(3,900,218)	(5,135)	(37,515)	(3,942,868)
Total Other Financing Sources (Uses)	\$ (3,862,703)	\$ 3,785,865	\$ 576,838	\$ 500,000
Net Change in Fund Balances	\$ 298,091	\$ (35,796,645)	\$ 250,424	\$ (35,248,130)
Fund Balance, July 1, 2006	18,333,024	51,723,747	751,697	70,808,468
Fund Balance, June 30, 2007	\$ 18,631,115	\$ 15,927,102	\$ 1,002,121	\$ 35,560,338

Exhibit K-4

Rutherford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

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

Net change in fund balances - total governmental funds (Exhibit K-3)		\$ (35,248,130)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 68,238,652	
Less: current year depreciation expense	<u>(7,776,927)</u>	60,461,725
(2) Donated capital assets do not generate current financial resources and are therefore not recognized in the governmental funds. This adjustment reflects capital assets donated during the current period.		(30,515,913)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2006	\$ (3,977,079)	
Add: deferred delinquent property taxes and other deferred June 30, 2007	<u>3,878,884</u>	(98,195)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: debt issued	\$ (500,000)	
Add: principal payment on notes	71,429	
Add: principal payment on bonds	<u>470,000</u>	41,429
(5) Governmental funds report the effect of issuance costs, premiums, discounts, and similar items related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment reflects debt issuance cost expensed during the year recorded in the statement of activities.		
Add: debt premium amortized during year	\$ 6,900	
Less: debt issuance cost amortized during year	<u>(6,025)</u>	875
(6) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 20,133	
Change in compensated absences	<u>(100,502)</u>	(80,369)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (5,438,578)</u>

Exhibit K-5

Rutherford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

	Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Education Debt Service	
<u>Revenues</u>			
Other Local Revenues	\$ 0	\$ 6,628	\$ 6,628
State of Tennessee	16,000	0	16,000
Federal Government	10,081,757	0	10,081,757
Total Revenues	<u>\$ 10,097,757</u>	<u>\$ 6,628</u>	<u>\$ 10,104,385</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 101	\$ 101
Instruction	5,914,846	0	5,914,846
Support Services	3,826,821	0	3,826,821
Debt Service:			
Principal on Debt	0	541,429	541,429
Interest on Debt	0	147,600	147,600
Other Debt Service	0	2	2
Total Expenditures	<u>\$ 9,741,667</u>	<u>\$ 689,132</u>	<u>\$ 10,430,799</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 356,090</u>	<u>\$ (682,504)</u>	<u>\$ (326,414)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 614,353	\$ 614,353
Transfers Out	(37,515)	0	(37,515)
Total Other Financing Sources (Uses)	<u>\$ (37,515)</u>	<u>\$ 614,353</u>	<u>\$ 576,838</u>
Net Change in Fund Balances	\$ 318,575	\$ (68,151)	\$ 250,424
Fund Balance, July 1, 2006	<u>683,546</u>	<u>68,151</u>	<u>751,697</u>
Fund Balance, June 30, 2007	<u>\$ 1,002,121</u>	<u>\$ 0</u>	<u>\$ 1,002,121</u>

## Exhibit K-6

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 89,098,982	\$ 0	\$ 0	\$ 89,098,982	\$ 87,225,502	\$ 87,225,499	\$ 1,873,483
Licenses and Permits	15,671	0	0	15,671	15,000	15,000	671
Charges for Current Services	186,106	0	0	186,106	456,820	456,820	(270,714)
Other Local Revenues	2,177,288	0	0	2,177,288	1,390,000	1,517,621	659,667
State of Tennessee	112,172,698	0	0	112,172,698	109,246,160	111,831,637	341,061
Federal Government	5,745,145	0	0	5,745,145	5,535,397	6,075,397	(330,252)
Total Revenues	\$ 209,395,890	\$ 0	\$ 0	\$ 209,395,890	\$ 203,868,879	\$ 207,121,974	\$ 2,273,916
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 108,345,876	\$ (4,411,362)	\$ 2,751,930	\$ 106,686,444	\$ 105,868,897	\$ 107,453,668	\$ 767,224
Alternative Instruction Program	1,372,205	(3,324)	1,038	1,369,919	1,452,108	1,421,001	51,082
Special Education Program	16,945,206	(113,715)	161,477	16,992,968	15,828,380	17,252,102	259,134
Vocational Education Program	7,870,181	(334,632)	44,965	7,580,514	7,624,877	7,641,179	60,665
Adult Education Program	400,480	(26,662)	33,748	407,566	484,059	486,888	79,322
<u>Support Services</u>							
Attendance	447,690	(2,684)	5,848	450,854	496,634	466,513	15,659
Health Services	1,862,922	(8,081)	12,609	1,867,450	1,866,604	1,898,104	30,654
Other Student Support	5,470,185	(52,864)	2,585	5,419,906	5,631,863	5,587,994	168,088
Regular Instruction Program	6,914,403	(16,656)	149,996	7,047,743	7,044,040	7,218,693	170,950
Alternative Instruction Program	541,521	(2,782)	13,682	552,421	531,523	573,730	21,309
Special Education Program	919,563	(31,684)	4,912	892,791	2,270,639	930,526	37,735
Vocational Education Program	116,534	0	2,189	118,723	112,761	118,762	39
Adult Programs	149,007	0	4,904	153,911	171,757	169,051	15,140
Board of Education	3,839,450	0	1,414	3,840,864	3,708,378	3,940,878	100,014
Director of Schools	527,127	(6,402)	1,854	522,579	558,932	544,396	21,817

(Continued)

## Exhibit K-6

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 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 11,296,223	\$ (64,775)	\$ 90,848	\$ 11,322,296	\$ 11,471,499	\$ 11,527,630	\$ 205,334
Fiscal Services	650,334	(1,313)	274	649,295	640,565	671,170	21,875
Human Services/Personnel	349,967	0	762	350,729	291,291	372,194	21,465
Operation of Plant	15,486,904	(353,848)	234,411	15,367,467	15,980,687	15,865,634	498,167
Maintenance of Plant	4,512,567	(195,691)	300,811	4,617,687	4,667,109	4,742,493	124,806
Transportation	9,122,469	(5,025)	3,448	9,120,892	9,192,541	9,207,041	86,149
Central and Other	1,646,151	(51,520)	95,838	1,690,469	1,830,116	1,766,610	76,141
<u>Operation of Non-Instructional Services</u>							
Food Service	5,143,035	(3,958)	26,508	5,165,585	4,878,808	5,419,258	253,673
Community Services	669,582	(3,354)	0	666,228	551,241	686,880	20,652
Early Childhood Education	485,957	(11,062)	7,393	482,288	637,662	506,991	24,703
<u>Capital Outlay</u>							
Regular Capital Outlay	149,557	(19,319)	9,000	139,238	145,000	145,000	5,762
Total Expenditures	\$ 205,235,096	\$ (5,720,713)	\$ 3,962,444	\$ 203,476,827	\$ 203,937,971	\$ 206,614,386	\$ 3,137,559
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,160,794	\$ 5,720,713	\$ (3,962,444)	\$ 5,919,063	\$ (69,092)	\$ 507,588	\$ 5,411,475
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 37,515	\$ 0	\$ 0	\$ 37,515	\$ 50,000	\$ 50,000	\$ (12,485)
Transfers Out	(3,900,218)	0	0	(3,900,218)	(689,029)	(3,900,218)	0
Total Other Financing Sources (Uses)	\$ (3,862,703)	\$ 0	\$ 0	\$ (3,862,703)	\$ (639,029)	\$ (3,850,218)	\$ (12,485)
Net Change in Fund Balance	\$ 298,091	\$ 5,720,713	\$ (3,962,444)	\$ 2,056,360	\$ (708,121)	\$ (3,342,630)	\$ 5,398,990
Fund Balance, July 1, 2006	18,333,024	(5,720,713)	0	12,612,311	11,317,562	11,317,562	1,294,749
Fund Balance, June 30, 2007	\$ 18,631,115	\$ 0	\$ (3,962,444)	\$ 14,668,671	\$ 10,609,441	\$ 7,974,932	\$ 6,693,739

Exhibit K-7

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
State of Tennessee	\$ 16,000	\$ 0	\$ 0	\$ 16,000	\$ 0	\$ 16,000	\$ 0
Federal Government	10,081,757	0	0	10,081,757	10,497,156	10,824,395	(742,638)
Total Revenues	\$ 10,097,757	\$ 0	\$ 0	\$ 10,097,757	\$ 10,497,156	\$ 10,840,395	\$ (742,638)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,427,308	\$ (39,870)	\$ 23,562	\$ 2,411,000	\$ 2,354,756	\$ 2,578,185	\$ 167,185
Special Education Program	3,024,233	(29,635)	3,184	2,997,782	3,577,050	3,625,826	628,044
Vocational Education Program	463,305	(33,448)	6,356	436,213	467,409	469,135	32,922
<u>Support Services</u>							
Health Services	229,644	0	0	229,644	289,445	298,946	69,302
Other Student Support	847,698	(1,497)	19	846,220	923,701	969,484	123,264
Regular Instruction Program	1,304,831	(267,463)	269,445	1,306,813	1,517,865	1,487,034	180,221
Special Education Program	1,382,806	0	3,449	1,386,255	1,585,851	1,605,802	219,547
Vocational Education Program	52,727	(704)	1,119	53,142	27,000	54,337	1,195
Transportation	9,115	0	585	9,700	13,000	13,000	3,300
Total Expenditures	\$ 9,741,667	\$ (372,617)	\$ 307,719	\$ 9,676,769	\$ 10,756,077	\$ 11,101,749	\$ 1,424,980
Excess (Deficiency) of Revenues Over Expenditures	\$ 356,090	\$ 372,617	\$ (307,719)	\$ 420,988	\$ (258,921)	\$ (261,354)	\$ 682,342
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (37,515)	\$ 0	\$ 0	\$ (37,515)	\$ (51,632)	\$ (49,198)	\$ 11,683
Total Other Financing Sources (Uses)	\$ (37,515)	\$ 0	\$ 0	\$ (37,515)	\$ (51,632)	\$ (49,198)	\$ 11,683
Net Change in Fund Balance	\$ 318,575	\$ 372,617	\$ (307,719)	\$ 383,473	\$ (310,553)	\$ (310,552)	\$ 694,025
Fund Balance, July 1, 2006	683,546	(372,617)	0	310,929	683,546	683,546	(372,617)
Fund Balance, June 30, 2007	\$ 1,002,121	\$ 0	\$ (307,719)	\$ 694,402	\$ 372,993	\$ 372,994	\$ 321,408

## Exhibit K-8

Rutherford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Rutherford County School Department  
Education Debt Service Fund  
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 6,628	\$ 0	\$ 6,628	\$ 0
Total Revenues	\$ 6,628	\$ 0	\$ 6,628	\$ 0
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 101	\$ 0	\$ 101	\$ 0
<u>Principal on Debt</u>				
Education	541,429	541,429	541,429	0
<u>Interest on Debt</u>				
Education	147,600	147,600	147,600	0
<u>Other Debt Service</u>				
Education	2	0	2	0
Total Expenditures	\$ 689,132	\$ 689,029	\$ 689,132	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (682,504)	\$ (689,029)	\$ (682,504)	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 614,353	\$ 689,029	\$ 689,029	\$ (74,676)
Total Other Financing Sources (Uses)	\$ 614,353	\$ 689,029	\$ 689,029	\$ (74,676)
Net Change in Fund Balance	\$ (68,151)	\$ 0	\$ 6,525	\$ (74,676)
Fund Balance, July 1, 2006	68,151	68,151	68,151	0
Fund Balance, June 30, 2007	\$ 0	\$ 68,151	\$ 74,676	\$ (74,676)

Exhibit K-9

Rutherford County, Tennessee  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
Discretely Presented Rutherford County School Department  
June 30, 2007

	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	<hr/> \$ 28,783 <hr/>

Exhibit K-10

Rutherford County, Tennessee  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

	Private - Purpose Trust Fund
	Endowment Fund
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 1,439
Total Additions	<u>\$ 1,439</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 1,439
Total Deductions	<u>\$ 1,439</u>
Change in Net Assets	\$ 0
Net Assets, July 1, 2006	<u>28,783</u>
Net Assets, June 30, 2007	<u><u>\$ 28,783</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Rutherford County, Tennessee  
Schedule of Changes in Long-term Notes and Bonds  
Primary Government and Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School EPA Asbestos Abatement	\$ 440,079	0 %	Various	5-31-07	\$ 19,085	\$ 0	\$ 19,085	\$ 0
School Facilities	28,030,000	5.296149	5-1-1995	5-1-07	9,635,000	0	9,635,000	0
Land Purchase for Agriculture Facility	2,000,000	6	4-24-01	1-10-08	1,125,000	0	200,000	925,000
Total Notes Payable					<u>\$ 10,779,085</u>	<u>\$ 0</u>	<u>\$ 9,854,085</u>	<u>\$ 925,000</u>
<u>BONDS PAYABLE</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	\$ 1,435,000	\$ 0	\$ 700,000	\$ 735,000
School Facilities and Closure Costs	35,015,000	4.1 to 5.1	4-9-1998	4-1-08	3,235,000	0	1,585,000	1,650,000
School Facilities	9,900,000	5.2945	12-14-1999	6-30-09	2,400,000	0	800,000	1,600,000
School Facilities	34,000,000	5.5764981	3-8-00	6-30-20	9,000,000	0	2,000,000	7,000,000
Refunding Bonds	73,585,000	4 to 5	3-22-01	4-1-20	68,795,000	0	2,185,000	66,610,000
School Facilities	30,850,000	4 to 5	3-22-01	4-1-11	7,155,000	0	1,440,000	5,715,000
School Facilities and Public Improvement	30,610,000	4 to 5	10-24-01	4-1-11	9,000,000	0	1,600,000	7,400,000
School Facilities and Public Improvement	23,610,000	4 to 5	6-1-02	5-1-22	19,610,000	0	1,000,000	18,610,000
Various Purpose and Refunding (24.29%)	30,115,000	4.1446	4-1-03	4-1-23	30,115,000	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	24,995,000
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-21	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	52,200,000	0	1,350,000	50,850,000
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	4-1-21	17,765,000	0	0	17,765,000
General Obligation Bonds	64,220,000	4.375 to 5	6-1-06	6-1-26	64,220,000	0	2,025,000	62,195,000
Total Bonds Payable					<u>\$ 352,325,000</u>	<u>\$ 0</u>	<u>\$ 14,685,000</u>	<u>\$ 337,640,000</u>

(Continued)

Exhibit L-1

Rutherford County, Tennessee  
Schedule of Changes in Long-term Notes and Bonds  
Primary Government and Discretely Presented Rutherford County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through Education Debt Service Fund</u>								
Energy Efficiency Note	\$ 500,000	0 %	7-17-06	8-16-13	\$ 0	\$ 500,000	\$ 71,429	\$ 428,571
Total Notes Payable					<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 71,429</u>	<u>\$ 428,571</u>
<u>BONDS PAYABLE</u>								
<u>Payable through Education Debt Service Fund</u>								
School Facilities and Improvement	4,035,000	3.7 to 4	12-1-05	12-1-13	\$ 3,735,000	\$ 0	\$ 470,000	\$ 3,265,000
Total Bonds Payable					<u>\$ 3,735,000</u>	<u>\$ 0</u>	<u>\$ 470,000</u>	<u>\$ 3,265,000</u>

Exhibit L-2

Rutherford County, Tennessee

Schedule of Principal and Interest Requirements by Year

Primary Government and Discretely Presented Rutherford County School Department

Year Ending June 30	Principal Requirements			Percent Principal Retired	Interest Requirements			Total Debt Service Requirements
	Bonds	Notes	Total		Bonds	Notes	Total	
2008	\$ 24,080,000	\$ 996,429	\$ 25,076,429		\$ 15,684,192	\$ 55,500	\$ 15,739,692	\$ 40,816,121
2009	21,730,000	71,429	21,801,429		14,628,041	0	14,628,041	36,429,470
2010	19,515,000	71,429	19,586,429		13,739,541	0	13,739,541	33,325,970
2011	19,770,000	71,428	19,841,428		12,927,841	0	12,927,841	32,769,269
2012	21,795,000	71,428	21,866,428	32%	12,031,741	0	12,031,741	33,898,169
2013	22,630,000	71,428	22,701,428		11,009,966	0	11,009,966	33,711,394
2014	22,100,000	0	22,100,000		9,923,766	0	9,923,766	32,023,766
2015	22,960,000	0	22,960,000		8,853,516	0	8,853,516	31,813,516
2016	20,425,000	0	20,425,000		7,756,736	0	7,756,736	28,181,736
2017	18,350,000	0	18,350,000	63%	6,781,761	0	6,781,761	25,131,761
2018	19,380,000	0	19,380,000		5,930,238	0	5,930,238	25,310,238
2019	17,380,000	0	17,380,000		5,004,513	0	5,004,513	22,384,513
2020	16,255,000	0	16,255,000		4,218,969	0	4,218,969	20,473,969
2021	15,900,000	0	15,900,000		3,459,694	0	3,459,694	19,359,694
2022	12,440,000	0	12,440,000	87%	2,746,244	0	2,746,244	15,186,244
2023	11,355,000	0	11,355,000		2,146,869	0	2,146,869	13,501,869
2024	7,015,000	0	7,015,000		1,601,344	0	1,601,344	8,616,344
2025	7,335,000	0	7,335,000		1,263,594	0	1,263,594	8,598,594
2026	7,690,000	0	7,690,000		942,688	0	942,688	8,632,688
2027	3,000,000	0	3,000,000	97%	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	\$ 340,905,000	\$ 1,353,571	\$ 342,258,571		\$ 142,125,003	\$ 55,500	\$ 142,180,503	\$ 484,439,074

Exhibit L-3

Rutherford County, Tennessee  
Schedule of Investments  
June 30, 2007

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>General Capital Projects Fund</u>				
State Treasurer's Investment Pool	various	none	varies	\$ 1,986,255
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>521,555</u>
Total Investments				<u>\$ 2,507,810</u>

Exhibit L-4

Rutherford County, Tennessee  
Schedule of Notes Receivable  
Primary Government and Discretely Presented Rutherford County School Department  
June 30, 2007

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	3-09-2019	10 %	\$ 959,083
Construction/Renovations	Smyrna/Rutherford County Airport	639,724	8-17-2006	8-17-2019	6	<u>664,877</u>
Total						<u>\$ 1,623,960</u>
<u>Discretely Presented Rutherford County School Department</u>						
Advance (Long-term loan):						
General Purpose School Fund	Other Capital Projects Fund	1,569,000	7-17-2006	7-17-2009	0	<u>\$ 1,569,000</u>
Total						<u>\$ 1,569,000</u>

Exhibit L-5

Rutherford County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Rutherford County School Department

For the Year Ended June 30, 2007

To Fund	From Fund	Purpose	Amount
<u>Primary Government</u>			
General Capital Projects	General	To provide funds for the Smyrna Health Department	\$ 64,187
Industrial/Economic Development	General	Infrastructure improvements at the Smyrna Airport Loan	402,207
General Debt Service	General Capital Projects	Close construction project	120,625
General	Adequate Facilities/Development Tax	To purchase various equipment and GIS system	1,823,009
General Debt Service	Adequate Facilities/Development Tax	Transfer one-half development tax	3,114,563
General Capital Projects	Adequate Facilities/Development Tax	Provide funds for various capital projects	1,445,953
General	Employee Insurance - Health	Reimburse funds for salaries	158,111
General	Worker's Compensation	Reimburse funds for salaries	158,111
Total Transfers Primary Government			<u>\$ 7,286,766</u>
<u>Discretely Presented Rutherford County School Department</u>			
Other Capital Projects	General Purpose School	Provide funds for various schools construction projects	\$ 3,291,000
Education Debt Service	General Purpose School	Provide funds for debt retirement	609,218
Education Debt Service	Other Capital Projects	Close light project	5,135
General Purpose School	School Federal Projects	Indirect costs	37,515
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 3,942,868</u>

Exhibit L-6

Rutherford County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Nancy Allen (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	\$ 16,743	\$ 60,000	Ohio Casualty Insurance Company
Ernest Burgess (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	83,714	60,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	95,674	100,000	Ohio Casualty Insurance Company
Director of Schools	State Board of Education and Local Board of Education	122,692 (1)	50,000	Hartford Fire Insurance Company
Trustee:				
Evan Maples (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	13,178	4,360,700	"
Thomas E. Batey II (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	65,891	7,768,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	79,069	10,000	Westfield Insurance Company
Director of Finance	County Commission	85,990 (2)	100,000	Hartford Fire Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	79,069	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u> and County Commission	86,976	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , Chancery Court Judge and County Commission	97,639 (3)	50,000	Ohio Casualty Insurance Company
Register	Section 8-24-102, <u>TCA</u>	79,069	25,000	Hartford Fire Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	96,274 (4)	25,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			100,000	"

(1) Includes \$1,000 career ladder payment and state teacher bonus of \$257. Does not include \$400 per month vehicle allowance.

(2) Includes longevity pay of \$250.

(3) Includes special commissioner fees of \$18,245 and longevity pay of \$325.

(4) Includes law enforcement training supplement of \$600.

## Exhibit L-7

Rutherford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2007

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 20,625,228	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	413,633	20,828	0	0	0
Circuit/Clerk & Master Collections - Prior Years	216,312	9,127	0	0	0
Interest and Penalty	91,415	3,632	0	0	0
Pick-up Taxes	136,565	2,958	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,916	0	0	0	0
Payments in-Lieu-of Taxes - Other	5,987,932	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	356,104	1,068,312	0	0	0
Hotel/Motel Tax	843,175	0	0	0	0
Wheel Tax	2,685,121	0	0	0	0
Litigation Tax - General	126,048	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	237,818	0	0	0	0
Business Tax	505,134	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	6,229,125
<u>Statutory Local Taxes</u>					
Bank Excise Tax	501,480	0	0	0	0
Wholesale Beer Tax	799,794	0	0	0	0
Interstate Telecommunications Tax	6,898	0	0	0	0
Other Statutory Local Taxes	0	0	0	21,743	0
Total Local Taxes	\$ 33,535,573	\$ 1,104,857	\$ 0	\$ 21,743	\$ 6,229,125
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 91,740	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	27,842	0	0	0	0
Cable TV Franchise	555,188	0	0	0	0
<u>Permits</u>					
Building Permits	812,562	0	0	0	0
Plumbing Permits	115,785	0	0	0	0
Food Handling Permits	2,675	0	0	0	0

(Continued)

## Exhibit L-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Other Permits	\$ 224,410	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 1,830,202	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 71,146	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	415,933	0	0	0	0
Drug Control Fines	0	0	0	114,539	0
Drug Court Fees	9,330	0	0	0	0
Jail Fees	354,488	0	0	0	0
District Attorney General Fees	0	0	0	0	0
Data Entry Fee - Circuit Court	3,274	0	0	0	0
Courtroom Security Fee	334	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	9,280	0	0	0	0
Data Entry Fee - Criminal Court	3,250	0	0	0	0
Courtroom Security Fee	1,099	0	0	0	0
<u>General Sessions Court</u>					
Fines	455,408	0	0	0	0
Game and Fish Fines	1,666	0	0	0	0
Drug Control Fines	0	0	0	163,363	0
Drug Court Fees	39,966	0	0	0	0
DUI Treatment Fines	58,317	0	0	0	0
Data Entry Fee - General Sessions Court	42,381	0	0	0	0
Courtroom Security Fee	8,322	0	0	0	0
<u>Juvenile Court</u>					
Fines	7,404	0	0	0	0
Drug Court Fees	9,811	0	0	0	0
Jail Fees	261,035	0	0	0	0
Data Entry Fee - Juvenile Court	5,207	0	0	0	0
Courtroom Security Fee	3,327	0	0	0	0

(Continued)

## Exhibit L-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	\$ 10,225	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Courts - In-county</u>					
Fines	138,852	0	0	0	0
Drug Court Fees	1,400	0	0	0	0
District Attorney General Fees	0	0	0	0	0
<u>Courts in Other District Counties</u>					
District Attorney General Fees	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	249,072	0
Total Fines, Forfeitures, and Penalties	\$ 1,911,455	\$ 0	\$ 0	\$ 526,974	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 707,205	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	1,026,688	0	0	0
Patient Charges	4,718,894	0	0	0	0
Past Due Collections - Ambulance	36,267	0	0	0	0
Zoning Studies	68,185	0	0	0	0
Work Release Charges for Board	14,860	0	0	0	0
Other General Service Charges	5,462	0	0	0	0
<u>Fees</u>					
Subdivision Lot Fees	169,200	0	0	0	0
Recreation Fees	820	0	0	0	0
Telephone Commissions	250,652	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	144,302	0	0	0	0
Probation Fees	12,359	0	0	0	0
Data Processing Fee - Sheriff	24,665	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,100	0	0	0	0
<u>Education Charges</u>					
Contract for Administrative Services with Other LEAs	98,812	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax
<u>Charges for Current Services (Cont.)</u>					
<u>Other Charges for Services</u>					
Other Charges for Services	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 5,559,578	\$ 1,733,893	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 3,799,499	\$ 0	\$ 131,202	\$ 70,757	\$ 308,597
Lease/Rentals	161,669	0	0	0	0
Sale of Materials and Supplies	13,330	0	0	0	0
Commissary Sales	116,297	0	0	0	0
Sale of Maps	27,232	0	0	0	0
Sale of Recycled Materials	238	93,792	0	0	0
Sale of Animals/Livestock	162,891	0	0	0	0
Miscellaneous Refunds	18,613	2,069	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	12,659	3,636	0	0	0
Sale of Property	34,651	0	41,055	0	0
Contributions & Gifts	45,423	0	0	0	0
Performance Bond Forfeitures	91,649	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	7,684	0	0	0	0
Total Other Local Revenues	\$ 4,491,835	\$ 99,497	\$ 172,257	\$ 70,757	\$ 308,597
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 800,000	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	1,257,571	0	0	0	0
Register	1,563,752	0	0	0	0
Trustee	3,442,816	0	0	0	0
<u>Fees-In-Lieu of Salary</u>					
Clerk and Master	608,757	0	0	0	0
Sheriff	56,811	0	0	0	0
Total Fees Received from County Officials	\$ 7,729,707	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit L-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	53,597	0	0	0	0
Solid Waste Grants	0	8,329	0	0	0
Other General Government Grants	8,058	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	94,800	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	1,492,753	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	0	101,763	0	0	0
<u>Other State Revenues</u>					
Flood Control	0	0	0	0	0
Income Tax	299,999	0	0	0	0
Beer Tax	18,753	0	0	0	0
Alcoholic Beverage Tax	185,927	0	0	0	0
Mixed Drink Tax	6,510	0	0	0	0
Contracted Prisoner Boarding	3,840,159	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
Other State Grants	148,737	0	0	0	0
Other State Revenues	739,861	64,816	0	0	0
Total State of Tennessee	\$ 6,914,534	\$ 174,908	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 33,627	\$ 0	\$ 0	\$ 0	\$ 0
Breakfast	21,497	0	0	0	0
Community Development	163,341	0	0	0	0
Disaster Relief	41,791	0	0	0	0
Homeland Security Grants	356,802	0	0	0	0

(Continued)

## Exhibit L-7

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Law Enforcement Grants	\$ 43,182	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	531,538	0	0	0	0
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	46,341	0	0	0	0
Asset Forfeiture Funds	14,331	0	0	0	0
Public Safety Partnership and Community Policing - COPS	127,114	0	0	0	0
Other Direct Federal Revenue	153,550	0	0	0	0
Total Federal Government	<u>\$ 1,533,114</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 39,756	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	35,120	100	0	0	481
Contracted Services	717,511	0	0	0	0
<u>Citizens Groups</u>					
Donations	9,950	0	0	0	0
<u>Other</u>					
Other	1,000	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 803,337</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 481</u>
Total	<u>\$ 64,309,335</u>	<u>\$ 3,113,255</u>	<u>\$ 172,257</u>	<u>\$ 619,474</u>	<u>\$ 6,538,203</u>

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 439,062	\$ 29,406,461	\$ 0	\$ 50,470,751
Trustee's Collections - Prior Year	0	0	10,511	500,447	0	945,419
Circuit/Clerk & Master Collections - Prior Years	0	0	5,497	261,712	0	492,648
Interest and Penalty	0	0	2,265	114,983	0	212,295
Pick-up Taxes	0	0	3,149	182,028	0	324,700
Payments in-Lieu-of Taxes - T.V.A.	0	0	62	4,158	0	7,136
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	5,987,932
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	356,104	2,989,202	0	4,769,722
Hotel/Motel Tax	0	0	0	0	0	843,175
Wheel Tax	0	0	2,685,121	0	0	5,370,242
Litigation Tax - General	0	0	0	611,327	0	737,375
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	237,818
Business Tax	0	0	10,753	720,196	0	1,236,083
Mineral Severance Tax	0	0	690,497	0	0	690,497
Adequate Facilities/Development Tax	0	0	0	0	0	6,229,125
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	501,480
Wholesale Beer Tax	0	0	0	0	0	799,794
Interstate Telecommunications Tax	0	0	0	0	0	6,898
Other Statutory Local Taxes	0	0	0	0	0	21,743
Total Local Taxes	\$ 0	\$ 0	\$ 4,203,021	\$ 34,790,514	\$ 0	\$ 79,884,833
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,740
Animal Vaccination	0	0	0	0	0	27,842
Cable TV Franchise	0	0	0	0	0	555,188
<u>Permits</u>						
Building Permits	0	0	0	0	0	812,562
Plumbing Permits	0	0	0	0	0	115,785
Food Handling Permits	0	0	0	0	0	2,675

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Other Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	224,410
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,830,202
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	71,146
Officers Costs	0	0	0	0	0	415,933
Drug Control Fines	0	0	0	0	0	114,539
Drug Court Fees	0	0	0	0	0	9,330
Jail Fees	0	0	0	0	0	354,488
District Attorney General Fees	35,534	0	0	0	0	35,534
Data Entry Fee - Circuit Court	0	0	0	0	0	3,274
Courtroom Security Fee	0	0	0	0	0	334
<u>Criminal Court</u>						
DUI Treatment Fines	0	0	0	0	0	9,280
Data Entry Fee - Criminal Court	0	0	0	0	0	3,250
Courtroom Security Fee	0	0	0	0	0	1,099
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	455,408
Game and Fish Fines	0	0	0	0	0	1,666
Drug Control Fines	0	0	0	0	0	163,363
Drug Court Fees	0	0	0	0	0	39,966
DUI Treatment Fines	0	0	0	0	0	58,317
Data Entry Fee - General Sessions Court	0	0	0	0	0	42,381
Courtroom Security Fee	0	0	0	0	0	8,322
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	7,404
Drug Court Fees	0	0	0	0	0	9,811
Jail Fees	0	0	0	0	0	261,035
Data Entry Fee - Juvenile Court	0	0	0	0	0	5,207
Courtroom Security Fee	0	0	0	0	0	3,327

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,225
<u>Other Courts - In-county</u>						
Fines	0	0	0	0	0	138,852
Drug Court Fees	0	0	0	0	0	1,400
District Attorney General Fees	3,145	0	0	0	0	3,145
<u>Courts in Other District Counties</u>						
District Attorney General Fees	1,495	0	0	0	0	1,495
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	249,072
Total Fines, Forfeitures, and Penalties	\$ 40,174	\$ 0	\$ 0	\$ 0	\$ 0	2,478,603
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	707,205
Surcharge - Host Agency	0	0	0	0	0	1,026,688
Patient Charges	0	0	0	0	0	4,718,894
Past Due Collections - Ambulance	0	0	0	0	0	36,267
Zoning Studies	0	0	0	0	0	68,185
Work Release Charges for Board	0	0	0	0	0	14,860
Other General Service Charges	0	0	0	0	0	5,462
<u>Fees</u>						
Subdivision Lot Fees	0	0	0	0	0	169,200
Recreation Fees	0	0	0	0	0	820
Telephone Commissions	0	0	0	0	0	250,652
Constitutional Officers' Fees and Commissions	0	4,692,474	0	0	0	4,692,474
Special Commissioner Fees/Special Master Fees	0	18,245	0	0	0	18,245
Data Processing Fee - Register	0	0	0	0	0	144,302
Probation Fees	0	0	0	0	0	12,359
Data Processing Fee - Sheriff	0	0	0	0	0	24,665
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	5,100
<u>Education Charges</u>						
Contract for Administrative Services with Other LEAs	0	0	0	0	0	98,812

(Continued)

## Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Other Charges for Services</u>						
Other Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000
Total Charges for Current Services	\$ 0	\$ 4,710,719	\$ 0	\$ 0	\$ 0	\$ 12,004,190
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 323,488	\$ 3,732,191	\$ 134,014	\$ 8,499,748
Lease/Rentals	0	0	0	116,250	0	277,919
Sale of Materials and Supplies	0	0	67,086	0	0	80,416
Commissary Sales	0	0	0	0	0	116,297
Sale of Maps	0	0	0	0	0	27,232
Sale of Recycled Materials	0	0	0	0	0	94,030
Sale of Animals/Livestock	0	0	0	0	0	162,891
Miscellaneous Refunds	0	0	0	0	0	20,682
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	16,295
Sale of Property	0	0	0	0	0	75,706
Contributions & Gifts	0	0	0	0	50,000	95,423
Performance Bond Forfeitures	0	0	0	0	0	91,649
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	7,684
Total Other Local Revenues	\$ 0	\$ 0	\$ 390,574	\$ 3,848,441	\$ 184,014	\$ 9,565,972
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800,000
Circuit Court Clerk	0	0	0	0	0	1,257,571
Register	0	0	0	0	0	1,563,752
Trustee	0	0	0	0	0	3,442,816
<u>Fees-In-Lieu of Salary</u>						
Clerk and Master	0	0	0	0	0	608,757
Sheriff	0	0	0	0	0	56,811
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,729,707

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<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	53,597
Solid Waste Grants	0	0	0	0	0	8,329
Other General Government Grants	0	0	0	0	0	8,058
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	94,800
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	1,492,753
<u>Public Works Grants</u>						
State Aid Program	0	0	756,895	0	0	756,895
Litter Program	0	0	0	0	0	101,763
<u>Other State Revenues</u>						
Flood Control	0	0	10,249	0	0	10,249
Income Tax	0	0	0	0	0	299,999
Beer Tax	0	0	0	0	0	18,753
Alcoholic Beverage Tax	0	0	0	0	0	185,927
Mixed Drink Tax	0	0	0	0	0	6,510
Contracted Prisoner Boarding	0	0	0	0	0	3,840,159
Gasoline and Motor Fuel Tax	0	0	3,184,155	0	0	3,184,155
Petroleum Special Tax	0	0	146,425	0	0	146,425
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	148,737
Other State Revenues	0	0	0	0	0	804,677
Total State of Tennessee	\$ 0	\$ 0	\$ 4,097,724	\$ 0	\$ 0	11,187,166
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	33,627
Breakfast	0	0	0	0	0	21,497
Community Development	0	0	0	0	0	163,341
Disaster Relief	0	0	0	0	0	41,791
Homeland Security Grants	0	0	0	0	0	356,802

(Continued)

## Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,182
Other Federal through State	0	0	0	0	0	531,538
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	0	0	0	0	0	46,341
Asset Forfeiture Funds	0	0	0	0	0	14,331
Public Safety Partnership and Community Policing - COPS	0	0	0	0	0	127,114
Other Direct Federal Revenue	0	0	0	0	0	153,550
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,533,114
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	39,756
Contributions	0	0	0	0	0	35,701
Contracted Services	0	0	0	0	0	717,511
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	9,950
<u>Other</u>						
Other	0	0	0	0	0	1,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	803,918
Total	\$ 40,174	\$ 4,710,719	\$ 8,691,319	\$ 38,638,955	\$ 184,014	\$ 127,017,705

## Exhibit L-8

Rutherford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

	General Purpose School	School Federal Projects	Education Debt Service	Other Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 47,536,543	\$ 0	\$ 0	\$ 0	\$ 47,536,543
Trustee's Collections - Prior Year	842,643	0	0	0	842,643
Circuit/Clerk and Master Collections - Prior Years	439,529	0	0	0	439,529
Interest and Penalty	191,661	0	0	0	191,661
Pick-up Taxes	299,033	0	0	0	299,033
Payments in-Lieu-of Taxes - T.V.A.	8,005	0	0	0	8,005
Payments in-Lieu-of Taxes - Local Utilities	585,297	0	0	0	585,297
<u>County Local Option Taxes</u>					
Local Option Sales Tax	35,001,428	0	0	0	35,001,428
Wheel Tax	3,005,526	0	0	0	3,005,526
Business Tax	1,164,019	0	0	0	1,164,019
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	25,298	0	0	0	25,298
Total Local Taxes	\$ 89,098,982	\$ 0	\$ 0	\$ 0	\$ 89,098,982
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 15,671	\$ 0	\$ 0	\$ 0	\$ 15,671
Total Licenses and Permits	\$ 15,671	\$ 0	\$ 0	\$ 0	\$ 15,671
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 141,050	\$ 0	\$ 0	\$ 0	\$ 141,050
Tuition - Other	45,056	0	0	0	45,056
Total Charges for Current Services	\$ 186,106	\$ 0	\$ 0	\$ 0	\$ 186,106
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 1,617,438	\$ 0	\$ 6,628	\$ 0	\$ 1,624,066
Sale of Materials and Supplies	18,500	0	0	0	18,500
Miscellaneous Refunds	268,783	0	0	0	268,783
<u>Nonrecurring Items</u>					
Sale of Equipment	971	0	0	0	971
Sale of Property	78,690	0	0	1,392,655	1,471,345
Contributions & Gifts	182,326	0	0	0	182,326
<u>Other Local Revenues</u>					
Other Local Revenues	10,580	0	0	0	10,580
Total Other Local Revenues	\$ 2,177,288	\$ 0	\$ 6,628	\$ 1,392,655	\$ 3,576,571
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 106,667,100	\$ 0	\$ 0	\$ 0	\$ 106,667,100
Early Childhood Education	482,870	0	0	0	482,870
School Food Service	146,247	0	0	0	146,247
Driver Education	129,366	0	0	0	129,366
Other State Education Funds	1,018,238	16,000	0	0	1,034,238
Career Ladder Program	1,291,386	0	0	0	1,291,386
Career Ladder - Extended Contract	362,935	0	0	0	362,935

(Continued)

Exhibit L-8

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

	General Purpose School	School Federal Projects	Education Debt Service	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Mixed Drink Tax	\$ 225,378	\$ 0	\$ 0	\$ 0	\$ 225,378
State Revenue Sharing - T.V.A.	1,312,732	0	0	0	1,312,732
Other State Revenues	536,446	0	0	0	536,446
Total State of Tennessee	\$ 112,172,698	\$ 16,000	\$ 0	\$ 0	\$ 112,188,698
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 3,824,600	\$ 0	\$ 0	\$ 0	\$ 3,824,600
Breakfast	924,176	0	0	0	924,176
USDA - Other	105,084	0	0	0	105,084
Vocational Education - Basic Grants to States	0	495,219	0	0	495,219
Title I Grants to Local Education Agencies	0	2,418,016	0	0	2,418,016
Innovative Education Program Strategies	0	53,710	0	0	53,710
Special Education - Grants to States	283,078	5,354,597	0	0	5,637,675
Special Education Preschool Grants	0	192,871	0	0	192,871
Eisenhower Professional Development State Grants	0	958,912	0	0	958,912
Other Federal through State	206,022	608,432	0	0	814,454
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	402,185	0	0	0	402,185
Total Federal Government	\$ 5,745,145	\$ 10,081,757	\$ 0	\$ 0	\$ 15,826,902
Total	\$ 209,395,890	\$ 10,097,757	\$ 6,628	\$ 1,392,655	\$ 220,892,930

## Exhibit L-9

Rutherford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2007

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	91,800	
Other Per Diem & Fees		81,900	
Social Security		10,769	
Employer Medicare		2,519	
Total County Commission			\$ 186,988

Board of Equalization

Board and Committee Members Fees	\$	2,800	
Social Security		174	
Employer Medicare		41	
Legal Notices, Recording, and Court Costs		1,917	
Total Board of Equalization			4,932

County Mayor/Executive

County Official/Administrative Officer	\$	100,457	
Secretary(ies)		127,160	
Part-time Personnel		7,200	
Longevity Pay		1,575	
Social Security		13,965	
State Retirement		29,392	
Employee and Dependent Insurance		23,729	
Employer Medicare		3,266	
Communication		1,163	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		8,373	
Maintenance Agreements		2,051	
Maintenance & Repair Services - Office Equipment		1,657	
Postal Charges		2,694	
Travel		765	
Duplicating Supplies		1,482	
Office Supplies		7,439	
Data Processing Equipment		1,400	
Total County Mayor/Executive			333,918

Personnel Office

County Official/Administrative Officer	\$	68,550	
Assistant(s)		34,294	
Longevity Pay		225	
In-Service Training		70	
Social Security		6,102	

(Continued)

## Exhibit L-9

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

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

State Retirement	\$	13,306	
Employee and Dependent Insurance		14,599	
Employer Medicare		1,427	
Communication		1,343	
Dues and Memberships		540	
Postal Charges		745	
Travel		15	
Office Supplies		2,829	
Other Supplies and Materials		4,417	
Data Processing Equipment		2,050	
Furniture and Fixtures		10,205	
Total Personnel Office			\$ 160,717

County Attorney

County Official/Administrative Officer	\$	104,965	
Secretary(ies)		74,590	
Longevity Pay		1,150	
Overtime Pay		1,289	
Social Security		10,468	
State Retirement		23,495	
Employee and Dependent Insurance		23,676	
Employer Medicare		2,541	
Communication		1,449	
Dues and Memberships		2,500	
Maintenance & Repair Services - Equipment		213	
Postal Charges		311	
Travel		1,984	
Office Supplies		1,970	
Total County Attorney			250,601

Election Commission

County Official/Administrative Officer	\$	71,162	
Part-time Personnel		35,126	
Longevity Pay		1,425	
Overtime Pay		2,871	
Other Salaries & Wages		202,997	
Election Commission		11,580	
Election Workers		119,900	
In-Service Training		4,389	
Social Security		23,201	

(Continued)

## Exhibit L-9

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

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

State Retirement	\$	35,776	
Employee and Dependent Insurance		31,334	
Employer Medicare		5,391	
Communication		13,917	
Dues and Memberships		1,418	
Legal Notices, Recording, and Court Costs		10,139	
Maintenance Agreements		6,846	
Maintenance & Repair Services - Office Equipment		1,208	
Postal Charges		20,851	
Printing, Stationery, and Forms		12,579	
Rentals		1,410	
Travel		6,533	
Data Processing Supplies		6,682	
Office Supplies		14,820	
Data Processing Equipment		49,554	
Voting Machines		429,704	
Total Election Commission			\$ 1,120,813

Register of Deeds

In-Service Training	\$	350	
Communication		1,577	
Data Processing Services		40,588	
Maintenance Agreements		3,197	
Postal Charges		13,956	
Travel		125	
Other Contracted Services		17,219	
Data Processing Supplies		4,004	
Office Supplies		9,924	
Other Supplies and Materials		334	
Data Processing Equipment		24,672	
Office Equipment		1,947	
Total Register of Deeds			117,893

Planning

County Official/Administrative Officer	\$	78,950	
Assistant(s)		197,331	
Supervisor/Director		70,500	
Secretary(ies)		78,599	
Part-time Personnel		30,377	
Longevity Pay		1,075	

(Continued)

## Exhibit L-9

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

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

Board and Committee Members Fees	\$	32,100	
In-Service Training		13,978	
Social Security		29,333	
State Retirement		55,199	
Employee and Dependent Insurance		60,987	
Employer Medicare		6,861	
Communication		6,737	
Dues and Memberships		1,488	
Legal Notices, Recording, and Court Costs		4,254	
Maintenance Agreements		6,931	
Maintenance & Repair Services - Office Equipment		1,146	
Postal Charges		3,639	
Printing, Stationery, and Forms		857	
Data Processing Supplies		11,114	
Gasoline		4,152	
Office Supplies		11,572	
Periodicals		1,140	
Other Supplies and Materials		4,238	
Data Processing Equipment		17,909	
Furniture and Fixtures		2,497	
Motor Vehicles		19,831	
Other Equipment		27,598	
Total Planning			\$ 780,393

Codes Compliance

Secretary(ies)	\$	29,459	
Longevity Pay		425	
Social Security		1,695	
State Retirement		3,858	
Employee and Dependent Insurance		9,078	
Employer Medicare		396	
Communication		1,876	
Total Codes Compliance			46,787

Geographical Information Systems

Data Processing Personnel	\$	141,890	
Part-time Personnel		12,882	
Longevity Pay		750	
Overtime Pay		2,606	
Social Security		9,422	

(Continued)

## Exhibit L-9

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

General Fund (Cont.)General Government (Cont.)Geographical Information Systems (Cont.)

State Retirement	\$	18,749	
Employee and Dependent Insurance		20,119	
Employer Medicare		2,204	
Data Processing Services		63,030	
Dues and Memberships		450	
Maintenance Agreements		32,447	
Postal Charges		10	
Travel		7,346	
Data Processing Supplies		35,296	
Data Processing Equipment		80,470	
Other Capital Outlay		218,148	
Total Geographical Information Systems			\$ 645,819

County Buildings

Supervisor/Director	\$	58,170	
Clerical Personnel		26,720	
Custodial Personnel		75,160	
Maintenance Personnel		105,779	
Part-time Personnel		108,742	
Longevity Pay		1,200	
Overtime Pay		2,813	
Social Security		22,642	
State Retirement		34,835	
Employee and Dependent Insurance		66,427	
Employer Medicare		5,295	
Communication		28,549	
Maintenance & Repair Services - Buildings		33,409	
Travel		1,570	
Other Contracted Services		65,079	
Custodial Supplies		21,004	
Data Processing Supplies		2,376	
Gasoline		7,603	
Utilities		344,822	
Other Supplies and Materials		56,167	
Building Improvements		65,347	
Maintenance Equipment		3,078	
Motor Vehicles		21,067	
Total County Buildings			1,157,854

(Continued)

## Exhibit L-9

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

General Fund (Cont.)General Government (Cont.)Other General Administration

Supervisor/Director	\$	66,424	
Teachers		92,882	
Salary Supplements		4,500	
Longevity Pay		1,000	
Social Security		9,781	
State Retirement		21,276	
Employee and Dependent Insurance		18,213	
Employer Medicare		2,288	
Communication		380	
Maintenance Agreements		600	
Travel		399	
Riprap		2,037	
Other Supplies and Materials		245	
Total Other General Administration			\$ 220,025

Preservation of Records

County Official/Administrative Officer	\$	34,884	
Other Salaries & Wages		2,856	
Social Security		2,300	
State Retirement		4,503	
Employee and Dependent Insurance		4,601	
Employer Medicare		538	
Communication		1,010	
Dues and Memberships		460	
Maintenance Agreements		264	
Postal Charges		307	
Library Books/Media		123	
Office Supplies		6,453	
Other Supplies and Materials		286	
Other Charges		48,742	
Data Processing Equipment		4,603	
Furniture and Fixtures		9,748	
Total Preservation of Records			121,678

Risk Management

Supervisor/Director	\$	57,143	
Clerical Personnel		99,376	
Part-time Personnel		2,502	
Longevity Pay		500	
Other Salaries & Wages		45,150	

(Continued)

## Exhibit L-9

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

General Fund (Cont.)General Government (Cont.)Risk Management (Cont.)

Social Security	\$	11,189	
State Retirement		26,100	
Employee and Dependent Insurance		34,820	
Employer Medicare		2,820	
Communication		490	
Maintenance Agreements		1,729	
Postal Charges		1,224	
Travel		2,473	
Office Supplies		8,883	
Data Processing Equipment		778	
Office Equipment		22,459	
Total Risk Management			\$ 317,636

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	85,990	
Accountants/Bookkeepers		365,020	
Salary Supplements		7,200	
Clerical Personnel		22,870	
Part-time Personnel		7,587	
Longevity Pay		4,000	
Overtime Pay		2,504	
Other Salaries & Wages		57,580	
Social Security		32,544	
State Retirement		70,381	
Employee and Dependent Insurance		80,350	
Employer Medicare		7,611	
Communication		1,550	
Dues and Memberships		2,265	
Maintenance Agreements		5,392	
Maintenance & Repair Services - Equipment		262	
Postal Charges		9,506	
Travel		4,903	
Office Supplies		24,946	
Other Supplies and Materials		449	
Data Processing Equipment		11,538	
Total Accounting and Budgeting			804,448

Property Assessor's Office

County Official/Administrative Officer	\$	79,069	
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(Continued)

## Exhibit L-9

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Deputy(ies)	\$	746,444	
Salary Supplements		5,500	
Longevity Pay		4,850	
Overtime Pay		5,626	
In-Service Training		7,221	
Social Security		49,871	
State Retirement		108,398	
Employee and Dependent Insurance		136,938	
Employer Medicare		11,658	
Communication		4,618	
Data Processing Services		41,491	
Maintenance Agreements		18,900	
Maintenance & Repair Services - Equipment		110	
Postal Charges		5,076	
Travel		2,136	
Other Contracted Services		97,000	
Data Processing Supplies		809	
Office Supplies		19,215	
Other Supplies and Materials		1,217	
Data Processing Equipment		44,654	
Office Equipment		4,555	
Total Property Assessor's Office			\$ 1,395,356

Reappraisal Program

Deputy(ies)	\$	274,053	
Longevity Pay		2,550	
Overtime Pay		2,671	
Social Security		16,503	
State Retirement		36,054	
Employee and Dependent Insurance		54,806	
Employer Medicare		3,860	
Communication		6,708	
Postal Charges		8,058	
Data Processing Supplies		709	
Gasoline		13,457	
Other Supplies and Materials		1,127	
Data Processing Equipment		1,844	
Motor Vehicles		67,291	
Total Reappraisal Program			489,691

(Continued)

## Exhibit L-9

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

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

Communication	\$	5,054	
Legal Notices, Recording, and Court Costs		610	
Maintenance Agreements		600	
Postal Charges		32,092	
Office Supplies		8,356	
Other Supplies and Materials		1,494	
Data Processing Equipment		4,536	
Total County Trustee's Office			\$ 52,742

County Clerk's Office

Communication	\$	14,065	
Data Processing Services		19,390	
Operating Lease Payments		31,200	
Maintenance Agreements		4,987	
Maintenance & Repair Services - Equipment		1,237	
Postal Charges		39,116	
Gasoline		2,407	
Office Supplies		30,964	
Uniforms		474	
Other Supplies and Materials		8,110	
Communication Equipment		375	
Data Processing Equipment		21,024	
Total County Clerk's Office			173,349

Data Processing

County Official/Administrative Officer	\$	88,430	
Data Processing Personnel		461,457	
Part-time Personnel		33,618	
Longevity Pay		1,250	
Overtime Pay		8,954	
Social Security		35,828	
State Retirement		72,289	
Employee and Dependent Insurance		65,838	
Employer Medicare		8,379	
Communication		66,521	
Data Processing Services		90,819	
Dues and Memberships		1,000	
Maintenance Agreements		71,377	
Postal Charges		44	
Travel		7,651	

(Continued)

## Exhibit L-9

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

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

Data Processing Supplies	\$	32,918	
Gasoline		530	
Data Processing Equipment		209,012	
Motor Vehicles		34,750	
Other Equipment		36,552	
Total Data Processing			\$ 1,327,217

Administration of JusticeCircuit Court

Jury and Witness Fees	\$	53,888	
Communication		3,397	
Data Processing Services		81,048	
Legal Services		56,391	
Maintenance Agreements		10,659	
Postal Charges		23,763	
Office Supplies		47,982	
Other Supplies and Materials		606	
Other Charges		150,000	
Data Processing Equipment		19,244	
Furniture and Fixtures		1,117	
Office Equipment		9,183	
Total Circuit Court			457,278

Circuit Court Judge

Assistant(s)	\$	43,290	
Deputy(ies)		99,109	
Longevity Pay		650	
Social Security		8,515	
State Retirement		17,739	
Employee and Dependent Insurance		23,407	
Employer Medicare		1,991	
Maintenance & Repair Services - Buildings		1,400	
Postal Charges		67	
Uniforms		240	
Other Supplies and Materials		892	
Total Circuit Court Judge			197,300

General Sessions Court

Judge(s)	\$	371,114	
Assistant(s)		44,800	

(Continued)

## Exhibit L-9

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

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

Deputy(ies)	\$	86,260	
Part-time Personnel		14,937	
Longevity Pay		1,800	
Overtime Pay		3,178	
Other Salaries & Wages		235,351	
Social Security		42,507	
State Retirement		95,954	
Employee and Dependent Insurance		90,747	
Employer Medicare		10,697	
Communication		3,215	
Data Processing Services		17,049	
Dues and Memberships		2,005	
Maintenance Agreements		1,837	
Maintenance & Repair Services - Office Equipment		175	
Postal Charges		143	
Travel		3,764	
Library Books/Media		1,764	
Office Supplies		4,312	
Uniforms		332	
Communication Equipment		1,731	
Data Processing Equipment		2,880	
Total General Sessions Court			\$ 1,036,552

Drug Court

Supervisor/Director	\$	50,560
Secretary(ies)		24,560
Longevity Pay		225
Other Salaries & Wages		157,284
Social Security		13,928
State Retirement		30,032
Employee and Dependent Insurance		32,924
Employer Medicare		3,257
Communication		6,507
Dues and Memberships		1,400
Maintenance Agreements		726
Postal Charges		338
Rentals		15,253
Travel		16,576
Other Contracted Services		5,981
Office Supplies		2,043

(Continued)

## Exhibit L-9

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

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

Other Supplies and Materials	\$	35,191	
Liability Insurance		<u>4,548</u>	
Total Drug Court			\$ 401,333

Chancery Court

County Official/Administrative Officer	\$	79,069	
Deputy(ies)		325,495	
Attendants		27,618	
Part-time Personnel		34,050	
Longevity Pay		2,425	
Overtime Pay		1,026	
Jury and Witness Fees		1,432	
Social Security		27,828	
State Retirement		56,082	
Employee and Dependent Insurance		73,867	
Employer Medicare		6,508	
Communication		2,883	
Data Processing Services		5,248	
Dues and Memberships		685	
Legal Notices, Recording, and Court Costs		5,261	
Maintenance Agreements		7,638	
Maintenance & Repair Services - Equipment		243	
Postal Charges		15,504	
Travel		783	
Other Contracted Services		173	
Office Supplies		21,118	
Other Supplies and Materials		100	
Data Processing Equipment		<u>6,769</u>	
Total Chancery Court			701,805

Juvenile Court

Judge(s)	\$	123,521	
Deputy(ies)		31,010	
Secretary(ies)		31,010	
Longevity Pay		75	
Social Security		11,264	
State Retirement		23,963	
Employee and Dependent Insurance		20,119	
Employer Medicare		2,634	
Communication		1,386	

(Continued)

## Exhibit L-9

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

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

Dues and Memberships	\$	1,206	
Postal Charges		134	
Travel		1,340	
Other Contracted Services		42,026	
Library Books/Media		2,331	
Office Supplies		1,812	
Other Supplies and Materials		1,594	
Data Processing Equipment		5,564	
Total Juvenile Court			\$ 300,989

District Attorney General

Assistant(s)	\$	48,010	
Social Security		2,977	
State Retirement		6,198	
Employee and Dependent Insurance		58	
Employer Medicare		696	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			62,654

Other Administration of Justice

Part-time Personnel	\$	7,161	
Other Salaries & Wages		37,540	
Social Security		2,587	
State Retirement		4,846	
Employee and Dependent Insurance		9,078	
Employer Medicare		605	
Communication		468	
Maintenance Agreements		1,188	
Postal Charges		5	
Other Contracted Services		4,315	
Office Supplies		759	
Total Other Administration of Justice			68,552

Probation Services

County Official/Administrative Officer	\$	54,650	
Assistant(s)		38,900	
Youth Service Officer(s)		127,650	
Secretary(ies)		26,310	
Longevity Pay		900	

(Continued)

## Exhibit L-9

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

General Fund (Cont.)Administration of Justice (Cont.)Probation Services (Cont.)

Social Security	\$	14,789	
State Retirement		32,070	
Employee and Dependent Insurance		38,390	
Employer Medicare		3,459	
Communication		2,164	
Contracts with Private Agencies		711,202	
Data Processing Services		3,480	
Maintenance Agreements		979	
Maintenance & Repair Services - Equipment		141	
Postal Charges		192	
Printing, Stationery, and Forms		350	
Travel		1,731	
Office Supplies		3,736	
Data Processing Equipment		3,824	
Total Probation Services			\$ 1,064,917

Public SafetySheriff's Department

County Official/Administrative Officer	\$	95,674	
Deputy(ies)		105,964	
Salary Supplements		94,800	
Part-time Personnel		290,114	
Longevity Pay		44,150	
Overtime Pay		449,387	
Other Salaries & Wages		8,154,153	
In-Service Training		68,463	
Other Per Diem & Fees		19,607	
Social Security		554,258	
State Retirement		1,148,877	
Employee and Dependent Insurance		1,345,507	
Employer Medicare		129,628	
Communication		125,468	
Contracts with Private Agencies		2,000	
Data Processing Services		10,997	
Dues and Memberships		5,304	
Maintenance Agreements		4,033	
Maintenance & Repair Services - Equipment		69,573	
Maintenance & Repair Services - Vehicles		105,242	
Medical and Dental Services		19,070	
Postal Charges		9,624	

(Continued)

## Exhibit L-9

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

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

Printing, Stationery, and Forms	\$	8,671	
Other Contracted Services		54,549	
Data Processing Supplies		12,552	
Gasoline		544,498	
Instructional Supplies and Materials		14,474	
Law Enforcement Supplies		88,897	
Office Supplies		31,977	
Periodicals		3,462	
Uniforms		185,392	
Vehicle Parts		145,016	
Other Supplies and Materials		26,460	
Judgments		9,800	
Other Charges		9,316	
Communication Equipment		55,391	
Data Processing Equipment		46,706	
Law Enforcement Equipment		132,641	
Motor Vehicles		613,381	
Office Equipment		11,176	
Total Sheriff's Department			\$ 14,846,252

Special Patrols

Nightwatchmen	\$	38,610	
Social Security		2,394	
State Retirement		4,985	
Employer Medicare		560	
Total Special Patrols			46,549

Traffic Control

Maintenance & Repair Services - Equipment	\$	5,369	
Utilities		8,000	
Total Traffic Control			13,369

Wheel Tax Officer

Uniforms	\$	410	
Total Wheel Tax Officer			410

Administration of the Sexual Offender Registry

In-Service Training	\$	454	
Total Administration of the Sexual Offender Registry			454

(Continued)

## Exhibit L-9

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

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

Maintenance Personnel	\$	51,385	
Part-time Personnel		3,675	
Longevity Pay		14,600	
Overtime Pay		254,956	
Other Salaries & Wages		4,196,177	
In-Service Training		18,116	
Social Security		269,291	
State Retirement		582,772	
Employee and Dependent Insurance		866,602	
Employer Medicare		62,977	
Advertising		722	
Dues and Memberships		1,028	
Maintenance Agreements		30,440	
Maintenance & Repair Services - Buildings		79,278	
Maintenance & Repair Services - Equipment		16,360	
Printing, Stationery, and Forms		2,909	
Transportation - Other than Students		30,361	
Other Contracted Services		2,259,495	
Custodial Supplies		84,897	
Data Processing Supplies		7,878	
Drugs and Medical Supplies		5,078	
Food Preparation Supplies		41,954	
Food Supplies		982,549	
Law Enforcement Supplies		21,445	
Office Supplies		10,353	
Periodicals		1,057	
Prisoners Clothing		49,344	
Uniforms		138,495	
Utilities		769,524	
Other Supplies and Materials		23,078	
Building Improvements		94,614	
Communication Equipment		4,190	
Data Processing Equipment		14,630	
Food Service Equipment		1,568	
Total Jail			\$ 10,991,798

Workhouse

County Official/Administrative Officer	\$	60,810
Captain(s)		52,400
Lieutenant(s)		43,570

(Continued)

## Exhibit L-9

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

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

Sergeant(s)	\$	128,340	
Guards		682,588	
Secretary(ies)		40,980	
Clerical Personnel		81,854	
Part-time Personnel		32,106	
Longevity Pay		3,525	
Overtime Pay		3,445	
Board and Committee Members Fees		4,800	
In-Service Training		1,879	
Social Security		68,281	
State Retirement		141,813	
Employee and Dependent Insurance		166,301	
Employer Medicare		15,968	
Communication		5,961	
Dues and Memberships		300	
Evaluation and Testing		1,915	
Operating Lease Payments		1,238	
Maintenance Agreements		1,940	
Maintenance & Repair Services - Buildings		16,658	
Maintenance & Repair Services - Equipment		7,494	
Maintenance & Repair Services - Vehicles		2,999	
Medical and Dental Services		600	
Pest Control		525	
Postal Charges		269	
Printing, Stationery, and Forms		215	
Other Contracted Services		477,260	
Custodial Supplies		23,597	
Data Processing Supplies		3,614	
Equipment and Machinery Parts		2,632	
Food Supplies		36	
Gasoline		6,728	
Law Enforcement Supplies		7,888	
Office Supplies		6,039	
Prisoners Clothing		14,744	
Uniforms		10,323	
Utilities		122,002	
Other Supplies and Materials		20,901	
Data Processing Equipment		17,299	
Food Service Equipment		2,900	
Office Equipment		6,514	
Total Workhouse			\$ 2,291,251

(Continued)

## Exhibit L-9

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

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

County Official/Administrative Officer	\$	56,630	
Captain(s)		47,090	
Lieutenant(s)		42,040	
Sergeant(s)		151,042	
Guards		199,114	
Secretary(ies)		29,084	
Attendants		239,318	
Part-time Personnel		63,407	
Longevity Pay		700	
Overtime Pay		33,502	
In-Service Training		4,073	
Social Security		52,279	
State Retirement		101,162	
Employee and Dependent Insurance		103,694	
Employer Medicare		12,227	
Communication		3,244	
Data Processing Services		7,415	
Evaluation and Testing		1,670	
Maintenance Agreements		1,398	
Maintenance & Repair Services - Buildings		2,471	
Maintenance & Repair Services - Equipment		503	
Maintenance & Repair Services - Vehicles		910	
Medical and Dental Services		8,000	
Postal Charges		574	
Printing, Stationery, and Forms		1,800	
Other Contracted Services		66,255	
Gasoline		2,912	
Office Supplies		806	
Uniforms		9,202	
Other Supplies and Materials		26,023	
Data Processing Equipment		2,606	
Total Juvenile Services			\$ 1,271,151

Rescue Squad

Contributions	\$	75,000	
Total Rescue Squad			75,000

Disaster Relief

County Official/Administrative Officer	\$	63,430	
Assistant(s)		52,400	

(Continued)

## Exhibit L-9

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

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

Supervisor/Director	\$	40,310	
Secretary(ies)		31,010	
Longevity Pay		825	
In-Service Training		323	
Social Security		11,219	
State Retirement		24,267	
Employee and Dependent Insurance		28,585	
Employer Medicare		2,624	
Communication		15,314	
Contributions		2,000	
Dues and Memberships		1,170	
Maintenance Agreements		2,665	
Maintenance & Repair Services - Vehicles		2,076	
Postal Charges		395	
Printing, Stationery, and Forms		99	
Travel		2,608	
Other Contracted Services		9,456	
Data Processing Supplies		1,626	
Diesel Fuel		900	
Electricity		2,403	
Gasoline		5,771	
Instructional Supplies and Materials		3,541	
Office Supplies		2,768	
Uniforms		1,129	
Other Supplies and Materials		14,122	
Communication Equipment		9,502	
Data Processing Equipment		4,899	
Motor Vehicles		238,526	
Office Equipment		8,164	
Other Equipment		290,186	
Total Disaster Relief			\$ 874,313

Inspection and Regulation

County Official/Administrative Officer	\$	67,430
Deputy(ies)		361,718
Clerical Personnel		111,752
Longevity Pay		2,375
Board and Committee Members Fees		500
Social Security		32,527
State Retirement		70,137

(Continued)

## Exhibit L-9

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

General Fund (Cont.)Public Safety (Cont.)Inspection and Regulation (Cont.)

Employee and Dependent Insurance	\$	94,670	
Employer Medicare		7,607	
Communication		9,283	
Data Processing Services		802	
Dues and Memberships		1,852	
Maintenance Agreements		2,389	
Postal Charges		1,061	
Printing, Stationery, and Forms		1,815	
Travel		5,363	
Other Contracted Services		2,324	
Gasoline		15,086	
Office Supplies		9,173	
Uniforms		795	
Other Supplies and Materials		1,193	
In Service/Staff Development		1,251	
Data Processing Equipment		3,532	
Motor Vehicles		15,138	
Total Inspection and Regulation			\$ 819,773

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,125	
Other Salaries & Wages		227,494	
Social Security		13,695	
State Retirement		29,514	
Employee and Dependent Insurance		34,421	
Employer Medicare		3,203	
Communication		13,231	
Contracts with Government Agencies		64,188	
Maintenance & Repair Services - Buildings		8,427	
Maintenance & Repair Services - Equipment		1,856	
Rentals		2,500	
Travel		2,398	
Other Contracted Services		47,270	
Drugs and Medical Supplies		17,009	
Utilities		47,575	
Other Supplies and Materials		9,974	
Communication Equipment		2,500	
Total Local Health Center			526,380

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

County Official/Administrative Officer	\$	58,690	
Supervisor/Director		64,514	
Secretary(ies)		32,130	
Attendants		298,757	
Part-time Personnel		25,804	
Longevity Pay		1,600	
Overtime Pay		16,410	
Social Security		30,076	
State Retirement		60,907	
Employee and Dependent Insurance		75,452	
Employer Medicare		7,034	
Advertising		1,193	
Communication		14,063	
Dues and Memberships		524	
Evaluation and Testing		945	
Maintenance Agreements		5,926	
Maintenance & Repair Services - Buildings		3,522	
Maintenance & Repair Services - Vehicles		6,045	
Medical and Dental Services		979	
Postal Charges		287	
Travel		4,555	
Veterinary Services		75,571	
Other Contracted Services		67,400	
Animal Food and Supplies		10,749	
Custodial Supplies		6,302	
Data Processing Supplies		309	
Drugs and Medical Supplies		37,387	
Gasoline		29,432	
Office Supplies		5,779	
Uniforms		4,300	
Utilities		37,978	
Other Supplies and Materials		10,130	
Refunds		1,072	
Communication Equipment		175	
Data Processing Equipment		27,261	
Other Equipment		9,635	
Total Rabies and Animal Control			\$ 1,032,893

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	80,890
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(Continued)

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.)

Supervisor/Director	\$	986,927
Accountants/Bookkeepers		169,398
Paraprofessionals		3,117,103
Foremen		56,200
Dispatchers/Radio Operators		370,148
Custodial Personnel		20,052
Part-time Personnel		356,068
Longevity Pay		20,350
Overtime Pay		421,375
In-Service Training		34,650
Social Security		335,619
State Retirement		677,996
Employee and Dependent Insurance		726,479
Employer Medicare		78,493
Communication		100,567
Contracts with Private Agencies		60,059
Evaluation and Testing		25,099
Maintenance & Repair Services - Buildings		39,268
Maintenance & Repair Services - Vehicles		97,312
Medical and Dental Services		11,750
Pest Control		4,647
Postal Charges		21,772
Printing, Stationery, and Forms		10,763
Travel		16,696
Other Contracted Services		4,118
Custodial Supplies		14,565
Data Processing Supplies		13,339
Drugs and Medical Supplies		297,951
Gasoline		117,855
Instructional Supplies and Materials		16,298
Office Supplies		17,577
Uniforms		101,933
Utilities		72,259
Other Supplies and Materials		60,631
Refunds		68,945
Other Charges		102,081
Building Improvements		1,320
Communication Equipment		19,871
Data Processing Equipment		19,019
Motor Vehicles		337,051

(Continued)

## Exhibit L-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.)

Health Equipment	\$ 24,470	
Other Equipment	38,431	
Total Ambulance/Emergency Medical Services		\$ 9,167,395

Nursing Home

Building Improvements	\$ 18,294	
Total Nursing Home		18,294

Dental Health Program

Dues and Memberships	\$ 400	
Medical and Dental Services	12,828	
Total Dental Health Program		13,228

Other Local Health Services

Medical Personnel	\$ 1,025,751	
Longevity Pay	3,900	
Social Security	60,411	
State Retirement	124,991	
Employee and Dependent Insurance	217,246	
Employer Medicare	14,129	
Postal Charges	3,000	
Printing, Stationery, and Forms	2,199	
Travel	13,927	
Other Supplies and Materials	11,686	
Liability Insurance	3,852	
Total Other Local Health Services		1,481,092

General Welfare Assistance

Contributions	\$ 39,900	
Total General Welfare Assistance		39,900

Sanitation Management

Contracts with Private Agencies	\$ 18,427	
Total Sanitation Management		18,427

Other Public Health and Welfare

Medical and Dental Services	\$ 14,400	
Other Contracted Services	175,650	
Total Other Public Health and Welfare		190,050

(Continued)

## Exhibit L-9

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

General Fund (Cont.)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	\$ 993,151	
Total Libraries		993,151

Parks and Fair Boards

Supervisor/Director	\$ 25,000	
Other Salaries & Wages	127,853	
Board and Committee Members Fees	2,850	
Social Security	9,654	
Employer Medicare	2,258	
Contributions	92,817	
Maintenance & Repair Services - Buildings	819	
Matching Share	24,323	
Postal Charges	85	
Travel	1,826	
Other Contracted Services	25,000	
Equipment and Machinery Parts	13,831	
Office Supplies	32	
Other Supplies and Materials	4,296	
Total Parks and Fair Boards		330,644

Agriculture & Natural ResourcesAgriculture Extension Service

Teachers	\$ 59,869	
Secretary(ies)	61,960	
Part-time Personnel	66,396	
Longevity Pay	475	
Board and Committee Members Fees	1,150	
Social Security	11,236	
State Retirement	15,821	
Employee and Dependent Insurance	27,684	
Employer Medicare	2,628	
Communication	4,548	

(Continued)

## Exhibit L-9

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

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

Contracts with Government Agencies	\$	185,130	
Data Processing Services		251	
Postal Charges		2,000	
Travel		4,636	
Other Contracted Services		14,479	
Fertilizer, Lime, and Seed		834	
Gasoline		1,489	
Office Supplies		7,399	
Utilities		60,587	
Other Supplies and Materials		3,895	
Data Processing Equipment		868	
Office Equipment		4,950	
Health Equipment		1,321	
Total Agriculture Extension Service			\$ 539,606

Soil Conservation

Assistant(s)	\$	34,510	
Part-time Personnel		7,042	
Longevity Pay		200	
Social Security		2,430	
State Retirement		4,481	
Employee and Dependent Insurance		9,078	
Employer Medicare		568	
Contributions		8,000	
Total Soil Conservation			66,309

Storm Water Management

Assistant(s)	\$	47,090	
Part-time Personnel		25,128	
In-Service Training		2,583	
Social Security		4,336	
State Retirement		6,079	
Employee and Dependent Insurance		9,078	
Employer Medicare		1,014	
Communication		4,246	
Contracts with Private Agencies		2,688	
Printing, Stationery, and Forms		275	
Travel		1,767	
Other Contracted Services		4,414	
Data Processing Supplies		791	

(Continued)

## Exhibit L-9

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

General Fund (Cont.)Agriculture & Natural Resources (Cont.)Storm Water Management (Cont.)

Gasoline	\$	3,125	
Office Supplies		2,522	
Other Supplies and Materials		2,295	
Refunds		4,540	
Other Charges		4,797	
Data Processing Equipment		2,461	
Total Storm Water Management			\$ 129,229

Other OperationsTourism

Contributions	\$	267,952	
Total Tourism			267,952

Other Economic and Community Development

Contracts with Other Public Agencies	\$	13,026	
Other Contracted Services		150,320	
Total Other Economic and Community Development			163,346

Other Charges

Mechanic(s)	\$	36,970	
Laborers		55,410	
Longevity Pay		525	
Overtime Pay		1,119	
Social Security		5,587	
State Retirement		12,138	
Employee and Dependent Insurance		20,119	
Employer Medicare		1,307	
Communication		856	
Gasoline		9,560	
Utilities		15,758	
Vehicle Parts		25,044	
Other Supplies and Materials		10,278	
Motor Vehicles		20,311	
Total Other Charges			214,982

Employee Benefits

Unemployment Compensation	\$	26,482	
Other Fringe Benefits		69,371	
Workers' Compensation Insurance		679,000	
Total Employee Benefits			774,853

(Continued)

## Exhibit L-9

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

General Fund (Cont.)Other Operations (Cont.)Payments to Cities

Contracts with Government Agencies	\$ 1,912,348	
Total Payments to Cities		\$ 1,912,348

Miscellaneous

Audit Services	\$ 41,139	
Consultants	8,000	
Contributions	618,320	
Dues and Memberships	31,781	
Engineering Services	2,400	
Legal Services	76,653	
Maintenance & Repair Services - Buildings	67,071	
Maintenance & Repair Services - Office Equipment	2,313	
Travel	350	
Building and Contents Insurance	43,755	
Judgments	585,000	
Liability Insurance	684,475	
Premiums on Corporate Surety Bonds	34,666	
Trustee's Commission	765,332	
Tax Relief Program	209,772	
Other Charges	29,416	
Total Miscellaneous		3,200,443

Total General Fund \$ 66,337,149

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$ 31,665	
Part-time Personnel	8,838	
Longevity Pay	525	
Other Salaries & Wages	37,540	
Social Security	4,750	
State Retirement	9,002	
Employee and Dependent Insurance	12,820	
Employer Medicare	1,111	
Instructional Supplies and Materials	2,238	
Other Supplies and Materials	9,752	
Total Sanitation Education/Information		\$ 118,241

(Continued)

## Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers

Supervisor/Director	\$	56,200	
Foremen		33,510	
Truck Drivers		404,675	
Laborers		319,027	
Clerical Personnel		30,810	
Maintenance Personnel		28,644	
Part-time Personnel		2,757	
Longevity Pay		3,025	
Overtime Pay		20,498	
Social Security		52,362	
State Retirement		77,536	
Employee and Dependent Insurance		127,460	
Employer Medicare		12,614	
Communication		11,367	
Contracts with Private Agencies		899	
Evaluation and Testing		1,273	
Maintenance & Repair Services - Equipment		7,736	
Maintenance & Repair Services - Vehicles		92,448	
Postal Charges		3	
Rentals		13,300	
Travel		1,803	
Other Contracted Services		19,867	
Crushed Stone		1,871	
Data Processing Supplies		213	
Diesel Fuel		148,174	
Equipment and Machinery Parts		58,232	
Gasoline		9,573	
Office Supplies		592	
Tires and Tubes		47,083	
Uniforms		5,437	
Utilities		12,312	
Fencing		9,673	
Other Supplies and Materials		21,016	
Building Construction		300	
Communication Equipment		1,270	
Data Processing Equipment		778	
Motor Vehicles		285,351	
Site Development		20,122	
Solid Waste Equipment		94,531	
Total Convenience Centers			\$ 2,034,342

(Continued)

## Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Other Waste Collection

Advertising	\$	682	
Contracts with Private Agencies		276,370	
Other Supplies and Materials		4,091	
Solid Waste Equipment		53,906	
Total Other Waste Collection			\$ 335,049

Landfill Operation and Maintenance

Supervisor/Director	\$	47,045
Mechanic(s)		28,690
Laborers		68,480
Clerical Personnel		31,622
Part-time Personnel		27,878
Longevity Pay		950
Overtime Pay		16,499
Social Security		13,276
State Retirement		24,699
Employee and Dependent Insurance		29,255
Employer Medicare		3,105
Advertising		720
Communication		6,474
Contracts with Private Agencies		281,678
Engineering Services		175
Maintenance & Repair Services - Equipment		27,360
Maintenance & Repair Services - Vehicles		1,392
Postal Charges		3
Travel		6,513
Disposal Fees		113,740
Other Contracted Services		1,916
Crushed Stone		31,134
Data Processing Supplies		679
Diesel Fuel		19,400
Electricity		2,796
Equipment Parts - Light		2,426
Equipment and Machinery Parts		55,871
Fertilizer, Lime, and Seed		5,128
Garage Supplies		3,463
Gasoline		11,358
Lubricants		747
Propane Gas		2,051
Small Tools		6,088

(Continued)

## Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Landfill Operation and Maintenance (Cont.)

Tires and Tubes	\$	3,126	
Uniforms		2,807	
Vehicle Parts		95	
Drainage Materials		1,912	
Fencing		1,808	
Other Supplies and Materials		6,716	
Data Processing Equipment		1,370	
Motor Vehicles		21,733	
Total Landfill Operation and Maintenance			\$ 912,178

Postclosure Care Costs

Contracts with Private Agencies	\$	107,431	
Contracts for Postclosure Care Costs		8,084	
Crushed Stone		5,109	
Testing		9,510	
Total Postclosure Care Costs			130,134

Other OperationsEmployee Benefits

Workers' Compensation Insurance	\$	59,100	
Total Employee Benefits			59,100

Miscellaneous

Building and Contents Insurance	\$	1,072	
Judgments		10,000	
Liability Insurance		22,831	
Trustee's Commission		30,409	
Total Miscellaneous			64,312

Total Solid Waste/Sanitation Fund \$ 3,653,356

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	105,280	
Contributions		96,500	
Trustee's Commission		1,312	
Total Industrial Development			\$ 203,092

(Continued)

## Exhibit L-9

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Payments to Cities

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

Total Industrial/Economic Development Fund \$ 220,122

Drug Control Fund

Public Safety

Drug Enforcement

Longevity Pay	\$ 975	
Overtime Pay	82,085	
Other Salaries & Wages	272,855	
In-Service Training	10,219	
Social Security	21,371	
State Retirement	45,949	
Employee and Dependent Insurance	49,086	
Employer Medicare	4,998	
Confidential Drug Enforcement Payments	166,500	
Maintenance & Repair Services - Vehicles	13,351	
Veterinary Services	787	
Animal Food and Supplies	424	
Uniforms	1,568	
Other Supplies and Materials	11,989	
Trustee's Commission	6,251	
Law Enforcement Equipment	27,924	
Motor Vehicles	97,642	
Total Drug Enforcement		\$ 813,974

Total Drug Control Fund 813,974

Adequate Facilities/Development Tax Fund

General Government

Other General Administration

Trustee's Commission	\$ 65,415	
Total Other General Administration		\$ 65,415

Capital Projects

Other General Government Projects

Land	\$ 37,937	
Total Other General Government Projects		37,937

Total Adequate Facilities/Development Tax Fund 103,352

(Continued)

## Exhibit L-9

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

District Attorney General FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	403	
Total Other General Administration			\$ 403

Administration of JusticeDistrict Attorney General

Part-time Personnel	\$	7,207	
Social Security		448	
Employer Medicare		104	
Other Supplies and Materials		12,840	
Total District Attorney General			20,599

Total District Attorney General Fund			\$ 21,002
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Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$	808,364	
Total Register of Deeds			\$ 808,364

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	433,732	
Total County Trustee's Office			433,732

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	1,740,834	
Total County Clerk's Office			1,740,834

Administration of JusticeCircuit Court Clerk

Constitutional Officers' Operating Expenses	\$	1,742,702	
Total Circuit Court Clerk			1,742,702

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	18,245	
Total Chancery Court			18,245

Total Constitutional Officers - Fees Fund			4,743,877
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(Continued)

## Exhibit L-9

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

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	95,674	
Assistant(s)		54,300	
Secretary(ies)		70,604	
Longevity Pay		1,000	
Board and Committee Members Fees		24,900	
Social Security		14,944	
State Retirement		28,606	
Employee and Dependent Insurance		23,734	
Employer Medicare		3,495	
Communication		4,696	
Dues and Memberships		6,880	
Janitorial Services		6,846	
Legal Notices, Recording, and Court Costs		1,111	
Maintenance & Repair Services - Office Equipment		720	
Postal Charges		632	
Printing, Stationery, and Forms		280	
Travel		240	
Drugs and Medical Supplies		413	
Electricity		14,272	
Natural Gas		14,218	
Office Supplies		1,503	
Water and Sewer		3,939	
Building and Contents Insurance		3,224	
Liability Insurance		99,094	
Trustee's Commission		81,322	
Other Charges		5,697	
Office Equipment		1,815	
Total Administration			\$ 564,159

Highway and Bridge Maintenance

Foremen	\$	193,230
Equipment Operators		652,877
Truck Drivers		291,083
Laborers		27,666
Longevity Pay		9,100
Overtime Pay		4,258
Social Security		69,003
State Retirement		150,788
Employee and Dependent Insurance		276,592
Employer Medicare		16,138

(Continued)

## Exhibit L-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Engineering Services	\$	8,885	
Other Contracted Services		95,512	
Asphalt		3,197,353	
General Construction Materials		4,628	
Pipe - Metal		24,014	
Road Signs		19,690	
Uniforms		19,886	
Total Highway and Bridge Maintenance			\$ 5,060,703

Operation and Maintenance of Equipment

Foremen	\$	40,000	
Mechanic(s)		130,274	
Laborers		51,030	
Longevity Pay		2,075	
Overtime Pay		1,677	
Social Security		13,399	
State Retirement		29,055	
Employee and Dependent Insurance		45,578	
Employer Medicare		3,134	
Maintenance & Repair Services - Equipment		48,037	
Other Contracted Services		23,208	
Diesel Fuel		131,705	
Equipment and Machinery Parts		68,690	
Garage Supplies		3,426	
Gasoline		54,464	
Lubricants		16,930	
Tires and Tubes		33,460	
Other Supplies and Materials		12,765	
Total Operation and Maintenance of Equipment			708,907

Quarry Operations

Foremen	\$	37,264	
Mechanic(s)		26,662	
Equipment Operators		59,550	
Truck Drivers		78,810	
Clerical Personnel		21,922	
Longevity Pay		1,550	
Social Security		13,347	
State Retirement		29,145	
Employee and Dependent Insurance		52,931	

(Continued)

## Exhibit L-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Quarry Operations (Cont.)

Employer Medicare	\$	3,121	
Communication		567	
Electricity		47,607	
Equipment and Machinery Parts		28,197	
Water and Sewer		311	
Building Construction		1,065	
Total Quarry Operations			\$ 402,049

Other Charges

Assistant(s)	\$	48,790	
Salary Supplements		10,000	
Foremen		35,990	
Equipment Operators		26,132	
Truck Drivers		49,440	
Secretary(ies)		31,010	
Longevity Pay		175	
In-Service Training		4,783	
Social Security		11,485	
State Retirement		26,018	
Employee and Dependent Insurance		47,353	
Employer Medicare		2,686	
Communication		1,708	
Legal Notices, Recording, and Court Costs		257	
Maintenance & Repair Services - Equipment		890	
Travel		3,471	
Data Processing Supplies		981	
Diesel Fuel		7,621	
Equipment and Machinery Parts		9,087	
Gasoline		3,270	
General Construction Materials		2,246	
Lubricants		9	
Office Supplies		270	
Pipe - Metal		1,733	
Tires and Tubes		2,507	
Other Supplies and Materials		431	
Other Equipment		59,259	
Total Other Charges			387,602

Employee Benefits

Unemployment Compensation	\$	4,492	
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(Continued)

## Exhibit L-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Employee Benefits (Cont.)

Other Fringe Benefits	\$ 39,585	
Workers' Compensation Insurance	137,000	
Total Employee Benefits		\$ 181,077

Capital Outlay

Bridge Construction	\$ 76,458	
Building Improvements	528	
Highway Equipment	112,820	
State Aid Projects	759,860	
Total Capital Outlay		949,666

Total Highway/Public Works Fund \$ 8,254,163

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 687,239	
Other Debt Service	5,705	
Total Other General Administration		\$ 692,944

Principal on DebtGeneral Government

Principal on Bonds	\$ 1,694,195	
Principal on Notes	200,000	
Total General Government		1,894,195

Education

Principal on Bonds	\$ 12,990,805	
Principal on Notes	9,654,085	
Total Education		22,644,890

Interest on DebtGeneral Government

Interest on Bonds	\$ 2,741,021	
Interest on Notes	67,500	
Total General Government		2,808,521

Education

Interest on Bonds	\$ 13,462,026	
Interest on Notes	626,275	
Total Education		14,088,301

Total General Debt Service Fund 42,128,851

(Continued)

## Exhibit L-9

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

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Architects	\$	2,877	
Engineering Services		8,110	
Building Construction		313,021	
Furniture and Fixtures		32,625	
Land		75,711	
Other Equipment		910	
Total General Administration Projects			\$ 433,254

Administration of Justice Projects

Legal Services	\$	226,077	
Other Charges		250	
Total Administration of Justice Projects			226,327

Public Safety Projects

Architects	\$	489,667	
Consultants		54,244	
Engineering Services		34,326	
Legal Services		486,462	
Permits		400	
Building Construction		7,326,346	
Data Processing Equipment		43,722	
Site Development		352,855	
Total Public Safety Projects			8,788,022

Public Health and Welfare Projects

Architects	\$	101,163	
Other Charges		5,695	
Building Improvements		1,062,780	
Furniture and Fixtures		21,000	
Land		129,535	
Total Public Health and Welfare Projects			1,320,173

Agriculture and Natural Resource Projects

Architects	\$	120,587	
Total Agriculture and Natural Resource Projects			120,587

Highway & Street Capital Projects

Other Salaries & Wages	\$	9,650	
Contracts with Government Agencies		2,513,565	
Engineering Services		155,695	

(Continued)

## Exhibit L-9

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Highway & Street Capital Projects (Cont.)

Legal Notices, Recording, and Court Costs

\$ 66

Motor Vehicles

19,933

Total Highway & Street Capital Projects

\$ 2,698,909

Total General Capital Projects Fund

\$ 13,587,272

Nursing Home Projects Fund

Capital Projects

Public Health and Welfare Projects

Health Equipment

\$ 6,800

Total Public Health and Welfare Projects

\$ 6,800

Total Nursing Home Projects Fund

6,800

Total Governmental Funds - Primary Government

\$ 139,869,918

## Exhibit L-10

Rutherford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Rutherford County School Department  
For the Year Ended June 30, 2007

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 72,372,465	
Career Ladder Program	663,554	
Career Ladder Extended Contracts	198,435	
Educational Assistants	2,610,901	
Other Salaries & Wages	907,982	
Social Security	4,606,829	
State Retirement	4,874,244	
Life Insurance	103,547	
Medical Insurance	11,523,900	
Unemployment Compensation	50,067	
Employer Medicare	1,077,319	
Contracts for Substitute Teachers - Certified	264,925	
Contracts for Substitute Teachers - Non-certified	1,171,408	
Other Contracted Services	54,562	
Instructional Supplies and Materials	2,091,992	
Textbooks	4,001,828	
Other Supplies and Materials	632,041	
Fee Waivers	62,953	
Other Charges	180,142	
Regular Instruction Equipment	896,782	
Total Regular Instruction Program		\$ 108,345,876

Alternative Instruction Program

Teachers	\$ 923,545	
Career Ladder Program	9,592	
Educational Assistants	84,066	
Social Security	60,806	
State Retirement	68,156	
Life Insurance	1,437	
Medical Insurance	166,366	
Employer Medicare	14,220	
Contracts for Substitute Teachers - Certified	3,224	
Contracts for Substitute Teachers - Non-certified	14,733	
Other Contracted Services	4,640	
Instructional Supplies and Materials	21,420	
Total Alternative Instruction Program		1,372,205

Special Education Program

Teachers	\$ 8,746,453
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(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Career Ladder Program	\$ 113,038	
Career Ladder Extended Contracts	10,800	
Educational Assistants	1,878,794	
Speech Pathologist	998,899	
Other Salaries & Wages	46,324	
Social Security	704,941	
State Retirement	850,200	
Life Insurance	19,130	
Medical Insurance	1,934,878	
Unemployment Compensation	23,047	
Employer Medicare	164,865	
Maintenance & Repair Services - Equipment	7,144	
Contracts for Substitute Teachers - Certified	25,763	
Contracts for Substitute Teachers - Non-certified	191,144	
Other Contracted Services	921,553	
Instructional Supplies and Materials	113,542	
Textbooks	60,058	
Other Supplies and Materials	42,760	
Other Charges	24,884	
Special Education Equipment	66,989	
Total Special Education Program		\$ 16,945,206

Vocational Education Program

Teachers	\$ 5,240,191
Career Ladder Program	50,620
Career Ladder Extended Contracts	14,200
Clerical Personnel	37,237
Other Salaries & Wages	4,015
Social Security	320,546
State Retirement	330,331
Life Insurance	6,781
Medical Insurance	735,688
Unemployment Compensation	6,834
Employer Medicare	74,968
Maintenance & Repair Services - Equipment	26,165
Contracts for Substitute Teachers - Certified	24,384
Contracts for Substitute Teachers - Non-certified	109,059
Other Contracted Services	65,970
Instructional Supplies and Materials	179,008

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Instruction (Cont.)Vocational Education Program (Cont.)

Textbooks	\$	351,858	
Other Supplies and Materials		32,407	
Other Charges		1,053	
Vocational Instruction Equipment		258,866	
Total Vocational Education Program			\$ 7,870,181

Adult Education Program

Teachers	\$	255,939	
Other Salaries & Wages		28,269	
Social Security		17,424	
State Retirement		11,444	
Life Insurance		173	
Medical Insurance		18,981	
Employer Medicare		4,075	
Other Contracted Services		3,116	
Instructional Supplies and Materials		30,777	
Other Supplies and Materials		6,351	
Other Charges		1,300	
Other Equipment		22,631	
Total Adult Education Program			400,480

Support ServicesAttendance

Supervisor/Director	\$	70,366	
Career Ladder Program		5,400	
Career Ladder Extended Contracts		2,000	
Social Workers		200,442	
Clerical Personnel		52,779	
Social Security		19,881	
State Retirement		23,876	
Life Insurance		328	
Medical Insurance		51,709	
Employer Medicare		4,649	
Travel		5,887	
Other Contracted Services		1,976	
Other Supplies and Materials		2,761	
Other Charges		2,334	
Attendance Equipment		3,302	
Total Attendance			447,690

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services

Medical Personnel	\$ 1,137,835	
Other Salaries & Wages	201,414	
Social Security	80,110	
State Retirement	169,902	
Life Insurance	1,636	
Medical Insurance	178,237	
Employer Medicare	18,736	
Travel	22,983	
Drugs and Medical Supplies	12,035	
Other Supplies and Materials	18,354	
Other Charges	7,337	
Health Equipment	14,343	
Total Health Services		\$ 1,862,922

Other Student Support

Career Ladder Program	\$ 36,512	
Guidance Personnel	3,366,282	
Career Ladder Extended Contracts	4,000	
Social Workers	81,899	
Clerical Personnel	146,169	
Attendants	235,417	
Other Salaries & Wages	26,861	
Social Security	233,508	
State Retirement	259,808	
Life Insurance	5,098	
Medical Insurance	542,921	
Unemployment Compensation	3,321	
Employer Medicare	54,611	
Contracts with Government Agencies	98,811	
Evaluation and Testing	158,027	
Travel	8,779	
Contracts for Substitute Teachers - Certified	5,062	
Contracts for Substitute Teachers - Non-certified	14,804	
Other Contracted Services	56,177	
Other Supplies and Materials	24,240	
In Service/Staff Development	13,981	
Other Equipment	93,897	
Total Other Student Support		5,470,185

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program

Supervisor/Director	\$	565,359	
Career Ladder Program		96,532	
Career Ladder Extended Contracts		20,000	
Librarians		2,121,751	
Materials Supervisor		33,936	
Instructional Computer Personnel		1,537,536	
Secretary(ies)		56,652	
Clerical Personnel		53,850	
Educational Assistants		389,497	
Other Salaries & Wages		309,920	
Social Security		310,785	
State Retirement		352,882	
Life Insurance		6,474	
Medical Insurance		658,169	
Unemployment Compensation		3,621	
Employer Medicare		72,685	
Travel		36,022	
Contracts for Substitute Teachers - Certified		2,610	
Contracts for Substitute Teachers - Non-certified		20,380	
Other Contracted Services		54,416	
Library Books/Media		89,767	
Other Supplies and Materials		27,654	
In Service/Staff Development		82,793	
Other Equipment		11,112	
Total Regular Instruction Program			\$ 6,914,403

Alternative Instruction Program

Supervisor/Director	\$	156,290
Career Ladder Program		8,000
Guidance Personnel		99,894
Career Ladder Extended Contracts		4,000
Librarians		47,167
Clerical Personnel		42,330
Other Salaries & Wages		42,562
Social Security		24,188
State Retirement		30,307
Life Insurance		409
Medical Insurance		53,718
Employer Medicare		5,657

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Alternative Instruction Program (Cont.)

Contracts for Substitute Teachers - Certified	\$	601	
Contracts for Substitute Teachers - Non-certified		144	
Other Contracted Services		6,399	
Library Books/Media		1,173	
Other Supplies and Materials		14,153	
In Service/Staff Development		1,260	
Other Equipment		3,269	
Total Alternative Instruction Program			\$ 541,521

Special Education Program

Supervisor/Director	\$	120,027	
Career Ladder Program		18,400	
Psychological Personnel		367,701	
Career Ladder Extended Contracts		4,000	
Secretary(ies)		5,130	
Clerical Personnel		25,117	
Other Salaries & Wages		2,935	
In-Service Training		6,059	
Social Security		32,598	
State Retirement		35,690	
Life Insurance		496	
Medical Insurance		55,858	
Unemployment Compensation		806	
Employer Medicare		7,623	
Travel		78,982	
Contracts for Substitute Teachers - Non-certified		160	
Other Contracted Services		15,579	
Other Supplies and Materials		65,713	
In Service/Staff Development		30,633	
Other Charges		7,085	
Other Equipment		38,971	
Total Special Education Program			919,563

Vocational Education Program

Supervisor/Director	\$	79,097	
Social Security		4,860	
State Retirement		4,849	
Life Insurance		58	
Employer Medicare		1,136	

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Vocational Education Program (Cont.)

Travel	\$	23,878	
Other Supplies and Materials		16	
In Service/Staff Development		2,640	
Total Vocational Education Program			\$ 116,534

Adult Programs

Supervisor/Director	\$	79,849	
Clerical Personnel		33,617	
Social Security		2,044	
State Retirement		9,235	
Life Insurance		115	
Medical Insurance		14,953	
Employer Medicare		478	
Travel		831	
Other Supplies and Materials		2,860	
In Service/Staff Development		2,791	
Other Charges		2,234	
Total Adult Programs			149,007

Board of Education

Secretary to Board	\$	98,298	
Board and Committee Members Fees		73,279	
Social Security		10,565	
State Retirement		12,593	
Life Insurance		110	
Medical Insurance		577,616	
Employer Medicare		2,471	
Dues and Memberships		8,757	
Legal Services		26,034	
Travel		5,380	
Judgments		10,000	
Liability Insurance		281,617	
Premiums on Corporate Surety Bonds		31,654	
Trustee's Commission		1,613,654	
Workers' Compensation Insurance		1,043,500	
In Service/Staff Development		704	
Criminal Investigation of Applicants - TBI		43,218	
Total Board of Education			3,839,450

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools

County Official/Administrative Officer	\$	122,692	
Other Salaries & Wages		25,695	
Social Security		7,303	
State Retirement		10,838	
Life Insurance		115	
Medical Insurance		18,511	
Employer Medicare		2,160	
Other Fringe Benefits		4,800	
Communication		174,044	
Dues and Memberships		6,195	
Postal Charges		50,644	
Travel		5,187	
Other Contracted Services		33,675	
Other Charges		37,469	
Administration Equipment		27,799	
Total Director of Schools	\$		527,127

Office of the Principal

Principals	\$	2,878,581	
Career Ladder Program		124,762	
Accountants/Bookkeepers		516,934	
Career Ladder Extended Contracts		102,200	
Assistant Principals		3,157,187	
Secretary(ies)		827,676	
Clerical Personnel		806,308	
Social Security		506,731	
State Retirement		650,430	
Life Insurance		10,097	
Medical Insurance		1,007,213	
Unemployment Compensation		613	
Employer Medicare		118,512	
Communication		270,049	
Dues and Memberships		20,825	
Contracts for Substitute Teachers - Certified		5,994	
Contracts for Substitute Teachers - Non-certified		25,174	
Other Contracted Services		16,015	
Office Supplies		7,201	
Other Charges		122,150	
Administration Equipment		121,571	
Total Office of the Principal			11,296,223

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Fiscal Services

Supervisor/Director	\$	183,174	
Accountants/Bookkeepers		201,033	
Purchasing Personnel		70,581	
Social Security		27,212	
State Retirement		53,821	
Life Insurance		605	
Medical Insurance		71,686	
Employer Medicare		6,364	
Travel		2,626	
Other Contracted Services		2,021	
Office Supplies		18,130	
Other Supplies and Materials		2,159	
Administration Equipment		10,922	
Total Fiscal Services			\$ 650,334

Human Services/Personnel

Supervisor/Director	\$	91,322	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		91,855	
Other Salaries & Wages		64,138	
Social Security		15,187	
State Retirement		21,695	
Life Insurance		276	
Medical Insurance		32,511	
Employer Medicare		3,552	
Travel		3,015	
Other Contracted Services		9,232	
Other Supplies and Materials		4,702	
Administration Equipment		7,482	
Total Human Services/Personnel			349,967

Operation of Plant

Custodial Personnel	\$	3,899,347	
Social Security		232,478	
State Retirement		471,481	
Life Insurance		9,046	
Medical Insurance		817,981	
Unemployment Compensation		30,220	

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Operation of Plant (Cont.)

Employer Medicare	\$	54,376	
Other Contracted Services		506,153	
Custodial Supplies		399,667	
Electricity		6,118,116	
Natural Gas		1,729,685	
Water and Sewer		718,557	
Other Supplies and Materials		16,333	
Boiler Insurance		17,120	
Building and Contents Insurance		305,627	
Other Charges		95,400	
Plant Operation Equipment		65,317	
Total Operation of Plant			\$ 15,486,904

Maintenance of Plant

Supervisor/Director	\$	140,355	
Secretary(ies)		89,439	
Maintenance Personnel		1,554,761	
Social Security		106,243	
State Retirement		230,387	
Life Insurance		1,979	
Medical Insurance		350,309	
Employer Medicare		24,847	
Laundry Service		13,856	
Maintenance & Repair Services - Buildings		365,489	
Maintenance & Repair Services - Equipment		385,769	
Travel		4,961	
Other Contracted Services		611,521	
Other Supplies and Materials		487,463	
Vehicle and Equipment Insurance		63,256	
Other Charges		14,059	
Maintenance Equipment		67,873	
Total Maintenance of Plant			4,512,567

Transportation

Supervisor/Director	\$	57,872	
Clerical Personnel		72,834	
Other Salaries & Wages		30,145	
Social Security		9,715	
State Retirement		20,766	

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Life Insurance	\$	282	
Medical Insurance		14,475	
Employer Medicare		2,272	
Contracts with Private Agencies		309,362	
Contracts with Parents		344	
Contracts with Vehicle Owners		8,482,887	
Travel		4,358	
Other Contracted Services		19,292	
Other Supplies and Materials		1,626	
Vehicle and Equipment Insurance		71,163	
Other Charges		22,983	
Administration Equipment		2,093	
Total Transportation			\$ 9,122,469

Central and Other

Supervisor/Director	\$	142,635	
Computer Programmer(s)		722,319	
Clerical Personnel		55,304	
Other Salaries & Wages		40,382	
Social Security		57,400	
State Retirement		123,520	
Life Insurance		1,089	
Medical Insurance		118,680	
Unemployment Compensation		3,850	
Employer Medicare		13,424	
Data Processing Services		30,081	
Maintenance & Repair Services - Equipment		96,484	
Travel		23,635	
Other Contracted Services		45,837	
Data Processing Supplies		5,658	
Other Supplies and Materials		118,236	
In Service/Staff Development		11,491	
Administration Equipment		4,133	
Data Processing Equipment		31,993	
Total Central and Other			1,646,151

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	104,434	
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(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Accountants/Bookkeepers	\$	36,409	
Cafeteria Personnel		69,143	
Other Salaries & Wages		31,231	
Social Security		14,690	
State Retirement		28,073	
Life Insurance		230	
Medical Insurance		20,603	
Unemployment Compensation		2,386	
Employer Medicare		3,436	
Payments to Schools - Breakfast		924,176	
Payments to Schools - Lunch		3,824,600	
Travel		2,489	
Other Contracted Services		25,420	
Food Supplies		39,555	
Office Supplies		1,276	
Other Supplies and Materials		6,430	
In Service/Staff Development		7,703	
Food Service Equipment		751	
Total Food Service			\$ 5,143,035

Community Services

Teachers	\$	307,103	
Career Ladder Program		3,000	
Educational Assistants		138,384	
Social Security		26,541	
State Retirement		35,949	
Life Insurance		957	
Medical Insurance		100,414	
Employer Medicare		6,208	
Contracts for Substitute Teachers - Certified		2,292	
Contracts for Substitute Teachers - Non-certified		10,571	
Other Charges		38,163	
Total Community Services			669,582

Early Childhood Education

Teachers	\$	230,548	
Career Ladder Program		1,000	
Educational Assistants		74,081	
Social Security		18,222	

(Continued)

## Exhibit L-10

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

State Retirement	\$	23,788	
Life Insurance		593	
Medical Insurance		74,021	
Employer Medicare		4,261	
Travel		25	
Contracts for Substitute Teachers - Certified		1,642	
Contracts for Substitute Teachers - Non-certified		7,141	
Other Contracted Services		379	
Food Supplies		2,650	
Instructional Supplies and Materials		29,780	
Other Supplies and Materials		10,094	
In Service/Staff Development		7,732	
Total Early Childhood Education			\$ 485,957

Capital OutlayRegular Capital Outlay

Other Contracted Services	\$	76,504	
Site Development		17,257	
Other Capital Outlay		55,796	
Total Regular Capital Outlay			149,557

Total General Purpose School Fund \$ 205,235,096

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	1,201,737	
Educational Assistants		229,114	
Other Salaries & Wages		259,187	
In-Service Training		70,280	
Social Security		97,239	
State Retirement		109,432	
Life Insurance		2,087	
Medical Insurance		190,132	
Employer Medicare		22,742	
Contracts for Substitute Teachers - Non-certified		75,701	
Instructional Supplies and Materials		33,865	
Other Supplies and Materials		99,018	
In Service/Staff Development		369	

(Continued)

## Exhibit L-10

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Regular Instruction Program (Cont.)

Other Charges	\$	3,000	
Regular Instruction Equipment		33,405	
Total Regular Instruction Program			\$ 2,427,308

Special Education Program

Teachers	\$	672,106	
Educational Assistants		977,558	
Speech Pathologist		68,933	
Other Salaries & Wages		146,650	
Social Security		108,328	
State Retirement		189,985	
Life Insurance		5,125	
Medical Insurance		492,887	
Employer Medicare		25,334	
Contracts for Substitute Teachers - Non-certified		48,337	
Other Contracted Services		232,760	
Instructional Supplies and Materials		51,356	
Special Education Equipment		4,874	
Total Special Education Program			3,024,233

Vocational Education Program

Clerical Personnel	\$	88,968	
In-Service Training		150	
Social Security		5,050	
State Retirement		11,495	
Life Insurance		288	
Medical Insurance		27,061	
Employer Medicare		1,181	
Contracts for Substitute Teachers - Non-certified		1,107	
Other Contracted Services		1,550	
Instructional Supplies and Materials		16,939	
Other Supplies and Materials		22,471	
Vocational Instruction Equipment		287,045	
Total Vocational Education Program			463,305

Support ServicesHealth Services

Medical Personnel	\$	41,263	
Other Salaries & Wages		134,567	

(Continued)

## Exhibit L-10

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Health Services (Cont.)

Social Security	\$	10,691	
State Retirement		20,980	
Life Insurance		161	
Medical Insurance		19,482	
Employer Medicare		2,500	
Total Health Services			\$ 229,644

Other Student Support

Social Workers	\$	338,863	
Attendants		176,170	
Other Salaries & Wages		69,112	
Social Security		34,505	
State Retirement		43,058	
Life Insurance		1,048	
Medical Insurance		123,418	
Employer Medicare		8,069	
Travel		422	
Other Contracted Services		315	
Other Supplies and Materials		52,718	
Total Other Student Support			847,698

Regular Instruction Program

Supervisor/Director	\$	77,643	
Secretary(ies)		27,452	
Other Salaries & Wages		90,686	
In-Service Training		10,114	
Social Security		11,969	
State Retirement		15,658	
Life Insurance		230	
Medical Insurance		28,698	
Employer Medicare		2,800	
Travel		9,847	
Other Contracted Services		94,309	
Other Supplies and Materials		23,168	
In Service/Staff Development		901,871	
Other Equipment		10,386	
Total Regular Instruction Program			1,304,831

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	480,370	
Clerical Personnel		26,257	
Other Salaries & Wages		518,001	
In-Service Training		15,300	
Social Security		62,031	
State Retirement		72,746	
Life Insurance		1,158	
Medical Insurance		136,998	
Employer Medicare		14,508	
Contracts for Substitute Teachers - Non-certified		634	
Other Contracted Services		1,600	
In Service/Staff Development		53,203	
Total Special Education Program			\$ 1,382,806

Vocational Education Program

Travel	\$	51,769	
In Service/Staff Development		536	
Other Equipment		422	
Total Vocational Education Program			52,727

Transportation

Contracts with Vehicle Owners	\$	9,115	
Total Transportation			9,115

Total School Federal Projects Fund \$ 9,741,667

Education Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$	101	
Total Other General Administration			\$ 101

Principal on Debt

Education

Principal on Bonds	\$	470,000	
Principal on Notes		71,429	
Total Education			541,429

(Continued)

Exhibit L-10

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

Education Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Bonds	\$ 147,600	
Total Education		\$ 147,600

Other Debt Service

Education

Other Debt Service	\$ 2	
Total Education		2

Total Education Debt Service Fund		\$ 689,132
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Other Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 1,460,333	
Contracts with Government Agencies	186,000	
Contributions	481	
Engineering Services	231,389	
Legal Services	30,825	
Building Construction	13,315,288	
Building Improvements	17,363,057	
Furniture and Fixtures	566,211	
Land	3,397,698	
Regular Instruction Equipment	2,350,933	
Site Development	1,505,377	
Other Equipment	77,346	
Other Construction	106,206	
Other Capital Outlay	384,021	
Total Education Capital Projects		\$ 40,975,165

Total Other Capital Projects Fund		40,975,165
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Total Governmental Funds - Rutherford County School Department		\$ 256,641,060
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Exhibit L-11

Rutherford County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2007

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 9,050,976	\$ 9,050,976
Trustee's Collections - Prior Years	0	187,207	187,207
Circuit/Clerk and Master Collections - Prior Years	0	78,232	78,232
Interest and Penalty	0	36,221	36,221
Pick-up Taxes	0	56,766	56,766
Payments in-Lieu-of Taxes - Local Utilities	0	378,498	378,498
Local Option Sales Tax	36,832,256	6,656,667	43,488,923
Wheel Tax	0	573,814	573,814
Business Tax	0	217,274	217,274
Interstate Telecommunications Tax	0	4,915	4,915
Marriage Licenses	0	2,964	2,964
Total Cash Receipts	<u>\$ 36,832,256</u>	<u>\$ 17,243,534</u>	<u>\$ 54,075,790</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 36,465,680	\$ 16,973,242	\$ 53,438,922
Trustee's Commission	366,576	260,026	626,602
Total Cash Disbursements	<u>\$ 36,832,256</u>	<u>\$ 17,233,268</u>	<u>\$ 54,065,524</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 10,266	\$ 10,266
Cash Balance, July 1, 2006	0	198,679	198,679
Cash Balance, June 30, 2007	<u>\$ 0</u>	<u>\$ 208,945</u>	<u>\$ 208,945</u>

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## STATISTICAL SECTION

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This part of Rutherford County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. Certain information about the discretely presented Rutherford County School Department is included because, in our judgment, this information is beneficial in assessing the economic condition of the primary government.

	Table	Page(s)
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	233-240
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	241-245
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	246-247
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	248-249
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	250-252

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)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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	\$ 146,463	\$ 166,386
Restricted for:										
Capital Projects	-	-	-	-	4,978	16,114	10,606	14,397	29,782	17,761
Debt Service	-	-	-	-	29,430	26,657	26,632	31,323	32,053	31,703
Solid Waste/Sanitation	-	-	-	-	-	-	-	4,519	5,084	4,649
Adequate Facilities/Development Tax	-	-	-	-	-	-	-	5,827	5,873	-
Highways/Public Works	-	-	-	-	-	-	-	6,034	6,412	6,725
Other Purposes	-	-	-	-	6,910	7,590	10,618	2,924	6,468	9,713
Unrestricted (2)	-	-	-	-	(217,979)	(218,611)	(221,776)	(254,549)	(278,388)	(251,361)
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,751)</u>	<u>\$ (18,923)</u>	<u>\$ (7,562)</u>	<u>\$ (27,457)</u>	<u>\$ (46,253)</u>	<u>\$ (14,424)</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	\$ 301,332	\$ 331,320
Restricted for:										
Capital Projects	-	-	-	-	37,769	19,815	16,309	38,446	51,723	15,927
Textbooks	-	-	-	-	-	-	-	-	3,556	-
Advances to Other	-	-	-	-	-	-	-	-	1,080	1,569
Other Purposes	-	-	-	-	681	819	1,315	1,986	3,098	1,269
Unrestricted	-	-	-	-	13,049	12,457	17,378	16,968	14,592	19,857
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,229</u>	<u>\$ 279,660</u>	<u>\$ 296,948</u>	<u>\$ 331,116</u>	<u>\$ 375,381</u>	<u>\$ 369,942</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

<u>Rutherford County, Tennessee</u> <u>Changes in Net Assets</u> <u>Last Ten Fiscal Years (in thousands) (Note 2)</u> <u>(accrual basis of accounting)</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>	<u>2006</u>	<u>2007</u>
<b>EXPENSES (Note 1)</b>										
Governmental Activities:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ 9,291	\$ 930	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469
Finance	-	-	-	-	4,414	5,143	4,863	5,480	5,727	5,874
Administration of Justice	-	-	-	-	4,289	4,609	4,970	4,753	5,331	6,265
Public Safety	-	-	-	-	20,611	23,719	24,925	26,807	28,398	34,122
Public Health and Welfare	-	-	-	-	9,802	10,709	10,928	10,792	15,762	17,313
Social, Cultural, and Recreational Services	-	-	-	-	1,023	2,538	1,203	1,186	1,352	1,350
Agriculture and Natural Resources	-	-	-	-	402	346	971	1,439	802	918
Other Operations	-	-	-	-	-	5,118	4,811	6,880	6,104	6,899
Highways/Public Works	-	-	-	-	13,268	7,369	10,784	13,859	9,750	11,855
Education (Payments to Component Unit)	-	-	-	-	52,058	28,827	40,140	67,167	70,937	23,940
Interest on Long-term Debt	-	-	-	-	12,480	13,346	13,497	13,123	14,510	16,617
Other Debt Service	-	-	-	-	-	20	-	1,146	-	-
Total Governmental Activities Expenses	\$ -	\$ -	\$ -	\$ -	\$ 127,638	\$ 102,674	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ -	\$ -	\$ -	\$ -	\$ 3,389	\$ 3,345	\$ 3,679	\$ 4,226	\$ 5,460	\$ 4,757
Finance	-	-	-	-	4,102	4,351	5,126	5,514	5,273	6,819
Administration of Justice	-	-	-	-	2,987	4,299	4,908	5,525	5,271	5,879
Public Safety	-	-	-	-	4,883	4,055	3,459	3,874	525	3,904
Public Health and Welfare	-	-	-	-	3,792	4,727	5,719	5,616	5,291	7,647
Social, Cultural, and Recreational Services	-	-	-	-	9	9	9	8	5	1
Agriculture and Natural Resources	-	-	-	-	3	6	65	126	118	113
Other Operations	-	-	-	-	-	-	68	-	-	-
Highways/Public Works	-	-	-	-	142	143	19	-	-	-
Education	-	-	-	-	-	12,164	18,139	21,634	24,969	28,930
Operating Grants and Contributions	-	-	-	-	6,361	7,446	5,120	6,279	11,045	7,002
Capital Grants and Contributions	-	-	-	-	10,594	2,271	9,292	2,327	4,873	5,041
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ -	\$ -	\$ 36,262	\$ 42,816	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093

(Continued)

Table 2

<u>Rutherford County, Tennessee</u> <u>Changes in Net Assets (Cont.)</u> <u>Last Ten Fiscal Years (in thousands) (Note 2)</u> <u>(accrual basis of accounting)</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>	<u>2006</u>	<u>2007</u>
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ (91,376)	\$ (59,858)	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)
<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	\$ 23,957	\$ 21,929
Property Tax Levied for Debt Services	-	-	-	-	19,689	20,805	22,621	25,016	27,009	30,523
Sales Tax	-	-	-	-	4,328	3,967	3,891	4,007	4,279	4,812
Other Local Taxes	-	-	-	-	11,138	12,154	15,407	16,366	15,953	22,115
Unrestricted Grants and Contributions	-	-	-	-	5,106	5,224	5,905	6,011	6,014	1,054
Investment Earnings	-	-	-	-	2,377	1,583	1,065	2,501	5,114	8,500
Gain on Disposal of Capital Assets	-	-	-	-	-	-	36	2,500	62	-
Miscellaneous	-	-	-	-	32	779	467	325	-	424
Total Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ 59,615	\$ 62,445	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357
<b>Change in Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ (31,761)	\$ 2,587	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828

**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

<u>Rutherford County, Tennessee</u> <u>Changes in Net Assets - Rutherford County Board of Education</u> <u>Last Ten Fiscal Years (in thousands) (Note 2)</u> <u>(accrual basis of accounting)</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>	<u>2006</u>	<u>2007</u>
<b>EXPENSES (Note 1)</b>										
Governmental Activities:										
Education	\$ -	\$ -	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407
Total Governmental Activities Expenses	\$ -	\$ -	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services - Education	\$ -	\$ -	\$ -	\$ -	\$ 315	\$ 241	\$ 244	\$ 258	\$ 218	\$ 215
Operating Grants and Contributions	-	-	-	-	8,953	9,377	13,040	16,650	17,002	18,018
Capital Grants and Contributions	-	-	-	-	52,058	14,930	23,511	43,554	46,255	-
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ -	\$ -	\$ 61,326	\$ 24,548	\$ 36,795	\$ 60,462	\$ 63,475	\$ 18,233
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ (89,281)	\$ (133,904)	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)
<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	\$ 45,473	\$ 49,366
Sales Tax	-	-	-	-	22,921	24,124	27,946	29,887	32,888	34,922
Other Local Taxes	-	-	-	-	3,054	3,155	3,398	3,709	3,946	4,804
Unrestricted Grants and Contributions	-	-	-	-	69,910	74,819	82,331	93,215	101,632	110,660
Investment Earnings	-	-	-	-	463	281	203	460	1,171	1,624
Gain on Disposal of Capital Assets	-	-	-	-	-	-	356	-	573	-
Miscellaneous	-	-	-	-	92	311	296	498	-	359
Total Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ 129,199	\$ 137,335	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735
<b>Change in Net Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ 39,918	\$ 3,431	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)

**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 Rutherford County Board of Education  
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
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
2006	23,958	45,473	27,009	4,279	32,888	15,953	3,946	153,506
2007	21,929	49,366	30,523	4,812	34,922	22,115	4,804	168,471

(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 Rutherford County Board of Education  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>PRIMARY GOVERNMENT</b>										
General Fund										
Reserved	\$ 528	\$ 636	\$ 843	\$ 958	\$ 1,006	\$ 1,561	\$ 2,247	\$ 2,978	\$ 3,387	\$ 3,794
Unreserved	7,326	8,967	9,662	11,705	11,958	12,331	16,234	16,936	20,580	19,931
Total General Fund	<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>	<u>\$ 23,967</u>	<u>\$ 23,725</u>
All Other Governmental Funds										
Reserved	\$ 2,820	\$ 1,591	\$ 1,407	\$ 1,120	\$ 837	\$ 724	\$ 757	\$ 501	\$ 508	\$ 836
Unreserved, Reported In:										
Special Revenue Funds	9,909	8,674	10,988	11,952	10,190	11,031	14,743	18,308	19,805	19,540
Debt Service	19,179	21,469	26,004	31,953	31,664	28,975	28,765	30,267	31,183	30,928
Capital Projects Funds	6,108	5,115	2,601	946	8,456	12,869	6,117	14,382	29,708	17,719
Total All Other Governmental Fund	<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>	<u>\$ 81,204</u>	<u>\$ 69,023</u>
<b>COMPONENT UNIT - Rutherford</b>										
<b>County Board of Education</b>										
General Purpose School Fund										
Reserved	\$ 4,332	\$ 4,424	\$ 6,060	\$ 3,522	\$ 3,045	\$ 4,415	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799
Unreserved	13,537	15,093	11,817	8,385	7,484	5,412	6,954	9,875	11,283	12,832
Total General Purpose School Fund	<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>	<u>\$ 18,333</u>	<u>\$ 18,631</u>
All Other School Funds										
Reserved	\$ 5,103	\$ 22,374	\$ 38,340	\$ 29,704	\$ 28,556	\$ 22,738	\$ 7,535	\$ 5,659	\$ 21,178	\$ 15,802
Unreserved, Reported In:										
Debt Service	-	-	-	-	-	-	-	-	68	-
Capital Projects Funds	34,234	2,194	2,991	1,076	9,894	(2,104)	10,089	33,399	31,229	1,127
Total All Other Governmental Fund	<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>	<u>\$ 52,475</u>	<u>\$ 16,929</u>

Table 5

<u>Rutherford County, Tennessee</u> <u>Changes in Fund Balances General Governmental and Rutherford County Board of Education</u> <u>Last Ten Fiscal Years</u> <u>(amounts expressed in thousands)</u>										
	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 82,188	\$ 89,991	\$ 98,365	\$ 109,730	\$115,597	\$121,848	\$142,164	\$150,852	\$158,947	\$ 168,984
Licenses and Permits	716	1,115	838	727	946	1,112	1,314	1,693	2,055	1,846
Fines and Forfeitures	1,287	979	1,308	1,347	1,546	1,882	2,286	2,638	2,978	2,479
Charges for Service	5,532	6,072	5,707	6,173	6,883	8,270	9,385	10,046	10,535	12,190
Other Local Revenue	5,619	6,074	7,614	8,242	4,161	3,212	2,881	4,771	8,347	13,143
Fees from Co. Officials	2,999	3,459	3,911	4,295	4,822	5,370	6,029	9,953	7,147	7,730
State Revenues	66,174	70,986	73,821	75,876	78,917	84,838	91,580	99,272	112,015	123,376
Federal Revenues	6,720	6,090	7,960	7,572	9,070	9,717	13,657	16,050	18,615	17,360
Other Govt/Citizens	334	2,530	277	203	3,627	1,206	545	452	1,004	804
Total Revenues	<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>	<u>\$321,643</u>	<u>\$ 347,912</u>
<b>Expenditures</b>										
General Government	\$ 3,648	\$ 3,686	\$ 6,366	\$ 8,783	\$ 4,646	\$ 4,562	\$ 5,096	\$ 5,331	\$ 6,165	\$ 7,033
Finance	3,167	3,490	2,442	2,696	4,393	5,021	4,872	5,452	5,953	6,417
Administration of Justice	2,996	3,166	2,526	2,661	4,268	4,566	4,752	4,780	5,258	6,073
Public Safety	11,084	13,874	15,878	17,716	19,927	22,028	24,010	25,910	29,316	32,044
Public Health and Welfare	6,861	7,769	8,280	9,451	9,504	10,623	11,657	11,591	13,614	16,018
Social, Cultural, and Recreational	702	889	937	1,006	1,023	1,095	1,103	1,086	1,252	1,350
Agriculture and Natural Resources	271	297	335	372	386	359	446	1,418	690	735
Other Operations	3,486	3,295	4,464	4,072	4,297	5,015	4,712	11,206	9,271	6,878
Highway and Bridge	5,355	5,648	5,222	5,579	5,555	5,831	6,455	6,478	7,000	8,254
Education	101,415	112,558	122,877	133,889	138,682	147,432	161,932	181,565	194,909	214,977
Debt Service										
Principal	11,379	12,811	12,744	13,543	14,070	16,975	16,384	17,719	20,004	25,081
Interest	7,174	8,841	8,314	10,271	12,537	13,105	13,761	14,065	14,769	17,045
Other charges				170	290	164	164	1,146	237	-
Capital Projects-General	12,050	9,046	5,436	3,610	2,468	5,585	8,716	3,289	6,268	13,632
Capital Projects-Schools	18,914	14,569	27,593	43,187	45,727	32,804	28,206	25,681	40,587	40,975
Total Expenditures	<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>	<u>\$355,293</u>	<u>\$ 396,512</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (16,933)</u>	<u>\$ (12,643)</u>	<u>\$ (23,613)</u>	<u>\$ (42,841)</u>	<u>\$ (42,204)</u>	<u>\$ (37,546)</u>	<u>\$ (22,425)</u>	<u>\$ (20,990)</u>	<u>\$ (33,650)</u>	<u>\$ (48,600)</u>

(Continued)

Table 5

Rutherford County, Tennessee  
Changes in Fund Balances General Governmental and Rutherford County Board of Education  
Last Ten Fiscal Years (Cont.)  
(amounts expressed in thousands)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 46,032	\$ 141	\$ 916	\$ 2,732	\$ 7,488	\$ 5,583	\$ 7,383	\$ 11,187	\$ 11,792	\$ 11,229
Transfers Out	(45,946)	(38)	(805)	(2,605)	(8,471)	(5,912)	(7,197)	(11,678)	(11,552)	(10,913)
Insurance Recovery	-	-	-	-	-	-	-	-	-	113
Bond Proceeds	35,015	-	43,900	30,850	54,220	22,581	24,995	53,500	68,255	-
Note Proceeds	13,190	-	-	2,133	-	-	-	-	-	500
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	3,073	-
Transfer to Component Unit	-	-	(250)	(72)	-	-	-	-	-	-
Proceeds on Sale of Land	-	-	-	-	-	-	-	4,000	-	-
Total Other Sources	<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>	<u>\$ 71,568</u>	<u>\$ 929</u>
Net Change in Fund Balances	<u>\$ 31,376</u>	<u>\$ (12,539)</u>	<u>\$ 20,175</u>	<u>\$ (9,390)</u>	<u>\$ 11,661</u>	<u>\$ (15,137)</u>	<u>\$ 2,756</u>	<u>\$ 37,894</u>	<u>\$ 37,918</u>	<u>\$ (47,671)</u>
Debt Service as a Percentage of Noncapital Expenditures	not available	n/a	n/a	n/a	12.4%	15.5%	12.3%	11.4%	11.7%	12.6%

General Governmental and Rutherford County Board of Education TAX Revenues by Source  
Last Ten Fiscal Years (expressed in thousands)

Fiscal Year	Property Tax & PILOT	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
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
2006	101,949	36,698	748	8,067	965	2,170	524	6,719	372	701	34	158,947
2007	108,344	39,771	843	8,376	975	2,400	690	6,251	501	800	32	168,983

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>		Equalization Ratio		<u>Total</u>		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed			Estimated	Assessed	
1998	1997	\$ 3.37	\$ 5,078,872,200	\$ 1,465,911,480	\$ 724,533,679	\$ 217,360,103	\$ 145,589,653	\$ 80,074,309	86.45%		\$ 6,881,429,186	\$ 1,763,345,892	25.62%
1999	1998	2.78	6,839,877,800	1,962,731,840	807,020,614	242,118,810	177,208,473	97,464,660	100%		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	100%		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	92.64%		9,505,322,990	2,588,184,206	27.23%
2002	2001	2.78	8,268,341,800	2,373,819,640	845,079,350	253,563,060	194,901,282	107,195,705	92.64%		10,047,843,731	2,734,578,405	27.22%
2003	2002	2.51	9,748,484,300	2,798,492,465	889,493,780	266,890,260	216,907,176	119,298,947	100%		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	100%		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	95.73%		12,495,087,234	3,488,360,363	27.92%
2006	2005	2.80	11,466,156,500	3,267,027,185	1,178,800,896	353,671,780	226,489,474	124,569,211	95.73%		13,445,572,830	3,745,268,176	27.86%
2007	2006	2.44	14,321,064,170	4,060,991,015	1,283,411,880	385,023,564	250,798,762	137,939,319	100%		15,855,274,812	4,583,953,898	28.91%

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	Rate	of Murfreesboro	of Murfreesboro	Murfreesboro	Smyrna	LaVergne	Eagleville
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
2006	2005	2.80	0.1582	2.57	8.21%		1.72	0.69	0.50	0.87
2007	2006	2.44	0.1603	2.23	8.61%		1.407	0.68	0.50	0.87

Source: Trustee's Office, City Recorders, 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

<u>Rutherford County, Tennessee</u> <u>Principal Taxpayers</u> <u>For the Fiscal Year Ended June 30, 2007</u>									
<u>Taxpayer</u>	<u>Type of Business</u>	<u>2006</u>		<u>Percentage of</u>		<u>1997</u>		<u>Percentage of</u>	
		<u>Rank</u>	<u>Assessed</u> <u>Valuation</u>	<u>2006</u> <u>Tax Liability</u>	<u>Total Taxes</u> <u>Levied (2)</u>	<u>Rank</u>	<u>Assessed</u> <u>Valuation</u>	<u>1997</u> <u>Tax Liability</u>	<u>Total Taxes</u> <u>Levied (2)</u>
Nissan Motor Mfg. Co.		1	\$ 310,628,135	\$ 4,213,654	3.78%	1	\$ 429,581,952	\$ 3,986,613	(1) 6.78%
Automobile Maker									
Pillsbury Co./General Mills		2	56,989,619	1,390,547	1.25%	4	18,214,142	613,817	1.04%
Bakery Goods									
Bridgestone		3	44,047,120	1,074,749	0.96%	2	42,948,932	1,447,379	2.46%
Tire Maker									
Middle Tennessee Electric		4	43,834,564	1,069,564	0.96%	5	17,992,837	606,358	1.03%
Public Utility-Electric Company									
Southpark, Nashville, LLC		5	26,734,160	652,313	0.59%				
Warehousing									
BellSouth		6	23,533,549	574,218	0.52%	3	20,369,728	686,459	1.17%
Public Utility-Telephone Co.									
HCA Health Services		7	21,259,554	518,734	0.47%				
Stone Crest Medical Center									
Osborne-Hessey Storage Co.		8	18,099,560	441,629	0.40%				
Warehousing									
Stones River, LLC		9	17,735,440	432,745	0.39%				
Mall									
Rich-Healy		10	14,608,280	356,442	0.32%				
Bakery Goods									
Throneberry Properties						6	12,765,495	430,196	0.73%
Apartments									
State Farm Insurance						7	11,646,635	392,492	0.67%
Regional Office-Insurance Co.									
United Cities Gas						8	9,597,871	323,448	0.55%
Public Utilities									
Cumberland Swann						9	9,126,890	307,576	0.52%
Pharmaceutical/Health Co.									
Wal-Mart						10	9,068,465	305,607	0.52%
Retail									
					<u>9.63%</u>				
									<u>14.44%</u>

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

- (1) The taxes represent \$877,739 (1997 tax year) and \$1,059,082 (2006 tax year) collected on real and personal property for the transport division. The remaining amount of \$3,108,874 (1997) and \$3,154,572 (2006) represents net tax payments collected through payment in-lieu of tax agreements.
- (2) This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee  
Property Tax Levies and Collections-By Tax Year  
Last Ten Fiscal Years  
As of June 30, 2007

<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
1997	\$ 58,776,790	\$ 56,966,453	96.92%	\$ 1,755,074	\$ 58,721,527	99.91%	\$ 55,263	0.09%
1998	64,252,785	62,134,729	96.70%	2,054,995	64,189,724	99.90%	63,061	0.10%
1999	68,779,516	65,913,865	95.83%	2,807,683	68,721,548	99.92%	57,968	0.08%
2000	72,057,084	68,830,952	95.52%	3,153,677	71,984,629	99.90%	72,455	0.10%
2001	76,232,827	72,780,582	95.47%	3,297,768	76,078,350	99.80%	154,477	0.20%
2002	79,909,122	76,104,340	95.24%	3,685,062	79,789,402	99.85%	119,720	0.15%
2003	93,099,927	89,736,798	96.39%	3,198,086	92,934,884	99.82%	165,043	0.18%
2004	97,889,256	94,864,349	96.91%	2,793,370	97,657,719	99.76%	231,537	0.24%
2005	105,297,727	101,990,111	96.86%	2,862,127	104,852,238	99.58%	445,489	0.42%
2006 (2)	111,419,529	108,059,865	96.98%	(1)	108,059,865	96.98%	3,359,664	3.02%

Source: Trustee tax collection records and tax rolls, clerk and master tax collection records.

(1) Taxes are current until August 1 of the following year.

(2) Current year collections (2006 tax year) include an adjustment of Bridgestone's prepaid taxes of \$978,296

Table 10

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

<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>	
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	
2006	2005	1,559,590,910	435,054,895	3,520,688	
2007	2006	1,782,216,289	497,386,703	4,075,584	

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 eleven companies in 2006-2007, with Nissan representing approximately 84.6 percent of the total. Section 7-53-305, TCA is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

In-lieu-of tax revenues are included in the General Fund. The revenues reflected in the financial statements include payments received from Nissan for the Town of Smyrna, Tennessee. These payments have not been reflected in this table.

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 Funds	Net Bonded Debt	Assessed Value	Ratio of Net Bonded Debt to Assessed Value	(1) Population	Net Bonded Debt per Capita
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
2006	366,839,085	31,251,284	335,587,801	3,745,268,176	8.96	218,292	1,537
2007	338,565,000	30,928,426	307,636,574	4,583,953,898	6.71	218,292	1,409

Sources: Table 6, Tennessee Dept. of Economic & Community Development, Census Bureau

(1) Population figures are estimated for all years except the 2001 fiscal year.

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

Table 12

Rutherford County, Tennessee  
Direct and Overlapping Debt  
General Obligation Bonds and Notes  
As of June 30, 2007

		Rate of Estimated Property Value	Rate of Assessed Property Value
<b><u>Direct Debt</u></b>			
General Bonded Debt	\$ 337,950,000	2.13%	7.37%
Notes Payable	925,000	0.01%	0.02%
Less: General Debt Service Funds	<u>(30,928,426)</u>		
Total Direct Debt	\$ 307,946,574	1.94%	6.72%
<b><u>Overlapping Debt</u></b>			
City of Murfreesboro	\$ 70,986,980		
Town of Smyrna	17,995,324		
City of LaVergne	12,385,000		
City of Eagleville	260,000		
County District of Rutherford County (Bonds)	3,265,000		
County District of Rutherford County (Notes)	<u>428,571</u>		
Total Overlapping Debt	<u>105,320,875</u>	0.66%	2.30%
<b>Total Direct and Overlapping Debt</b>	<b><u><u>\$ 413,267,449</u></u></b>	2.61%	9.02%

Source: City Records, Table 6

Table 13

Rutherford County, Tennessee  
Demographic Statistics  
Last Ten Fiscal Years

Fiscal Year Ending June 30	(1) Population	Per Capita Income	Total Personal Income	(2) Median Age	County School Enrollment	Average Unemployment rate
1998	161,942	\$ 23,408	\$ 3,790,738,336	29.8	23,898	3.3%
1999	167,703	24,108	4,042,983,924	29.8	24,228	2.9%
2000	171,783	25,255	4,338,379,665	29.8	24,750	2.9%
2001	182,023	26,622	4,845,816,306	31.2	25,793	3.4%
2002	190,143	26,310	5,002,662,330	31.2	26,817	4.4%
2003	194,934	26,667	5,198,304,978	31.2	28,049	4.4%
2004	202,310	27,484	5,560,288,040	31.2	29,410	4.5%
2005	210,025	28,651	6,017,426,275	31.2	31,058	4.4%
2006	218,292	29,784	6,501,608,928	31.2	32,827	4.2%
2007	228,829	30,746	7,035,576,434	31.2	34,512	4.2%

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 year 2001.

(2) 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 Employers  
Current Year (1)

Employer	2007		
	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	6,700	1	5.72%
Rutherford County Government and Board of Education	4,223	2	3.60%
Middle Tennessee State University	2,006	3	1.71%
Ingram Book Company	1,658	4	1.42%
Bridgestone/Firestone, Inc.	1,850	5	1.58%
State Farm Insurance	1,550	6	1.32%
Alvin C. York Veterans Administration Medical Center	1,150	7	0.98%
Middle Tennessee Medical Center	1,100	8	0.94%
Asurion	1,137	9	0.97%
Cinram	1,083	10	0.92%
Total			<u>19.17%</u>

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

Source: Rutherford County Chamber of Commerce

Table 15

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

	Employees as of June 30,									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Function:</b>										
General Government	49	52	54	54	57	58	58	58	65	72
Finance	76	77	81	82	84	84	85	85	83	83
Justice	52	59	68	68	73	76	77	78	81	85
Public Safety	289	313	348	352	357	366	387	397	439	469
Health and Welfare	130	137	156	157	159	169	179	186	205	212
Agriculture	1	1	4	4	6	6	7	12	7	8
Other	2	2	3	3	3	3	3	3	3	3
Road and Bridge	72	71	72	71	73	71	71	71	77	77
<b>Total</b>	<b>671</b>	<b>712</b>	<b>786</b>	<b>791</b>	<b>812</b>	<b>833</b>	<b>867</b>	<b>890</b>	<b>960</b>	<b>1009</b>
<b>COMPONENT UNIT:</b>										
Education	2,055	2,199	2,204	2,354	2,467	2,444	2,597	2,748	2,779	3,087

Source: Rutherford County Finance Department and Rutherford County Board of Education

Table 16

<u>Rutherford County, Tennessee</u> <u>Operating Indicators by Function</u> <u>June 30, 2007</u>										
FUNCTION	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b><u>General Government</u></b>										
Registered Voters	80,738	82,766	86,541	89,247	93,415	96,682	105,286	116,705	121,222	123,350
Building Permits Issued										
Single Family Homes	992	858	779	642	618	585	566	828	996	811
All Other Permits	1,119	1,126	1,327	1,777	1,583	1,668	1,588	1,586	2,488	2,471
<b><u>Public Safety</u></b>										
Number of Warrants Served:										
State	8,304	7,433	8,742	9,764	10,155	9,518	10,542	10,216	10,799	11,177
Civil	16,385	14,035	14,624	15,964	16,762	16,390	17,638	17,655	17,516	17,499
<b><u>Public Health</u></b>										
Ambulance- Call Volume	12,030	12,617	12,613	13,688	14,803	16,432	17,341	16,978	16,993	17,923
Response Time - avg. minutes	8	8	9	9	8	8	8	9	8	8
Animal Control										
Requests for Service	N/A	N/A	7,662	9,327	12,764	14,765	13,313	10,937	13,953	14,332
Animals Impounded	N/A	N/A	8,312	8,510	8,822	9,739	8,510	7,421	8,511	8,615
Animals Adopted	N/A	N/A	1,335	1,496	1,498	1,385	1,596	1,774	2,104	2,359
<b><u>Road &amp; Bridge</u></b>										
Street Resurfaced (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	71.7	62.8	58.9
<b><u>Sanitation</u></b>										
(tons per day)										
Refuse Collected	N/A	80.4	83.8	84.1	92.9	97.9	103.1	111.8	110.9	103.9
Recyclables Collected	N/A	N/A	N/A	N/A	N/A	N/A	10.8	12.7	11.2	8.1

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

Source: Election Commission, Building Codes, Sheriff's Department, Ambulance Department, PAWS, Highway Department, and Convenience Center Department

Table 17

Rutherford County, Tennessee  
Capital Assets by Function  
June 30, 2007

<b>FUNCTION</b>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Highways and Streets</b>										
Number of Streets in System	1,441	1,506	1,574	1,650	1,689	1,724	1,759	1,763	1,829	1,914
Number of Miles	912	927	931	936	940	942	941	946	942	951
Number of Bridges	208	208	208	161	162	157	157	157	157	163
<b>Public Safety</b>										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
<b>Health and Welfare</b>										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	131	131	131	131	131	131	131	131	131	131
Dispatch Station				1	1	1	1	1	1	1
Special Operations								1	1	1
Ambulance Stations	6	6	7	8	8	8	8	10	10	11
Number of Ambulance Units	14	15	17	14	14	14	17	20	20	22
Sanitation/Landfill										
Number of Trucks	5	6	7	9	10	11	12	13	14	14
Health Department Facilities	2	2	2	2	2	2	2	2	2	2
<b><u>Facilities and Services Not Included in the Primary Government</u></b>										
<b>Education:</b>										
Form of Administration	Director of Schools, Appointed									
Number of Employees	2,217	2,378	2,477	2,701	2,823	2,893	2,969	3,145	3,264	3,487
Elementary Schools	18	19	19	21	21	21	21	21	21	22
Middle Schools	3	3	3	3	3	3	6	7	7	8
High Schools	5	5	5	6	6	6	7	7	7	7
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative Schools	1	1	1	1	1	1	2	2	2	2

Source: Rutherford County Highway Department, Sheriff's Department, Ambulance Department, Convenience Center Department, Board of Education

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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

October 31, 2007

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 of Rutherford County, Tennessee, as of and for the year ended June 30, 2007, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated October 31, 2007. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the discretely presented Community Care of Rutherford County, Inc., and the discretely presented Rutherford County Emergency Communications District as described in our report on Rutherford County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rutherford County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Rutherford County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider item 07.01 described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Rutherford County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be significant weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

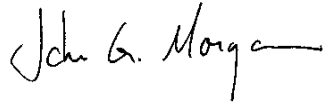
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rutherford County's financial 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 one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Questioned Costs as item 07.02.

We considered item 07.03 described in the accompanying Schedule of Findings and Questioned Cost to be a noteworthy control deficiency over the financial operations. We also noted certain matters that we reported to management of Rutherford County in separate communications.

This report is intended solely for the information and use of management; the county mayor; director of schools; highway superintendent; director of finance; County Commission; Board of Education; Highway Commission; Budget, Finance, and Investment Committee; others within Rutherford County; 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 cursive script that reads "John G. Morgan". The signature is written in dark ink and is positioned above the printed name.

John G. Morgan  
Comptroller of the Treasury

JGM/sb



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

October 31, 2007

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, 2007. 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 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 of 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, 2007.

#### Internal Control Over Compliance

The management of Rutherford County is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

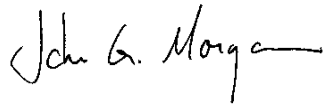
#### Schedule of Expenditures of Federal Awards

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 as of and for the year ended June 30, 2007, and have issued our report thereon dated October 31, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Rutherford County's basic financial statements. The accompanying Schedule of Expenditures of

Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information 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 management; the county mayor; director of schools; highway superintendent; director of finance; County Commission; Board of Education; Highway Commission; Budget, Finance, and Investment Committee; others within Rutherford County; 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.

Yours very truly,

A handwritten signature in cursive script that reads "John G. Morgan". The signature is written in dark ink and is positioned above the printed name.

John G. Morgan  
Comptroller of the Treasury

JGM/sb

Rutherford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2007

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Distribution (Noncash Assistance)	10.550	(2)	\$ 498,274
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	945,673
National School Lunch Program	10.555	(2)	3,858,227
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	(2)	105,084
Total U.S. Department of Agriculture			<u>\$ 5,407,258</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	HM0361	\$ 163,341
Total U.S. Department of Housing and Urban Development			<u>\$ 163,341</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 29,412
Total U.S. Department of the Interior			<u>\$ 29,412</u>
U.S. Department of Justice:			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 131,950 (3)
Local Law Enforcement Block Grant Program	16.592	N/A	22,367
Bullet Proof Vest Partnership Program	16.607	N/A	10,278
Public Safety Partnership and Community Policing	16.710	N/A	127,114
Passed-through State Office of Criminal Justice Programs:			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Program	16.580	(2)	75,000
Drug Court Discretionary Grant Program	16.585	Z-05-025508	30,000 (3)
Drug Court Discretionary Grant Program	16.585	Z-05-025507	30,000 (3)
Violence Against Women Formula Grants	16.588	Z-07-033059	45,491
Total U.S. Department of Justice			<u>\$ 472,200</u>
U.S. Department of Transportation:			
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	Z-05-023549	\$ 4,958
Total U.S. Department of Transportation			<u>\$ 4,958</u>

(Continued)

Rutherford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-07-033731	\$ 200,273 (4)
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	(2)	10,438 (4)
Title 1 Grants to Local Educational Agencies	84.010	(2)	2,270,683
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	5,465,227
Special Education - Preschool Grants	84.173	(2)	181,793
Vocational Education - Basic Grants to States	84.048	(2)	525,988
Safe & Drug Free Schools and Communities State Grants	84.186	(2)	85,078
Education for Homeless Children and Youth	84.196	(2)	57,300
Twenty-First Century Community Learning Centers	84.287	(2)	52,322
State Grants for Innovative Programs	84.298	(2)	63,203
Education Technology State Grants	84.318	(2)	48,440
English Language Acquisition Grants	84.365	(2)	202,727
Improving Teacher Quality State Grants	84.367	(2)	927,346
Hurricane Education Recovery	84.938	(2)	156,869
Passed-through Shelby County:			
Literacy Programs for Prisoners	84.255	(2)	10,537
Total U.S. Department of Education			<u>\$ 10,258,224</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State			
Help America Vote Act Requirements Payments	90.401	(6)	\$ 471,661
Total U.S. Election Assistance Commission			<u>\$ 471,661</u>
U.S. Department of Health and Human Services:			
Passed-through State Office of Criminal Justice Programs:			
Child Support Enforcement	93.563	GG-06-11778-01	\$ 9,587
Total U.S. Department of Health and Human Services			<u>\$ 9,587</u>
Corporation for National and Community Service			
Passed-through State Department of Education:			
Learn and Serve America School and Community Based Programs	94.004	(2)	\$ 5,748
Total Corporation for National and Community Service			<u>\$ 5,748</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance - (Presidential Declared Disasters)	97.036	Z-03-017967	\$ 41,791
Hazard Mitigation Grant	97.039	GG-05-11595-00	18,536
Homeland Security Grant Program	97.067	(5)	75,641
State Homeland Security Grant Program	97.073	Z-05-025204	309,820
Total U.S. Department of Homeland Security			<u>\$ 445,788</u>
Total Expenditures of Federal Awards			<u>\$ 17,268,177</u>

(Continued)

Rutherford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 53,597
Community Intervention Services - State Department of Children's Service	N/A	GG-07-12735-00	60,688
Juvenile Court Prevention - State Department of Children's Service	N/A	GG-07-12736-00	554,729
Helicon Grant - State Department of Economic and Community Development	N/A	GG-06-12032-00	95,785
Adult Education - State Department of Education	N/A	Z-06-030916	8,625
Adult Education - State Department of Education	N/A	Z-07-033731	80,934
Early Childhood Education - State Department of Education	N/A	(2)	482,870
Safe Schools Act - State Department of Education	N/A	(2)	213,993
High Schools That Work - Tennessee Secretary of State	N/A	(2)	14,845
Rural Local Health Services - State Department of Health	N/A	Z-07-031603	1,492,753
Total State Grants			<u>\$ 3,058,819</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 Drug Court Discretionary Grant Program from the  
U.S. Department of Justice (CFDA No. 16.585) \$191,950.

(4) Total Adult Education Grant Program from the  
U.S. Department of Education (CFDA No. 84.002) \$210,711.

(5) GG-07-20323-00: \$46,982; Z-07-062600: \$28,659.

(6) Z-07-037443: \$4,150; Z-06-032990: \$467,511.

Rutherford County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2007

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, 2006, which have not been corrected.

**OFFICE OF DIRECTOR OF FINANCE**

Finding Number	Page Number	Subject
06.01	268	The Workers' Compensation Fund had a net assets deficit

**OFFICE OF SHERIFF**

Finding Number	Page Number	Subject
06.08	272	Federal equitable shared funds were not channeled through the county's budgetary process

**OTHER FINDING**

Finding Number	Page Number	Subject
06.10	275	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, 2007**

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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 a significant deficiency in internal control. This significant deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An 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 Special Education Cluster: Special Education – Grants to States and Special Education – Preschool (CFDA Nos. 84.027 and 84.173); and Improving Teacher Quality State Grants (CFDA No. 84.367) were determined to be major programs.
8. A \$518,045 threshold was used to distinguish between Type A and Type B federal programs.
9. Rutherford County did qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

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

**FINDING 07.01**      **THE WORKERS' COMPENSATION AND SELF-INSURANCE FUNDS HAD NET ASSETS DEFICITS**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Workers' Compensation and Self-Insurance Funds (internal service funds) had net assets deficits of \$414,675 and \$328,193, respectively, at June 30, 2007. These net assets deficits resulted from estimated and actual claims exceeding available revenues.

### **RECOMMENDATION**

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

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### **OFFICE OF SHERIFF**

**FINDING 07.02**      **FEDERAL EQUITABLE SHARED FUNDS WERE NOT CHANNELED THROUGH THE COUNTY'S BUDGETARY PROCESS**  
(Noncompliance Under Government Auditing Standards)

The office maintained a bank account for federal equitable shared funds forfeited to the county. These funds were not channeled through the county's budgetary process but were expended by the Sheriff's Department for various program operations. Section 5-9-401, Tennessee Code Annotated, requires "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

## RECOMMENDATION

The office should remit the federal equitable shared funds to the county's General Fund or a special revenue fund. These funds should then be accounted for in separate accounts within the fund for tracking purposes. These funds should be appropriated by the County Commission and channeled through the county's budgetary process as required by state statute.

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## OTHER FINDING AND RECOMMENDATION

FINDING 07.03      **A CENTRAL SYSTEM OF PURCHASING HAD NOT BEEN ADOPTED**  
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of purchasing. Establishing a central system would significantly improve internal controls over the purchasing process.

## RECOMMENDATION

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, 2007**

There were no audit findings relative to federal awards presented in the prior or current years' Schedules of Findings and Questioned Costs.