

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



FOR THE YEAR ENDED JUNE 30, 2008



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2008

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

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Auditor 4

PATTY VARGO, CFE
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State Auditors

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

This financial report is available at www.comptroller.state.tn.us

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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, 2008

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2008.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ Officials were unable to account for landfill funds totaling \$26,209.82.
- ◆ Tools valued at least \$5,118.50 were stolen from a landfill service truck.
- ◆ The Building Codes software did not have adequate application controls.
- ◆ The Ambulance Service did not issue receipts for all collections.

OFFICE OF DIRECTOR OF FINANCE

- ◆ The accounting software did not have adequate application controls.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Roof repairs were not competitively bid.

OFFICE OF HIGHWAY SUPERINTENDENT

- ◆ Competitive bids were not solicited for the purchase of a truck.
-

OFFICE OF JUVENILE COURT CLERK

- ◆ Duties were not segregated adequately in the office.
-

OFFICE OF SHERIFF

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

OTHER FINDING

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

INTRODUCTORY SECTION

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

LETTER OF TRANSMITTAL

October 31, 2008

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, 2008, 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, 2008, 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, 2008, 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-1 as required supplementary information. For governmental funds, other than the General Fund, with appropriated annual budgets, this information is presented on Exhibits G-3 through H.

The financial statements include separate reporting for three legally separate entities: (1) Rutherford County Board of Education, which operates the public school system in the county; (2) Community Care of Rutherford County, Inc., which provides nursing home care to the citizens of Rutherford County; and (3) Rutherford County Emergency Communications District, which provides a simplified means of securing emergency services through a uniform emergency number for the residents of Rutherford County. Rutherford County is financially accountable for only the Rutherford County Board of Education.

ECONOMIC CONDITION

Local Economy

The economic outlook for Rutherford County is positive. 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 44 percent during the past ten years.

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. However, as our economy has slowed, our unemployment rate has risen. As of June 30, 2008, Rutherford County had a labor force of 131,930 with 123,790 employed resulting in a 6.2 percent unemployment rate. Based on the unemployment data reported

by the U.S. Department of Labor for July 2008, this rate decreased by .03 percent to 5.9 percent. Rutherford County's unemployment rate is still below the state's average but above the national average for both months. However, this rate is considerably higher than the June 30, 2007, rate of 3.8 percent for the county.

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.

In the spring of 2008, the Board of Education projected it would need two elementary schools, two middle schools, and one high school, in addition to significant renovations to two middle schools within the next five years. These projects are estimated to require new funding totaling approximately \$162 million within the next four years.

Planned general capital projects within the next ten years include road improvements, Phase II of the Lane Agri-Park Project, a county clerk's office located in the Smyrna area, tennis courts, firing range for the Sheriff's Department, criminal justice center, parking garage, and law enforcement building. It is estimated that the county will need capital investments of more than \$92 million over the next five to ten years in these areas. As of June 30, 2008, Rutherford County has funded approximately \$10.13 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 \$17 million. This represents 24.13 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 debt service 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, 2007. 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 13 consecutive fiscal years. We believe that our current CAFR continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department during the past fiscal year. They are Elaine Short, 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 cursive script, reading "Lisa A. Nolen".

Lisa A. Nolen, CPA, CGFM
Finance Director

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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, 2007

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.



Charles S. Cox

President

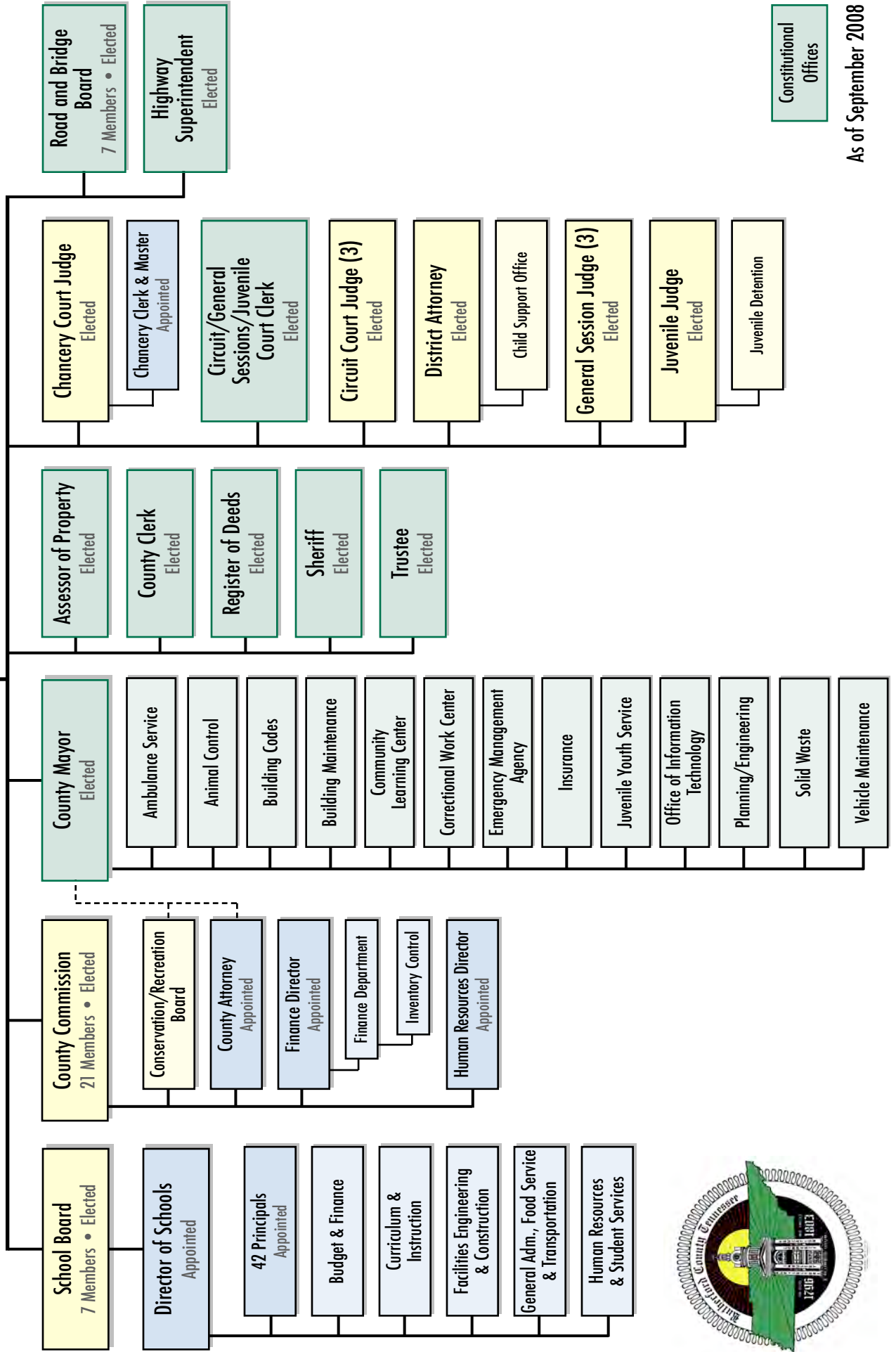
Jeffrey R. Emer

Executive Director

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RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

As of September 2008

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Rutherford County Officials

June 30, 2008

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.)

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

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, 2008

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, 2008, 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 .84 percent and 2.8 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 .55 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2008, 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, 2008, 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.

As described in Note V.B., Rutherford County adopted the provisions of Governmental Accounting Standards Board Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2008, 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 31 through 43 and the budgetary comparison and pension information on pages 111 through 117 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 that reads "John G. Morgan". The signature is written in a cursive style with a horizontal line extending from the end of the name.

John G. Morgan
Comptroller of the Treasury

JGM/sb

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**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2008**

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, 2008. 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 \$26,313 (net assets). Of this amount, \$296,139 is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net assets decreased by \$8,122. Also, the prior-period adjustment related to recording the landfill's estimated post-closure costs decreased net assets by \$3,766.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$78,487, a decrease of \$14,262 in comparison with the prior year. Most of this total amount, \$74,567, 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 \$17,025, or 24.13 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, increased by \$18,185 (5.37%) 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 government-wide financial statements consist of two statements: the statement of net assets and the statement of activities.

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

Rutherford County, Tennessee, maintains 13 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, Education Capital Projects 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 the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning 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 \$26,313 at the close of the fiscal year. The Constitution for the State of Tennessee only allows only the local legislative body authorization to issue debt. Therefore, whenever the Rutherford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Rutherford County Government. As of June 30, 2008, Rutherford County had outstanding debt totaling \$296,139 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	
	2007	2008
Assets:		
Current and other assets	\$ 178,245	\$ 179,857
Capital assets	225,262	242,931
Total Assets	<u>\$ 403,507</u>	<u>\$ 422,788</u>
Liabilities:		
Long-term liabilities outstanding	\$ (325,411)	\$ (349,822)
Other Liabilities	(92,520)	(99,279)
Total Liabilities	<u>\$ (417,931)</u>	<u>\$ (449,101)</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 166,386	\$ 183,690
Restricted	70,551	57,985
Unrestricted	<u>(251,361)</u>	<u>(267,988)</u>
Total Net Assets	<u>\$ (14,424)</u>	<u>\$ (26,313)</u>

By far the largest portion of Rutherford County's net assets (\$183,690) 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, (\$57,986) represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

Rutherford County's Changes in Net Assets

Governmental activities. Governmental activities decreased Rutherford County Government's net assets by \$11,888. Key elements of this decrease are as follows:

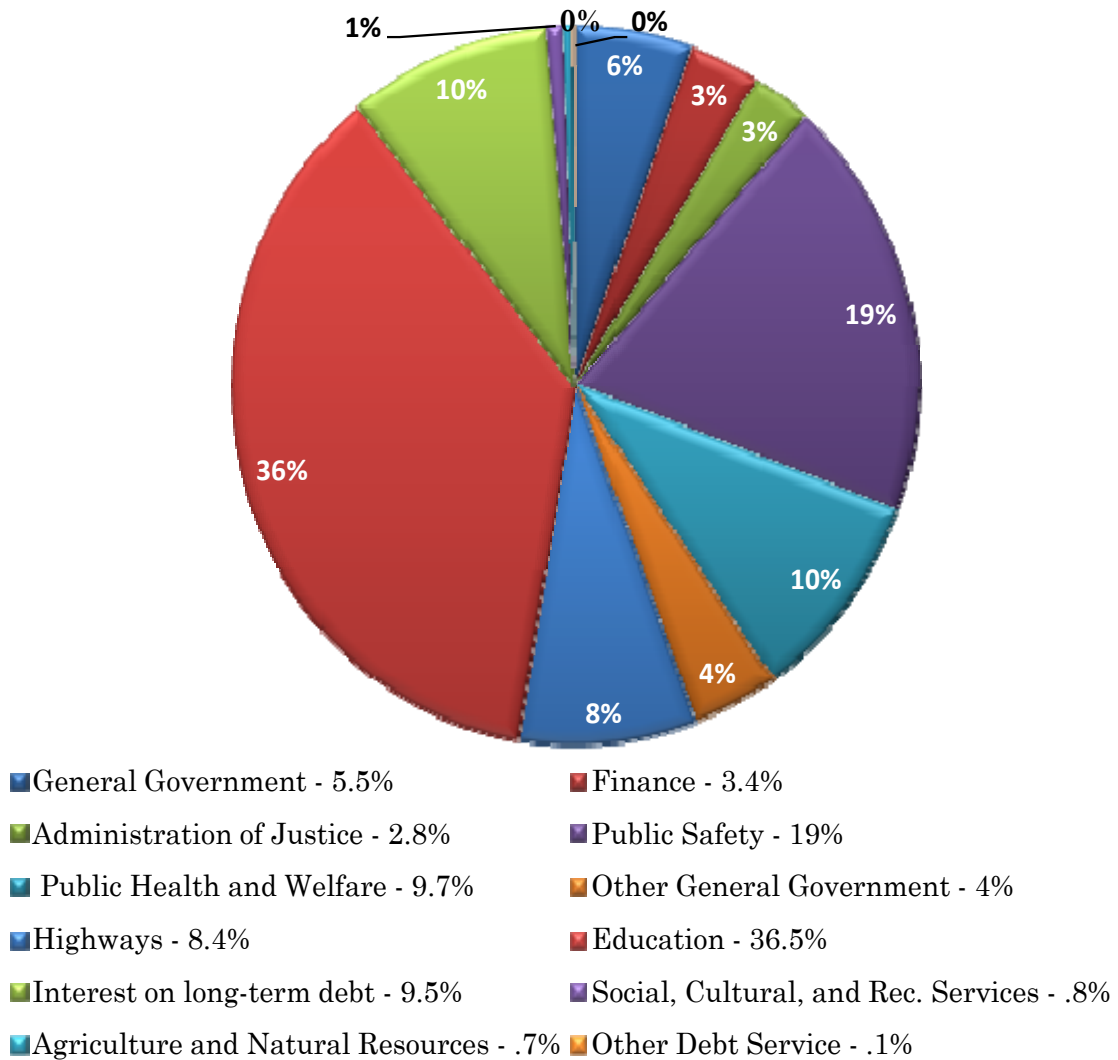
	Governmental Activities	
	2007	2008
Revenues:		
Program revenues:		
Charges for services	\$ 58,050	\$ 61,480
Operating grants and contributions	7,002	7,158
Capital grants and contributions	5,041	5,050
General revenues:		
Property taxes	52,452	58,003
Payment in-lieu-of taxes	0	6,188
Local option sales taxes	4,813	4,767
Hotel/Motel tax	0	986
Wheel tax	0	5,707
Business tax	0	1,385
Litigation tax	0	1,062
Development tax	0	3,960
Other local tax	22,115	1,492
Grants and contributions not restricted to specific programs	1,054	1,073
Unrestricted investment earnings	8,500	5,671
Other	424	130
Total Revenues	<u>\$ 159,451</u>	<u>\$ 164,112</u>

	Governmental Activities (Cont.)	
	2007	2008
Expenses:		
General government	\$ 2,469	\$ 9,451
Finance	5,874	5,889
Administration of justice	6,265	4,760
Public safety	34,122	32,701
Public health and welfare	17,313	16,621
Social, cultural, and recreation services	1,350	1,381
Agriculture and natural resources	918	724
Other operations	6,899	6,876
Highways	11,855	14,438
Education	23,940	62,793
Interest on long-term debt	16,617	16,447
Other debt service	0	154
Total Expenses	<u>\$ 127,622</u>	<u>\$ 172,235</u>
Increase (Decrease) in net assets	\$ 31,829	\$ (8,123)
Net assets, July 1	(46,253)	(14,424)
Prior-period Adjustment	0	(3,766)
Net Assets, June 30	<u><u>\$ (14,424)</u></u>	<u><u>\$ (26,313)</u></u>

Governmental Program Expenses

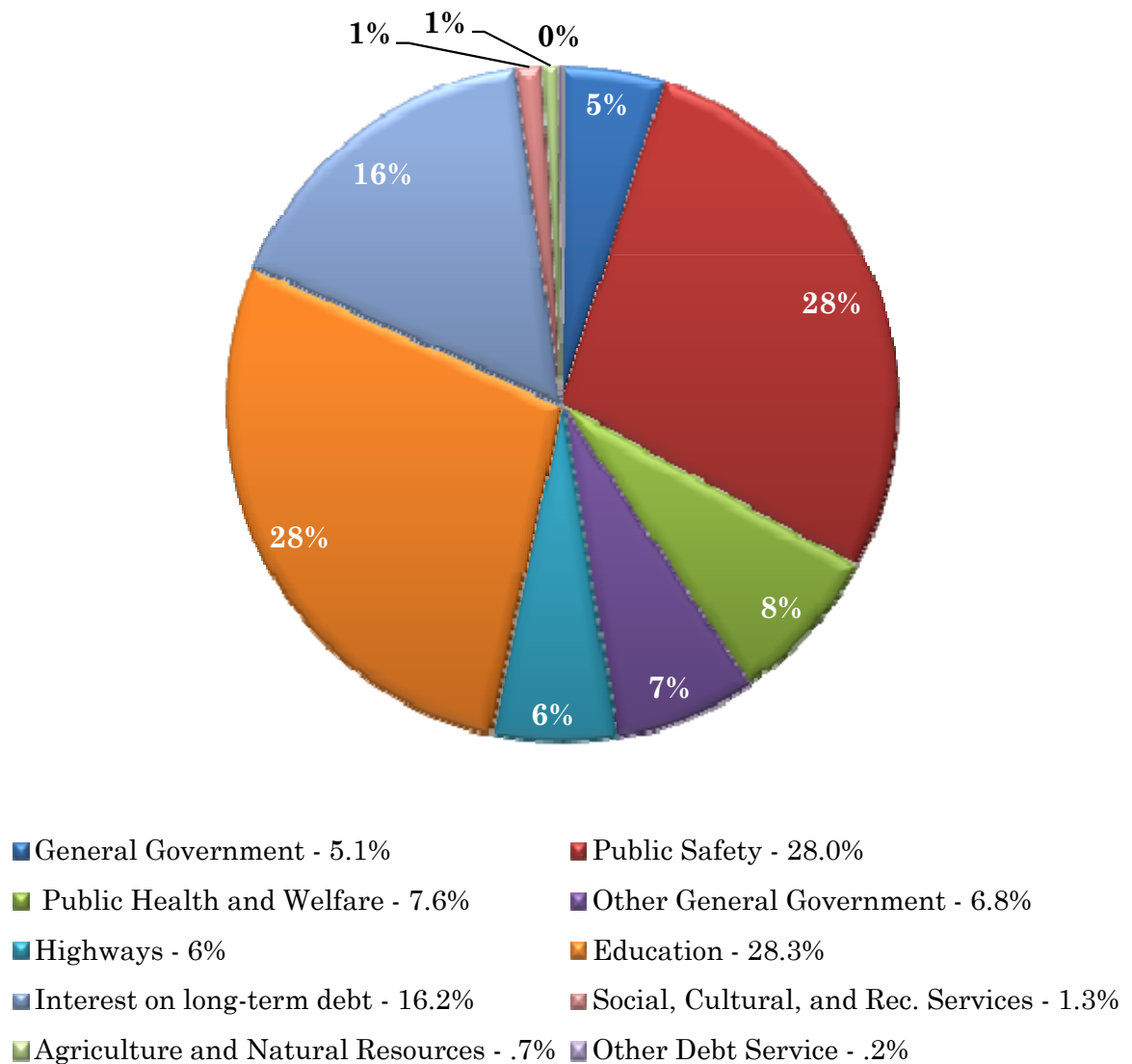
Education expenses of \$62,793 and Public Safety expenses of \$32,701 are the largest expenditures of Rutherford County, the primary government, consisting of 36.5 percent and 19 percent of total expenditures, respectively. Of these amounts, \$37,552 was recovered by charges for services and \$857 from operating grants and contributions. Finance and Administration of Justice were entirely funded from program revenues. For additional details, see illustrations on the following pages. Note that all amounts are rounded to one decimal place in the legend accompanying the chart.

Expenses by Governmental Activities



The following illustration shows the “net (expenses)” from Exhibit B as a percentage of the total. Unlike the preceding illustration, this one does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a percentage. Net expense is all program expenses less all program revenues. Note that all amounts are rounded to one decimal place in the legend accompanying the chart.

Net Cost by Governmental Activities

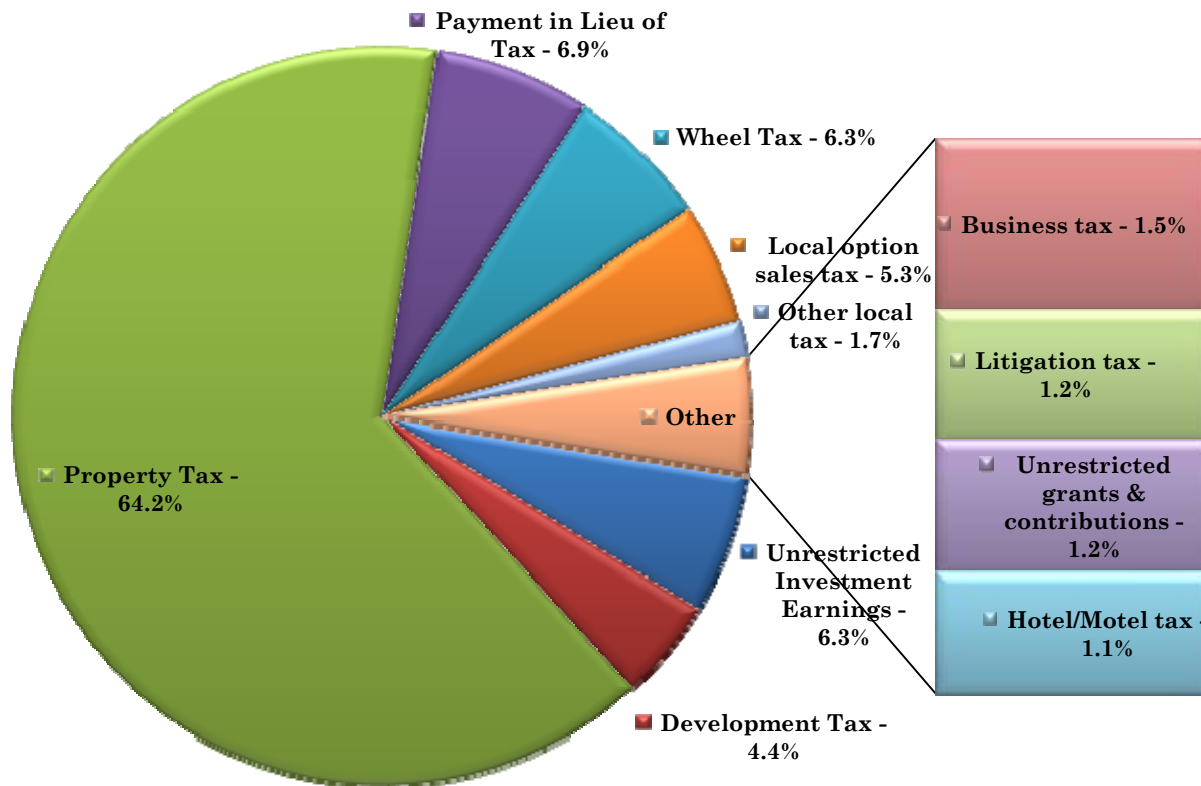


Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues.

Program revenues are of three types: charges for services exchange type transactions (arise from charges to customers), operating grants and contributions that are restricted for a specific purpose, and capital grants and contributions that are restricted for a specific purpose.

General revenues are all revenues that do not qualify as program revenues.

The largest revenue source by far is general revenues. Within this major category, the largest single revenue source is property tax. Note all amounts are rounded to one decimal place in the following chart.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Rutherford County Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Rutherford County Government's financing requirements. In 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 \$78,487, a decrease of \$14,262 in comparison with the prior year. Most of this total amount (\$74,567) 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 (\$1,525) or (2) for a variety of other restricted purposes (\$2,395).

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unreserved fund balance was \$17,025 while total fund balance reached \$19,725. 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 24.13 percent of total General Fund expenditures, while total fund balance represents 27.96 percent of that same amount. The General Fund's fund balance decreased by \$4,000 during the current fiscal year. The decrease in fund balance was anticipated as the original budget for the General Fund reflected a decrease in undesignated fund balance of \$5,590.

The General Debt Service Fund has a total fund balance of \$30,705. The decrease in fund balance during the current year in the General Debt Service Fund totaled \$224. This decrease was also anticipated, as the original budget for this fund reflected a decrease in fund balance totaling \$688.

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

	2007	2008
General Government	\$ 56	\$ 0
Finance	88	0
Administration of Justice	133	57
Public Safety	938	446
Public Health and Welfare	135	314
Social, Cultural, and Recreational	15	16
Agriculture	28	0
Other Operations	407	269
Total Increase in Appropriations	\$ 1,800	\$ 1,102

The largest increase to the original budget was noted in Public Safety. There were three areas under Public Safety that had significant increases to their original budget: 1) Sheriff's Department - \$188; 2) Workhouse - \$119; and Juvenile Services - \$117. The sheriff's additional appropriation was related to increased prices for gasoline and motor vehicles. The increases for the workhouse and juvenile services related to employee costs. In the last half of the fiscal year, the county opened two new correctional facilities: one as a correctional workhouse for adults and the other for juveniles. At the time the 2007-2008 budget was prepared, the exact staffing for these two facilities was unknown.

The increase in Public Health and Welfare is primarily attributed to the Ambulance Service. This department was awarded a grant for the purchase of a new ambulance during the fiscal year. This department was also affected by the increase in gasoline prices.

The increase in Other Operations resulted from unusually high unemployment claims - \$47 and worker's compensation claims - \$241.

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

	2007	2008
General Government	\$ 368	\$ 734
Finance	365	314
Administration of Justice	225	275
Public Safety	1,363	1,577
Public Health and Welfare	627	880
Social, Cultural, and Recreational	65	33
Agriculture	89	65
Other Operations	203	278
Total Results	<u>\$ 3,305</u>	<u>\$ 4,156</u>

At the close of the fiscal year, actual expenditures were \$4.2 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, 2008, totals \$242,932 (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 \$17,669 which represented a 7.8 percent increase over the prior year.

		Governmental Activities	
		2007	2008
Land	\$	73,046	\$ 72,409
Buildings and improvements		48,767	49,250
Infrastructure		84,795	86,677
Other capital assets		8,306	9,731
Construction in progress		10,348	24,864
Total	\$	225,262	\$ 242,931

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

Long-term debt. At the end of the current fiscal year, Rutherford County Government had total bonded debt outstanding of \$356,750. 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	
	2007	2008	2007	2008	2007	2008
Notes	\$ -	\$ -	\$ 925	\$ -	\$ 925	\$ -
Bonds	280,256	296,139	57,384	60,611	337,640	356,750
Total	\$ 280,256	\$ 296,139	\$ 58,309	\$ 60,611	\$ 338,565	\$ 356,750

Rutherford County's total debt increased by \$18,185 (5.37%) during the current fiscal year primarily because the county issued \$42,700 in the fall of 2007 for both school purposes (\$35,300) and general government purposes (\$7,400).

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 the \$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

Rutherford County adopted a budget for the fiscal year ending June 30, 2009, on June 27, 2008. Many factors were considered when adopting this budget, including the termination of a local intergovernmental agreement with the cities sharing their situs sales tax with the county, an increased unemployment rate, and a slow down in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, and building related permit fees.

At the end of the 2007-2008 fiscal year, unreserved fund balance in the General Fund decreased to \$17,025. Rutherford County Government has appropriated \$5,828 of this amount for spending in the 2008-2009 fiscal year. Unreserved fund balance in the General Fund is estimated to be 15% of appropriation, which is in compliance with Rutherford County's fund balance policy.

Unreserved fund balance in the General Debt Service Fund also decreased slightly to \$30,705. Of this amount, \$137 has been appropriated for spending in the 2008-2009 fiscal year. Projected unreserved fund balance in the General Debt Service Fund as of June 30, 2008, is expected to be 74 percent of budgeted debt service expenditures.

Fund	2007 Rate	Change	2008 Rate
General	\$0.50	\$0.03	\$0.53
Highway/Public Works	0.01	-----	0.01
General Purpose School	1.190	0.04	1.23
Education Capital Projects	0.05	-----	.05
General Debt Service	0.69	0.05	0.74
Total County Property Tax	\$2.44	\$0.12	\$2.56

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, 2008

		Component Units		
	Primary Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,032,403	\$ 1,303,208	\$ 2,732,017	\$ 3,701,940
Equity in Pooled Cash and Investments	103,330,021	41,188,251	0	0
Inventories	0	237,878	32,407	0
Investments	857,688	0	0	0
Accounts Receivable	6,392,675	367,125	777,330	76,140
Allowance for Uncollectibles	(2,080,464)	0	0	0
Property Taxes Receivable	67,304,543	56,687,354	0	0
Allowance for Uncollectible Property Taxes	(3,514,570)	(2,973,365)	0	0
Accrued Interest Receivable	0	0	38,922	8,289
Due from Other Governments	2,934,703	10,901,000	0	69,000
Due from Component Units	2,444	0	0	0
Prepaid Items	29,121	0	16,386	30,185
Notes Receivable - Long-term	1,538,199	0	0	0
Allowance for Doubtful Notes Receivable	(913,729)	0	0	0
Deferred Charges - Debt Issuance Costs	1,943,930	32,537	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	72,408,649	8,505,900	0	17,500
Construction in Progress	24,864,219	41,763,747	83,542	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	49,250,547	309,426,079	0	1,514,393
Infrastructure	86,676,976	0	0	0
Other Capital Assets	9,730,750	5,427,096	364,728	0
Total Assets	<u>\$ 422,788,105</u>	<u>\$ 472,866,810</u>	<u>\$ 4,045,332</u>	<u>\$ 5,417,447</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 253,288	\$ 4,786,489	\$ 131,897	\$ 1,206
Accrued Payroll	328,679	14,661,192	206,318	0
Accrued Interest Payable	3,361,563	45,500	0	0
Contracts Payable	508,616	0	0	0
Retainage Payable	55,949	6,620	0	0
Payroll Deductions Payable	498	1,032	192,326	0
Deferred Revenue - Current Property Taxes	62,324,366	52,439,721	0	0
Other Current Liabilities	398,834	2	39,817	9,662
Noncurrent Liabilities:				
Due Within One Year	32,046,993	610,311	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	349,822,154	3,521,815	0	0
Total Liabilities	<u>\$ 449,100,940</u>	<u>\$ 76,072,682</u>	<u>\$ 570,358</u>	<u>\$ 10,868</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	\$ 183,690,190	\$ 361,985,956	\$ 0	\$ 0
Invested in Capital Assets	0	0	448,270	1,531,893
Restricted for:				
Capital Projects	7,674,434	14,976,064	0	0
Debt Service	30,879,074	0	0	0
Highway/Public Works	6,923,492	0	0	0
Solid Waste/Sanitation	4,091,512	0	0	0
Drug Control	1,199,257	0	0	0
Adequate Facilities/Development Tax	4,340,349	0	0	0
School Federal Projects	0	384,260	0	0
Central Cafeteria	0	3,160,240	0	0
Jail, Workhouse, or Courthouse	819,776	0	0	0
Industrial/Economic Development	871,106	0	0	0
District Attorney General	207,094	0	0	0
Alcohol and Drug Treatment	250,304	0	0	0
Computer System - Register	598,086	0	0	0
Other Purposes	131,058	243,806	0	0
Unrestricted	(267,988,567)	16,043,802	3,026,704	3,874,686
Total Net Assets	\$ (26,312,835)	\$ 396,794,128	\$ 3,474,974	\$ 5,406,579

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, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units			
					Primary Government Total Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 9,450,708	\$ 4,206,218	\$ 119,042	\$ 0	\$ (5,125,448)	\$ 0	\$ 0	\$ 0
Finance	5,888,791	6,483,566	55,223	0	649,998	0	0	0
Administration of Justice	4,759,897	6,243,330	723,951	55,500	2,262,884	0	0	0
Public Safety	32,700,803	3,472,998	856,666	0	(28,371,139)	0	0	0
Public Health and Welfare	16,621,479	6,865,977	2,008,586	54,171	(7,692,745)	0	0	0
Social, Cultural, and Recreational Services	1,380,821	749	0	85,500	(1,294,572)	0	0	0
Agriculture and Natural Resources	724,194	0	0	0	(724,194)	0	0	0
Other Operations	6,875,968	0	0	0	(6,875,968)	0	0	0
Highways/Public Works	14,437,820	128,157	3,394,346	4,854,864	(6,060,453)	0	0	0
Education	62,792,815	34,079,471	0	0	(28,713,344)	0	0	0
Interest on Long-term Debt	16,447,425	0	0	0	(16,447,425)	0	0	0
Debt Service	153,942	0	0	0	(153,942)	0	0	0
Total Primary Government	\$ 172,234,663	\$ 61,480,466	\$ 7,157,814	\$ 5,050,035	\$ (98,546,348)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 264,377,506	\$ 6,488,662	\$ 21,131,043	\$ 36,321,901	\$ 0	\$ (200,435,900)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	8,287,678	8,372,593	0	0	0	0	84,915	0
Emergency Communications District	1,152,864	1,468,311	0	0	0	0	0	315,447
Total Component Units	\$ 273,818,048	\$ 16,329,566	\$ 21,131,043	\$ 36,321,901	\$ 0	\$ (200,435,900)	\$ 84,915	\$ 315,447

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units			
				Government Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District	
General Revenues:								
Taxes:				\$ 24,852,437	\$ 50,463,709	\$ 0	\$ 0	0
Property Taxes Levied for General Purposes				33,150,772	0	0	0	0
Property Taxes Levied for Debt Service				6,188,218	650,237	0	0	0
Payments in-Lieu-of Taxes				4,767,569	37,195,205	0	0	0
Local Option Sales Taxes				985,804	0	0	0	0
Hotel/Motel Tax				5,707,234	3,201,460	0	0	0
Wheels Tax				1,384,559	1,227,427	0	0	0
Business Tax				1,062,350	0	0	0	0
Litigation Tax				3,960,000	0	0	0	0
Adequate Facilities/Development Tax				641,600	0	0	0	0
Mineral Severance Tax				845,230	0	0	0	0
Wholesale Beer Tax				5,368	19,735	0	0	0
Interstate Telecommunications Tax				1,072,709	132,260,382	11,354	44,575	44,575
Grants and Contributions Not Restricted to Specific Programs				5,670,970	1,395,357	108,850	148,612	148,612
Unrestricted Investment Earnings				0	514,079	0	0	0
Gain (Loss) on Disposal of Capital Assets				129,520	359,984	0	0	0
Miscellaneous								
Total General Revenues				\$ 90,424,340	\$ 227,287,575	\$ 120,204	\$ 193,187	
Change in Net Assets				\$ (8,122,008)	\$ 26,851,675	\$ 205,119	\$ 508,634	
Net Assets, July 1, 2007				(14,424,516)	369,942,453	3,269,855	4,897,945	
Prior-period Adjustment				(3,766,311)	0	0	0	
Net Assets, June 30, 2008				\$ (26,312,835)	\$ 396,794,128	\$ 3,474,974	\$ 5,406,579	

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, 2008

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,540	\$ 0	\$ 0	\$ 1,114,438	\$ 1,115,978
Equity in Pooled Cash and Investments	18,830,442	30,199,310	9,243,314	16,338,026	74,611,092
Investments	0	0	857,688	0	857,688
Accounts Receivable	5,961,627	117,403	59	117,347	6,196,436
Allowance for Uncollectibles	(2,080,464)	0	0	0	(2,080,464)
Due from Other Governments	1,140,157	538,486	458,101	790,947	2,927,691
Due from Other Funds	2,926	3,375	0	0	6,301
Due from Component Units	2,444	0	0	0	2,444
Property Taxes Receivable	27,873,609	38,904,054	0	526,880	67,304,543
Allowance for Uncollectible Property Taxes	(1,456,756)	(2,030,056)	0	(27,758)	(3,514,570)
Prepaid Items	29,121	0	0	0	29,121
Notes Receivable - Long-term	0	0	0	1,538,199	1,538,199
Allowance for Doubtful Notes Receivable	0	0	0	(913,729)	(913,729)
Total Assets	\$ 50,304,646	\$ 67,732,572	\$ 10,559,162	\$ 19,484,350	\$ 148,080,730
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 234,906	\$ 0	\$ 0	\$ 16,559	\$ 251,465
Accrued Payroll	306,869	0	0	21,810	328,679
Payroll Deductions Payable	498	0	0	0	498
Contracts Payable	0	0	508,616	0	508,616
Retainage Payable	0	0	55,949	0	55,949
Due to Other Funds	0	0	0	3,375	3,375
Due to Litigants, Heirs, and Others	0	0	0	369,707	369,707
Other Current Liabilities	10,000	0	0	0	10,000
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	19,127	0	0	0	19,127
Deferred Revenue - Current Property Taxes	25,806,183	36,031,274	0	486,909	62,324,366
Deferred Revenue - Delinquent Property Taxes	542,120	748,113	0	10,637	1,300,870
Other Deferred Revenues	3,659,851	248,330	372,601	140,626	4,421,408
Total Liabilities	\$ 30,579,554	\$ 37,027,717	\$ 937,166	\$ 1,049,623	\$ 69,594,060
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 929,601	\$ 0	\$ 566,833	\$ 28,877	\$ 1,525,311
Reserved for Alcohol and Drug Treatment	250,304	0	0	0	250,304
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	819,776	0	0	0	819,776
Reserved for Sexual Offender Registration	12,729	0	0	0	12,729
Reserved for Victims Assistance Programs	89,479	0	0	0	89,479
Reserved for Computer System - Register	598,086	0	0	0	598,086
Reserved for Long-term Notes Receivable	0	0	0	624,470	624,470
Unreserved, Reported In:					
General Fund	17,025,117	0	0	0	17,025,117
Special Revenue Funds	0	0	0	17,752,530	17,752,530
Debt Service Funds	0	30,704,855	0	0	30,704,855
Capital Projects Funds	0	0	9,055,163	28,850	9,084,013
Total Fund Balances	\$ 19,725,092	\$ 30,704,855	\$ 9,621,996	\$ 18,434,727	\$ 78,486,670
Total Liabilities and Fund Balances	\$ 50,304,646	\$ 67,732,572	\$ 10,559,162	\$ 19,484,350	\$ 148,080,730

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, 2008

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)		\$	78,486,670
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	72,408,649	
Add: construction in progress		24,864,219	
Add: buildings and improvements net of accumulated depreciation		49,250,547	
Add: infrastructure net of accumulated depreciation		86,676,976	
Add: other capital assets net of accumulated depreciation		<u>9,730,750</u>	242,931,141
(2) 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.			18,472,173
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(356,750,000)	
Add: deferred amount on refunding		2,745,332	
Add: deferred charges - debt issuance costs		1,943,930	
Less: compensated absences payable		(3,767,831)	
Less: landfill closure/postclosure care costs		(3,841,448)	
Less: accrued interest on bonds		(3,361,563)	
Less: other deferred revenue - premium on debt		<u>(8,893,517)</u>	(371,925,097)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>5,722,278</u>
Net assets of governmental activities (Exhibit A)		\$	<u>(26,312,835)</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, 2008

	Major Funds				Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 36,646,705	\$ 37,468,343	\$ 0	\$ 0	\$ 9,544,172	\$ 83,659,220
Licenses and Permits	1,687,670	0	0	0	0	1,687,670
Fines, Forfeitures, and Penalties	2,148,347	0	0	0	726,274	2,874,621
Charges for Current Services	5,967,289	0	0	0	6,315,690	12,282,979
Other Local Revenues	3,831,011	2,077,505	59,510	0	1,100,919	7,068,945
Fees Received from County Officials	7,147,208	0	0	0	0	7,147,208
State of Tennessee	6,777,117	0	141,000	0	4,463,930	11,382,047
Federal Government	377,390	0	0	0	54,171	431,561
Other Governments and Citizens Groups	508,295	0	0	0	0	508,295
Total Revenues	\$ 65,091,032	\$ 39,545,848	\$ 200,510	\$ 0	\$ 22,205,156	\$ 127,042,546
<u>Expenditures</u>						
Current:						
General Government	\$ 5,845,861	\$ 743,703	\$ 0	\$ 0	\$ 902,274	\$ 7,491,838
Finance	4,574,335	0	0	0	2,301,343	6,875,678
Administration of Justice	4,330,354	0	0	0	1,876,101	6,206,455
Public Safety	33,700,175	0	0	0	754,727	34,454,902
Public Health and Welfare	13,347,827	0	0	0	3,308,300	16,656,127
Social, Cultural, and Recreational Services	1,381,190	0	0	0	0	1,381,190
Agriculture and Natural Resources	771,666	0	0	0	0	771,666
Other Operations	6,594,296	0	0	0	319,181	6,913,477
Highways	0	0	0	0	8,928,490	8,928,490
Debt Service:						
Principal on Debt	0	24,515,000	0	0	0	24,515,000
Interest on Debt	0	16,340,712	0	0	0	16,340,712
Other Debt Service	0	348,654	0	0	0	348,654
Capital Projects	0	0	18,603,796	35,321,901	93,592	54,019,289
Total Expenditures	\$ 70,545,704	\$ 41,948,069	\$ 18,603,796	\$ 35,321,901	\$ 18,484,008	\$ 184,903,478
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,454,672)	\$ (2,402,221)	\$ (18,403,286)	\$ (35,321,901)	\$ 3,721,148	\$ (57,860,932)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 7,378,099	\$ 35,321,901	\$ 0	\$ 42,700,000
Premiums on Debt Issued	0	194,712	278,679	0	0	473,391
Proceeds from Sale of Capital Assets	0	0	0	0	46,775	46,775
Transfers In	1,828,235	1,983,939	2,679,000	0	18,245	6,509,419
Transfers Out	(373,500)	0	(38,390)	0	(5,718,549)	(6,130,439)
Total Other Financing Sources (Uses)	\$ 1,454,735	\$ 2,178,651	\$ 10,297,388	\$ 35,321,901	\$ (5,653,529)	\$ 43,599,146
Net Change in Fund Balances	\$ (3,999,937)	\$ (223,570)	\$ (8,105,898)	\$ 0	\$ (1,932,381)	\$ (14,261,786)
Fund Balance, July 1, 2007	23,725,029	30,928,425	17,727,894	0	20,367,108	92,748,456
Fund Balance, June 30, 2008	\$ 19,725,092	\$ 30,704,855	\$ 9,621,996	\$ 0	\$ 18,434,727	\$ 78,486,670

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, 2008

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)		\$ (14,261,786)
(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	\$ 22,426,347	
Less: current year depreciation expense	(5,363,094)	17,063,253
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 3,692,955	
Less: loss on disposal of capital assets	(3,087,447)	605,508
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2008	\$ 5,722,278	
Less: deferred delinquent property taxes and other deferred June 30, 2007	(4,583,096)	1,139,182
(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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (42,700,000)	
Add: change in premium on debt issuances	93,524	
Add: change in deferred debt issuance costs	77,253	
Add: principal payments on notes	925,000	
Add: principal payments on bonds	23,590,000	
Less: change in deferred amount on refunding	(365,836)	(18,380,059)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		
Change in accrued interest payable	\$ (190,333)	
Change in compensated absences payable	(103,293)	
Change in landfill closure/postclosure care costs	97,363	(196,263)
(6) 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.		5,908,157
Change in net assets of governmental activities (Exhibit B)		\$ (8,122,008)

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, 2008

	Governmental Activities - Internal Service Funds
<hr/>	
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 916,425
Equity in Pooled Cash and Investments	28,718,929
Accounts Receivable	196,239
Due from Other Governments	7,012
Total Assets	<u>\$ 29,838,605</u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 1,822
Claims and Judgments Payable	11,361,684
Due to Other Funds	2,926
Total Liabilities	<u>\$ 11,366,432</u>
 <u>NET ASSETS</u>	
Unrestricted	<u>\$ 18,472,173</u>
Total Net Assets	<u><u>\$ 18,472,173</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, 2008

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 40,463,210
Other Local Revenues:	
Retirees' Insurance Payments	1,534,170
Cobra Insurance Payments	67,140
Total Operating Revenues	<u>\$ 42,064,520</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 3,498,708
Consultants	58,501
Contracts with Private Agencies	1,958,467
Legal Services	4,166
Drug and Medical Supplies	40,082
Excess Risk Insurance	111,937
Premiums on Corporate Surety Bonds	7,500
Medical Claims	27,599,677
Liability Claims	823,620
Other Self-Insured Claims	1,287,457
Other Fringe Benefits	353,042
Other Contracted Services	39,707
Total Operating Expenses	<u>\$ 35,782,864</u>
Operating Income (Loss)	<u>\$ 6,281,656</u>
<u>Nonoperating Revenues (Expenses)</u>	
Miscellaneous Refunds	\$ 5,481
Total Nonoperating Revenues (Expenses)	<u>\$ 5,481</u>
Income (Loss) Before Transfers	\$ 6,287,137
Transfers Out	<u>(378,980)</u>
Change in Net Assets	\$ 5,908,157
Net Assets, July 1, 2007	<u>12,564,016</u>
Net Assets, June 30, 2008	<u><u>\$ 18,472,173</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, 2008

	Governmental Activities - Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers and Users	\$ 42,270,602
Payment to Suppliers	(6,085,092)
Claims Paid	(28,004,012)
Other Receipts (Payments)	5,481
Net Cash Provided By (Used In) Operating Activities	<u>\$ 8,186,979</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers to Other Funds	\$ (378,980)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (378,980)</u>
Net Increase (Decrease) in Cash	\$ 7,807,999
Cash, July 1, 2007	<u>21,827,355</u>
Cash, June 30, 2008	<u><u>\$ 29,635,354</u></u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>	
<u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>	
Operating Income (Loss)	\$ 6,281,656
Miscellaneous Refunds	5,481
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	207,069
(Increase) Decrease in Due from Other Governments	(987)
Increase (Decrease) in Accounts Payable	(12,131)
Increase (Decrease) in Claims and Judgments Payable	1,707,593
Increase (Decrease) in Due to Other Funds	<u>(1,702)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 8,186,979</u></u>
<u>RECONCILIATION OF CASH WITH STATEMENT OF NET ASSETS</u>	
Cash per Net Assets	\$ 916,425
Equity in Pooled Cash and Investments per Net Assets	<u>28,718,929</u>
Cash, June 30, 2008	<u><u>\$ 29,635,354</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, 2008

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 5,421,495
Equity in Pooled Cash and Investments	227,855
Investments	1,308,799
Due from Other Governments	9,131,814
Taxes Receivable	10,685,304
Allowance for Uncollectible Taxes	<u>(560,466)</u>
Total Assets	<u><u>\$ 26,214,801</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 19,460,124
Due to Joint Ventures	24,383
Due to Litigants, Heirs, and Others	<u>6,730,294</u>
Total Liabilities	<u><u>\$ 26,214,801</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, 2008

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 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. Net debt issues of \$35,321,901 were contributed by the county to the School Department during the year ended June 30, 2008.

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.

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

Additionally, Rutherford County reports the following fund types:

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

Internal Service Funds – These funds, the Self-Insurance Fund, the Employee Insurance - Health Fund, and the Workers' Compensation Fund are used to account for the county's self-insured general liability, 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 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.

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 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 (\$19,127). Claims and judgments payable totaling \$11,361,684 is discussed in Note V.A. Risk Management.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department totaling \$237,878 are recorded on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Using the consumption method, Rutherford County had prepaid postage totaling \$29,121 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 the School Department's policies permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since their policies do not pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide 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, and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net

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 \$57,985,542 of restricted net assets for the primary government, of which \$4,340,349 is restricted by enabling legislation.

As of June 30, 2008, Rutherford County had \$296,138,510 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, 2008:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Animal shelter	\$ 67,862
Agriculture extension	30,534
Adequate Facilities/Development Tax:	
General debt service	975,000
Highway/Public Works:	
Storm water easement	886,571
General Capital Projects:	
Beasley Road connector	857,688

8. **Prior-period Adjustment**

Closure/postclosure care costs were restated \$3,766,311 in the government-wide financial statements due to a change in estimates.

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-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net 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-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net 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, Personnel Office, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Fund Deficit

The Other Capital Projects Fund in the discretely presented Rutherford County School Department had a deficit in unreserved fund balance of \$8,387,548 at June 30, 2008. This deficit resulted from the unperformed portions of construction contracts of \$22,627,657 being reserved as encumbrances. Funding for these future expenditures is expected to be received from the issuance of debt.

C. Cash Shortage and Theft of Tools

There was a cash shortage of \$26,209.82 and a theft of tools valued at least \$5,118.50 as of June 30, 2008, in the landfill department. This cash shortage and theft of tools are not reflected in the financial statements of this report because the county is self-insured and management does not expect to collect the loss. Details of this cash shortage and theft of tools are discussed in the Schedule of Findings and Questioned Costs section of this report.

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, 2008, 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>\$ 76,153,921</u>
Nonpooled:		
Primary Government:		
General Capital Projects Fund:		
State Treasurer's Investment Pool	Daily	\$ 857,688
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	Daily	<u>1,308,799</u>
Total Nonpooled		<u>\$ 2,166,487</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, up to 100 percent of the portfolio in either U.S. Treasury Bills and Notes or the State Treasurer's Investment Pool, up to 30 percent of the portfolio in collateralized cash management accounts, and up to 50 percent of the portfolio in shared certificates of deposit. As of June 30, 2008, 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 \$913,729 from Wherry Housing on June 30, 2008.

The Industrial/Economic Development Fund had another long-term note receivable of \$624,470 on June 30, 2008, 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, 2008, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 26,152,646	\$ 2,317,091	\$ 0	\$ 28,469,737
Right-of-ways	46,893,291	0	(2,954,379)	43,938,912
Construction in Progress	10,347,834	17,190,135	(2,673,750)	24,864,219
Total Capital Assets Not Depreciated	<u>\$ 83,393,771</u>	<u>\$ 19,507,226</u>	<u>\$ (5,628,129)</u>	<u>\$ 97,272,868</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 67,286,858	\$ 2,167,687	\$ (164,507)	\$ 69,290,038
Infrastructure	114,151,060	3,706,298	(340,324)	117,517,034
Other Capital Assets	26,530,545	3,715,322	(1,597,522)	28,648,345
Total Capital Assets Depreciated	<u>\$ 207,968,463</u>	<u>\$ 9,589,307</u>	<u>\$ (2,102,353)</u>	<u>\$ 215,455,417</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 18,519,427	\$ 1,585,865	\$ (65,801)	\$ 20,039,491
Infrastructure	29,356,127	1,588,465	(104,534)	30,840,058
Other Capital Assets	18,224,300	2,188,764	(1,495,469)	18,917,595
Total Accumulated Depreciation	<u>\$ 66,099,854</u>	<u>\$ 5,363,094</u>	<u>\$ (1,665,804)</u>	<u>\$ 69,797,144</u>
Total Capital Assets Depreciated, Net	<u>\$ 141,868,609</u>	<u>\$ 4,226,213</u>	<u>\$ (436,549)</u>	<u>\$ 145,658,273</u>
Governmental Activities Capital Assets, Net	<u>\$ 225,262,380</u>	<u>\$ 23,733,439</u>	<u>\$ (6,064,678)</u>	<u>\$ 242,931,141</u>

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

Governmental Activities:

General Government	\$ 550,600
Finance	321,064
Administration of Justice	15,567
Public Safety	1,345,107
Public Health and Welfare	1,064,051
Agriculture and Natural Resources	80,810
Other Operations	9,656
Highways	<u>1,976,239</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 5,363,094</u></u>
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Discretely Presented Rutherford County School Department**Governmental Activities:**

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 6,632,564	\$ 1,911,892	\$ (38,556)	\$ 8,505,900
Construction in Progress	<u>35,061,424</u>	<u>32,552,112</u>	<u>(25,849,789)</u>	<u>41,763,747</u>
Total Capital Assets Not Depreciated	<u>\$ 41,693,988</u>	<u>\$ 34,464,004</u>	<u>\$ (25,888,345)</u>	<u>\$ 50,269,647</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 351,170,462	\$ 28,410,351	\$ 0	\$ 379,580,813
Other Capital Assets	<u>11,610,252</u>	<u>1,710,615</u>	<u>(382,191)</u>	<u>12,938,676</u>
Total Capital Assets Depreciated	<u>\$ 362,780,714</u>	<u>\$ 30,120,966</u>	<u>\$ (382,191)</u>	<u>\$ 392,519,489</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 62,559,476	\$ 7,595,258	\$ 0	\$ 70,154,734
Other Capital Assets	<u>6,896,422</u>	<u>987,772</u>	<u>(372,614)</u>	<u>7,511,580</u>
Total Accumulated Depreciation	<u>\$ 69,455,898</u>	<u>\$ 8,583,030</u>	<u>\$ (372,614)</u>	<u>\$ 77,666,314</u>
Total Capital Assets Depreciated, Net	<u>\$ 293,324,816</u>	<u>\$ 21,537,936</u>	<u>\$ (9,577)</u>	<u>\$ 314,853,175</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 335,018,804</u></u>	<u><u>\$ 56,001,940</u></u>	<u><u>\$ (25,897,922)</u></u>	<u><u>\$ 365,122,822</u></u>

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

Governmental Activities:

Instruction	\$ 49,520
Support Services	8,363,376
Operation of Non-Instructional Services	<u>170,134</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 8,583,030</u></u>

D. Construction Commitments

At June 30, 2008, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$22,627,657 in the Other Capital Projects Fund for the school building program. Funding for these future expenditures is expected to be received from general obligation bonds.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Internal Service	\$ 2,926
General Debt Service	Nonmajor governmental	3,375
School Department:		
General Purpose School	Nonmajor governmental	540
Nonmajor governmental	General Purpose School	7

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.	\$ 2,444

Interfund Transfers:

Interfund transfers for the year ended June 30, 2008, 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	\$ 373,500	\$ 0
General Capital Projects Fund	16,206	3,939	0	18,245
Nonmajor governmental funds	1,433,049	1,980,000	2,305,500	0
Internal service funds	378,980	0	0	0
Total	\$ 1,828,235	\$ 1,983,939	\$ 2,679,000	\$ 18,245

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Other Capital Projects Fund
General Purpose School Fund	\$ 0	\$ 7,320,649
Nonmajor governmental funds	111,861	0
Total	\$ 111,861	\$ 7,320,649

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

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.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2008, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Obligation Bonds	2.5 to 5.58 %	\$ 337,185,066	\$ 230,317,156
General Obligation Bonds - Refunding	3 to 5	141,064,934	126,432,844

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2008, including interest payments, are as follows:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2009	\$ 22,670,000	\$ 16,343,391	\$ 39,013,391
2010	20,485,000	15,402,791	35,887,791
2011	20,765,000	14,552,291	35,317,291
2012	22,840,000	13,600,891	36,440,891
2013	23,705,000	12,537,316	36,242,316
2014-2018	112,615,000	45,910,267	158,525,267
2019-2023	85,330,000	21,956,789	107,286,789
2024-2028	41,640,000	6,535,750	48,175,750
2029-2030	6,700,000	456,750	7,156,750
Total	\$ 356,750,000	\$ 147,296,236	\$ 504,046,236

There is \$30,704,855 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,960, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2007	\$ 337,640,000	\$ 925,000
Additions	42,700,000	0
Deductions	(23,590,000)	(925,000)
Balance, June 30, 2008	<u>\$ 356,750,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 22,670,000</u>	<u>\$ 0</u>

	Compensated Absences	Closure/ Postclosure Care Costs
Balance, July 1, 2007	\$ 3,664,538	\$ 172,500
Additions	158,944	3,766,311
Deductions	(55,651)	(97,363)
Balance, June 30, 2008	<u>\$ 3,767,831</u>	<u>\$ 3,841,448</u>
Balance Due Within One Year	<u>\$ 113,035</u>	<u>\$ 174,612</u>

	Claims and Judgments
Balance, July 1, 2007	\$ 9,654,091
Additions	30,130,889
Deductions	(28,423,297)
Balance, June 30, 2008	<u>\$ 11,361,683</u>
Balance Due Within One Year	<u>\$ 9,089,346</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 375,720,962
Less: Due Within One Year	(32,046,993)
Add: Unamortized Premium on Debt	8,893,517
Less: Deferred Amount on Refunding	<u>(2,745,332)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 349,822,154</u></u>

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, \$11,361,683 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, 2008, the following outstanding bonds are considered defeased:

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

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, 2008, will be retired from the General Purpose School Fund.

General obligation bonds and notes outstanding as of June 30, 2008, are as follows:

Type	Interest Rate		Original Amount of Issue	Balance 6-30-08
Capital Outlay Notes	0 %	\$	500,000	\$ 357,142
General Obligation Bonds	3.7 to 4		4,035,000	2,775,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2008, including interest payments, are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Totals
2009	\$ 71,429	\$ 0	\$ 71,429
2010	71,429	0	71,429
2011	71,428	0	71,428
2012	71,428	0	71,428
2013	71,428	0	71,428
Total	\$ 357,142	\$ 0	\$ 357,142

Year Ending June 30	Bonds		
	Principal	Interest	Totals
2009	\$ 510,000	\$ 109,200	\$ 619,200
2010	530,000	88,800	618,800
2011	555,000	67,600	622,600
2012	580,000	45,400	625,400
2013	600,000	22,200	622,200
Total	\$ 2,775,000	\$ 333,200	\$ 3,108,200

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Rutherford County School Department for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Notes	Bonds	Compensated Absences
Balance, July 1, 2007	\$ 428,571	\$ 3,265,000	\$ 762,736
Additions	0	0	199,987
Deductions	(71,429)	(490,000)	0
Balance, June 30, 2008	<u>\$ 357,142</u>	<u>\$ 2,775,000</u>	<u>\$ 962,723</u>
Balance Due Within One Year	<u>\$ 71,429</u>	<u>\$ 510,000</u>	<u>\$ 28,882</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 4,094,865
Less: Due Within One Year	(610,311)
Add: Unamortized Premium on Debt	<u>37,261</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,521,815</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, 2008, interest earned and expended totaled \$1,412 with no resulting effect on net assets.

H. On-Behalf Payments – Discretely Presented Rutherford County School Department

The State of Tennessee pays health insurance premiums for retired teacher's on-behalf of the Rutherford County School Department. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the

Medicare Supplement Plan for the year ended June 30, 2008, were \$20,088. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Rutherford County issued bond anticipation notes in advance of a general obligation bond issue and deposited the proceeds in the Education Capital Projects Fund. These notes were necessary because funds were not available to meet construction commitments coming due before the bond issue. Short-term debt activity for the year ended June 30, 2008, was as follows:

	Balance 7-1-07	Issued	Paid	Balance 6-30-08
Bond Anticipation Notes	\$ 0	\$ 600,000	\$ (600,000)	\$ 0

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 \$350,000 per claim for general liability claims and \$350,000 per claim for automobile claims. The county and School Department obtained commercial insurance for claims beyond the above-noted amounts. The maximum liability the county can incur is \$5,000,000 for general liability and \$5,000,000 for automobile claims.

Rutherford County 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 \$370,000 per person per agreement year. The county carries no aggregate reinsurance coverage. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

Rutherford County and the discretely presented School Department have chosen to establish the Workers' Compensation Fund for risks associated with workers' compensation claims. The Workers' Compensation Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county is self-insured to a limit of \$500,000 for a single claim except for Communicable Disease – Tuberculosis excluded, which is \$1,000,000.

All full-time employees of the primary government, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (School Department, Emergency Communications District, and Community Care of Rutherford County, Inc.) are eligible to participate in the Employee Insurance - Health Fund. All full-time employees of the primary government, the discretely presented 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
2006-07	\$ 85,000	\$ 1,559,360	\$ (758,498)	\$ 885,862
2007-08	885,862	823,620	(805,881)	903,601

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2006-07	\$ 5,405,176	\$ 24,126,903	\$ (23,478,850)	\$ 6,053,229
2007-08	6,053,229	27,599,677	(26,019,823)	7,633,083

Workers' Compensation Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2006-07	\$	2,079,000	\$	1,583,882	\$	(947,882)	\$	2,715,000
2007-08		2,715,000		1,287,457		(1,177,457)		2,825,000

B. Accounting Changes

During the year, Rutherford County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenue will not apply to Rutherford County. GASB Statement No. 48 had no effect on the financial statements of Rutherford County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Rutherford County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Rutherford County to provide additional and more detailed pension plan note disclosures than in previous years.

C. Subsequent Events

On August 31, 2008, John Barbee left the Office of Assessor of Property and was succeeded by Bill Boner.

On September 11, 2008, the county authorized issuance of \$85,000,000 in general obligation bonds.

On October 16, 2008, the county authorized issuance of \$15,000,000 in bond anticipation notes and \$15,000,000 in general obligation capital outlay notes.

D. Contingent Liabilities

A lawsuit was filed against the county for wrongful death and damages. The county attorney advises that the ultimate exposure is unknown; however, the outcome could materially affect the financial statements of the county.

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

E. Landfill Closure/Postclosure Care Costs

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 \$3,841,448 reported as landfill closure and postclosure care liability at June 30, 2008, 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 \$1,010,007 to the operations of the libraries during the year ended June 30, 2008.

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

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://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, 2008, was 12.91 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2008, Rutherford County's annual pension cost of \$8,474,582 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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 postretirement 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, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$8,474,582	100%	\$0
6-30-07	7,813,151	100	0
6-30-06	6,369,684	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 85.63 percent funded. The actuarial accrued liability for benefits was \$119.53 million, and the actuarial value of assets was \$102.36 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$17.17 million.

The covered payroll (annual payroll of active employees covered by the plan) was \$60.73 million, and the ratio of the UAAL to the covered payroll was 28.28 percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liability for benefits.

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

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, 2008, was 6.24 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, 2008, 2007, and 2006, were \$7,367,136, \$6,656,128, and \$5,434,251, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

In addition to the retirement commitments described above, Rutherford County and the discretely presented Rutherford County School Department provide postretirement health care benefits through the self-insurance plan, 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 postretirement 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 \$84,455 (county) and \$592,752 (School Department) were recognized for postemployment 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 \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Highway Superintendent

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

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

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

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 Financial Accounting Standards Board 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. At June 30, 2008, there were no certificates of deposit that qualified as cash equivalents. Investments were limited to certificates of deposit and were stated at fair value.

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

Property and Equipment – Property and equipment are 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	10-25
Transportation equipment	4-5
Furniture, fixtures, and equipment	3-20

Compensated Absences – Nursing home employees accrue personal leave, or compensated absences, by a prescribed formula based on length of service. Compensated absences related to 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 and consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

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

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

B. Cash and Certificates of Deposit

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United 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; 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, 2008, the board of directors chose to limit the investment of funds to certificates of deposit at banks and savings and loan institutions. Cash reserves for operations were held in bank checking and savings accounts.

Cash – At June 30, 2008, the carrying amount of cash was \$1,405,973, and the bank balance was \$1,636,477. At June 30, 2008, the entire bank balance was covered by federal depository insurance or collateral held by the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to members of the pool if the value of collateral is inadequate to cover a loss.

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

C. Accounts Receivable

Receivables totaling \$777,330 as of June 30, 2008, were comprised of:

Resident service fees	\$ 1,000,887
Less: allowance for uncollectibles	<u>(230,838)</u>
Net resident service fees	\$ 770,049
Resident trust funds loss	<u>7,281</u>
Total	<u><u>\$ 777,330</u></u>

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

Resident accounts receivable are due within ten days after the issuance of the request for payment. Third-party payer receivables are usually collected within ten days after the issuance of the request for payment. Third-party payer receivables are usually collected within 60 days. Receivables past due more than 120 days are considered delinquent. Management, based on

individual evaluation and specific circumstances, writes off delinquent accounts. Some delinquent accounts deemed to be collectible are placed with an attorney for collection. Management records bad debts using the allowance method in accordance with generally accepted accounting principles.

See Note VI.E. for additional information related to resident trust funds loss receivable.

D. Capital Assets

Capital assets activity for the year ended June 30, 2008, was as follows:

Description	Beginning Balance	Additions	Ending Balance
Capital assets not depreciated:			
Construction in progress	\$ 15,000	\$ 68,542	\$ 83,542
Capital assets being depreciated:			
Land improvements	\$ 3,883	\$ 0	\$ 3,883
Buildings and improvements	143,130	0	143,130
Transportation equipment	51,460	0	51,460
Furniture, fixtures, and equipment	471,392	33,654	505,046
Total	\$ 669,865	\$ 33,654	\$ 703,519
Accumulated depreciation:			
Land improvements	\$ 2,841	\$ 66	\$ 2,907
Buildings and improvements	35,471	9,274	44,745
Transportation equipment	49,835	750	50,585
Furniture, fixtures, and equipment	204,587	35,967	240,554
Total	\$ 292,734	\$ 46,057	\$ 338,791
Net capital assets	\$ 392,131	\$ 56,139	\$ 448,270

E. Resident Funds Held in Trust

At June 30, 2008, the nursing home had a fiduciary responsibility for funds totaling \$39,829 on behalf of residents. Of this amount, \$5,316 was held in a separate interest-bearing cash account, \$23,036 was held in an interest-bearing escrow account, \$7,281 was believed to be receivable as a result of the theft noted on the next page. \$100 was held as cash on hand as resident trust petty cash, and \$4,095 was due from the facility's operating cash account as of June 30, 2008.

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.

During the fiscal year ended June 30, 2006, irregularities were detected by management in the resident trust fund bank account resulting from employee theft. Identified undeposited resident fund receipts totaled \$32,577. Of this total, \$3,053 was actually deposited to the nursing home operating bank account instead of the resident trust fund account. The remaining balance of undeposited resident fund receipts totaled \$29,524 and was not located in either bank account. Of this amount, \$22,242 was collected during the 2007 fiscal year. The remaining undeposited receipts of \$7,282 are currently in dispute; however, management believes the amount will be collected.

F. Lease Commitment

On May 3, 2006, the nursing home renewed a lease agreement with Rutherford County, Tennessee, for 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, 2008, the nursing home incurred and paid group health and life insurance premiums totaling \$905,522.

On May 31, 2007, the nursing home entered into a 12-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 credit 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	9.81 %
Medicare	33.55
Private	16.14
Insurance	40.50

Approximately 83.52 percent of net resident revenue is derived from third-party payers.

H. Risk Financing

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

I. Pension Plan

Plan Description – 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. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information regarding the retirement plan can also be found in footnote V.G. The nursing home's payroll for employees covered by TCRS for the year ended June 30, 2008, was \$3,490,006. Contributions to the plan by the nursing home for the year ended June 30, 2008, totaled \$450,833.

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 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.

J. Postemployment Benefits

In addition to the benefits described above, the county provides postemployment 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. The nursing home matches 50 percent of the health care premium that pays secondary to Medicare for each retiree.

K. Health Care Regulations

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

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

A. Summary of Significant Accounting Policies

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

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

a full-time director to assist the board in discharging its management responsibilities.

Financial Reporting Entity - Component Unit – 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, 2008, 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 (FASB) 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. The district 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, 2008, 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, 2008, prepaid insurance and service contract costs were \$30,185.

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	3-10
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 to retirement service days. Employees are entitled to overtime or compensatory time. The maximum amount of compensatory time that may be accrued by non-emergency personnel is 250 hours, and the maximum hours for emergency personnel is 450 hours. 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, 2008, and is \$9,662.

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, 2008, 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 for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2008, 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, 2008, the carrying amount of cash deposits was \$2,153,885, and the bank balance was \$2,167,939, as listed on the next page. All bank accounts earn a variable rate of interest. At June 30, 2008, 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
SunTrust Bank checking	2.02 %	\$ 1,470,390
SunTrust Bank cash investment	2.02	<u>683,495</u>
Total		<u><u>\$ 2,153,885</u></u>

Certificates of Deposit – At June 30, 2008, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-09	3.75 %	\$ 100,000
First Bank	10-2-08	3.75	100,000
Pinnacle National Bank	8-13-08	2.90	100,000
SunTrust Bank	10-16-08	5.16	129,922
First Tennessee Bank	8-16-08	5.25	103,676
Fifth Third Bank	12-28-08	2.71	100,000
U.S. Bank	2-20-09	2.75	100,000
F&M Bank	10-24-08	2.62	100,010
Bank of America	7-14-08	2.91	100,005
Regions Bank	10-23-08	4.89	100,000
Regions Bank	8-28-08	3.44	100,124
MidSouth Bank	8-13-08	5.11	100,063
Greene County Bank	12-6-08	1.49	114,255
Wilson Bank & Trust	7-19-08	5.15	100,000
Community First Bank	12-20-08	4.00	<u>100,000</u>
Total			<u><u>\$ 1,548,055</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, 2008:

BellSouth Telecommunications, Inc.	\$ 45,044
Tennessee Telephone Co.	6,486
NUVOX Communications	5,951
Others	<u>18,659</u>
Total	<u><u>\$ 76,140</u></u>

D. Capital Assets

Capital assets are summarized as follows:

<u>Depreciable Assets</u>	Balance 7-1-07	Additions	Balance 6-30-08
Buildings and Improvements	\$ 1,098,077	\$ 45,568	\$ 1,143,645
Communications Equipment	667,375	20,991	688,366
Furniture and Fixtures	44,776	0	44,776
Office Equipment	32,369	1,487	33,856
Vehicle	33,810	28,128	61,938
Other Capital Assets	<u>73,015</u>	<u>141,585</u>	<u>214,600</u>
Total	\$ 1,949,422	\$ 237,759	\$ 2,187,181
Less: Accumulated Depreciation	<u>(538,402)</u>	<u>(134,386)</u>	<u>(672,788)</u>
Total	<u>\$ 1,411,020</u>	<u>\$ 103,373</u>	<u>\$ 1,514,393</u>
<u>Non-depreciable Assets</u>			
Land	\$ 17,500	\$ 0	\$ 17,500
Total	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ 17,500</u>
Total Capital Assets	<u><u>\$ 1,428,520</u></u>	<u><u>\$ 103,373</u></u>	<u><u>\$ 1,531,893</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, 10th 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, 2008, 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, 2008, Rutherford County Emergency Communications District's annual pension cost of \$16,467 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, 2005, 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 postretirement 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 being amortized as a level dollar

amount on a closed basis. The remaining amortization period at July 1, 2005, was 15 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend information is as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$ 16,467	100 %	\$ 0
6-30-07	15,508	100	0
6-30-06	15,683	100	0

Funded Status and Funding Progress – As of July 1, 2007, the most recent actuarial valuation date, the plan was 80.56 percent funded. The actuarial accrued liability for benefits was \$0.31 million, and the actuarial value of assets was \$0.25 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.06 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.18 million, and the ratio of the UAAL to the covered payroll was 33.51 percent.

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

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

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 36,646,705	\$ 0	\$ 0	\$ 36,646,705	\$ 35,860,675	\$ 36,955,887	\$ (309,182)
Licenses and Permits	1,687,670	0	0	1,687,670	1,830,625	1,675,025	12,645
Fines, Forfeitures, and Penalties	2,148,347	0	0	2,148,347	1,926,500	2,125,617	22,730
Charges for Current Services	5,967,289	0	0	5,967,289	5,749,200	6,023,885	(56,596)
Other Local Revenues	3,831,011	0	0	3,831,011	3,408,450	4,026,950	(195,939)
Fees Received from County Officials	7,147,208	0	0	7,147,208	7,681,500	7,665,500	(518,292)
State of Tennessee	6,777,117	0	0	6,777,117	7,348,830	6,804,430	(27,313)
Federal Government	377,390	0	0	377,390	560,626	413,934	(36,544)
Other Governments and Citizens Groups	508,295	0	0	508,295	383,500	482,572	25,723
Total Revenues	\$ 65,091,032	\$ 0	\$ 0	\$ 65,091,032	\$ 64,749,906	\$ 66,173,800	\$ (1,082,768)
Expenditures							
General Government							
County Commission	\$ 189,895	\$ 0	\$ 0	\$ 189,895	\$ 203,470	\$ 203,470	\$ 13,575
Board of Equalization	6,800	0	0	6,800	30,580	15,472	8,672
County Mayor/Executive	341,093	(5,478)	4,270	339,885	348,593	348,593	8,708
Personnel Office	169,472	(1,530)	300	168,242	182,902	182,902	14,660
County Attorney	255,215	0	0	255,215	264,763	264,763	9,548
Election Commission	670,505	(4,203)	2,400	668,702	875,346	877,119	208,417
Register of Deeds	154,640	(808)	127	153,959	196,412	196,412	42,453
Planning	769,303	(29,634)	5,100	744,769	775,968	784,598	39,829
Codes Compliance	47,932	0	0	47,932	48,234	48,234	302
Geographical Information Systems	1,187,810	(894,138)	115,063	408,735	676,149	674,211	265,476
County Buildings	1,335,613	(71,314)	77,638	1,341,937	1,384,759	1,390,759	48,822
Other General Administration	230,127	(1,500)	0	228,627	230,726	230,726	2,099
Preservation of Records	108,442	(4,875)	694	104,261	108,681	108,681	4,420
Risk Management	379,014	0	100	379,114	446,267	446,267	67,153

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Finance							
Accounting and Budgeting	\$						
Property Assessor's Office	850,137	(3,512)	160	846,785	899,583	899,583	\$ 52,798
Reappraisal Program	1,542,952	(69,638)	68,051	1,541,365	1,667,640	1,697,194	155,829
County Trustee's Office	534,462	(87)	0	534,375	563,290	571,954	37,579
County Clerk's Office	51,949	(528)	0	51,421	65,550	65,550	14,129
Data Processing	198,391	(12,359)	0	186,032	217,058	217,058	31,026
	1,396,444	(32,881)	13,319	1,376,882	1,437,725	1,399,663	22,781
Administration of Justice							
Circuit Court	373,235	(2,817)	0	370,418	446,716	446,716	76,298
Circuit Court Judge	212,544	(237)	2,298	214,605	235,501	235,501	20,896
General Sessions Court	1,129,100	(400)	1,184	1,129,884	1,152,500	1,153,690	23,806
Drug Court	407,100	(2,292)	2,000	406,808	404,868	458,363	51,555
Chancery Court	723,653	(1,840)	0	721,813	756,008	756,008	34,195
Juvenile Court	385,815	0	0	385,815	408,871	411,160	25,345
District Attorney General	63,765	0	0	63,765	64,255	64,255	490
Other Administration of Justice	80,962	0	0	80,962	86,563	86,563	5,601
Probation Services	954,180	(400)	0	953,780	990,544	990,544	36,764
Public Safety							
Sheriff's Department	16,670,470	(353,601)	265,859	16,582,728	17,025,682	17,213,748	631,020
Special Patrols	44,182	0	0	44,182	77,634	77,634	33,452
Traffic Control	8,853	0	0	8,853	10,000	10,000	1,147
Administration of the Sexual Offender Registry	261	0	0	261	0	2,469	2,208
Jail	11,545,064	(229,754)	91,059	11,406,369	11,940,389	11,927,532	521,163
Workhouse	2,523,788	(37,391)	26,202	2,512,599	2,514,322	2,633,802	121,203
Juvenile Services	1,480,519	(12,349)	7,282	1,475,452	1,416,679	1,533,459	58,007
Rescue Squad	90,000	0	0	90,000	90,000	90,000	0
Disaster Relief	491,759	(86,551)	110,376	515,584	670,708	694,404	178,820

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Inspection and Regulation	\$	(1,089)	2,607	\$	868,464	\$	30,228
<u>Public Health and Welfare</u>							
Local Health Center	643,573	(3,931)	4,704	644,346	669,698	685,487	41,141
Rabies and Animal Control	1,120,380	(62,197)	13,594	1,071,777	1,178,978	1,202,478	130,701
Ambulance/Emergency Medical Services	9,819,572	(72,757)	77,073	9,823,888	10,062,624	10,299,047	475,159
Nursing Home	12,319	0	0	12,319	20,000	20,000	7,681
Dental Health Program	13,032	(2,000)	48	11,080	14,400	14,400	3,320
Other Local Health Services	1,495,224	(6,761)	0	1,488,463	1,689,573	1,689,573	201,110
General Welfare Assistance	41,500	0	0	41,500	41,500	44,500	3,000
Sanitation Management	20,123	0	0	20,123	20,123	20,123	0
Other Public Health and Welfare	182,104	0	0	182,104	165,000	200,000	17,896
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	27,000	0	0	27,000	27,000	27,000	0
Senior Citizens Assistance	1,500	0	0	1,500	1,500	1,500	0
Libraries	1,010,007	0	0	1,010,007	1,010,007	1,010,007	0
Parks and Fair Boards	342,683	0	783	343,466	359,465	375,965	32,499
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	586,333	0	0	586,333	607,273	607,273	20,940
Soil Conservation	79,706	0	0	79,706	81,421	81,421	1,715
Storm Water Management	105,627	(4,898)	1,689	102,418	144,772	144,772	42,354
<u>Other Operations</u>							
Tourism	335,864	0	0	335,864	295,000	344,500	8,636
Other Charges	215,213	(3,059)	5,933	218,087	269,131	269,131	51,044
Employee Benefits	912,919	0	0	912,919	708,260	952,006	39,087
Payments to Cities	1,920,994	0	0	1,920,994	1,912,348	1,920,994	0
Miscellaneous	3,209,306	(6,798)	29,688	3,232,196	3,444,945	3,411,615	179,419
Total Expenditures	\$ 70,545,704	\$ (2,023,607)	\$ 929,601	\$ 69,451,698	\$ 72,506,418	\$ 73,607,874	\$ 4,156,176

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,454,672) \$	2,023,607 \$	(929,601) \$	(4,360,666) \$	(7,756,512) \$	(7,434,074) \$	3,073,408
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	22,060 \$	(22,060)
Transfers In	1,828,235	0	0	1,828,235	2,166,632	2,182,839	(354,604)
Transfers Out	(373,500)	0	0	(373,500)	0	(373,500)	0
Total Other Financing Sources (Uses)	\$ 1,454,735 \$	0 \$	0 \$	1,454,735 \$	2,166,632 \$	1,831,399 \$	(376,664)
Net Change in Fund Balance	\$ (3,999,937) \$	2,023,607 \$	(929,601) \$	(2,905,931) \$	(5,589,880) \$	(5,602,675) \$	2,696,744
Fund Balance, July 1, 2007	23,725,029	(2,023,607)	0	21,701,422	17,441,046	17,441,046	4,260,376
Fund Balance, June 30, 2008	\$ 19,725,092 \$	0 \$	(929,601) \$	18,795,491 \$	11,851,166 \$	11,838,371 \$	6,957,120

Exhibit F-2

Rutherford County, Tennessee
Schedule of Funding Progress - Pension Plan
Primary Government, Discretely Presented Rutherford County School Department,
Discretely Presented Community Care of Rutherford County, Inc., and
Discretely Presented Rutherford County Emergency Communications District
June 30, 2008

(Dollar amounts in thousands)

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

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	\$ 102,362	\$ 119,537	\$ 17,175	85.63 %	\$ 60,733	28.28 %

Discretely Presented Rutherford County Emergency Communications District

6-30-07	\$ 257	\$ 319	\$ 62	80.56 %	\$ 185	33.51 %
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The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

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RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2008

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

The county's budgetary basis of accounting is consistent with 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

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.

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

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

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.

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue Funds					
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General	
<u>ASSETS</u>						
Cash	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	3,745,194	246,636	1,198,842	4,327,118	207,038	207,038
Accounts Receivable	91,462	0	0	6,750	0	0
Due from Other Governments	287,505	0	2,218	9,856	578	578
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	1,538,199	0	0	0	0
Allowance for Doubtful Notes Receivable	0	(913,729)	0	0	0	0
Total Assets	\$ 4,124,361	\$ 871,106	\$ 1,201,060	\$ 4,343,724	\$ 207,616	
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 13,021	\$ 0	\$ 306	\$ 0	\$ 37	37
Accrued Payroll	19,828	0	1,497	0	485	485
Due to Other Funds	0	0	0	3,375	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
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	108,028	0	0	0	0	0
Total Liabilities	\$ 140,877	\$ 0	\$ 1,803	\$ 3,375	\$ 522	
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 18,476	\$ 0	\$ 10,401	\$ 0	\$ 0	0
Reserved for Long-term Notes Receivable	0	624,470	0	0	0	0
Unreserved	3,965,008	246,636	1,188,856	4,340,349	207,094	207,094
Total Fund Balances	\$ 3,983,484	\$ 871,106	\$ 1,199,257	\$ 4,340,349	\$ 207,094	
Total Liabilities and Fund Balances	\$ 4,124,361	\$ 871,106	\$ 1,201,060	\$ 4,343,724	\$ 207,616	

(Continued)

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

	Special Revenue Funds (Cont.)				Capital Projects		Total
	Constituent Officers - Fees	Highway / Public Works	Total		Fund Development/ Industrial Park	Nonmajor Governmental Funds	
Cash	\$ 1,114,238	\$ 0	\$ 1,114,438	\$ 0	\$ 0	\$ 1,114,438	
Equity in Pooled Cash and Investments	0	6,584,348	16,309,176	28,850	0	16,338,026	
Accounts Receivable	231	18,904	117,347	0	0	117,347	
Due from Other Governments	0	490,790	790,947	0	0	790,947	
Property Taxes Receivable	0	526,880	526,880	0	0	526,880	
Allowance for Uncollectible Property Taxes	0	(27,758)	(27,758)	0	0	(27,758)	
Notes Receivable - Long-term	0	0	1,538,199	0	0	1,538,199	
Allowance for Doubtful Notes Receivable	0	0	(913,729)	0	0	(913,729)	
Total Assets	\$ 1,114,469	\$ 7,593,164	\$ 19,455,500	\$ 28,850	\$ 0	\$ 19,484,350	
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities							
Accounts Payable	\$ 0	\$ 3,195	\$ 16,559	\$ 0	\$ 0	\$ 16,559	
Accrued Payroll	0	0	21,810	0	0	21,810	
Due to Other Funds	0	0	3,375	0	0	3,375	
Due to Litigants, Heirs, and Others	369,707	0	369,707	0	0	369,707	
Deferred Revenue - Current Property Taxes	0	486,909	486,909	0	0	486,909	
Deferred Revenue - Delinquent Property Taxes	0	10,637	10,637	0	0	10,637	
Other Deferred Revenues	0	32,598	140,626	0	0	140,626	
Total Liabilities	\$ 369,707	\$ 533,339	\$ 1,049,623	\$ 0	\$ 0	\$ 1,049,623	
Fund Balances							
Reserved for Encumbrances	\$ 0	\$ 0	\$ 28,877	\$ 0	\$ 0	\$ 28,877	
Reserved for Long-term Notes Receivable	0	0	624,470	0	0	624,470	
Unreserved	744,762	7,059,825	17,752,530	28,850	0	17,781,380	
Total Fund Balances	\$ 744,762	\$ 7,059,825	\$ 18,405,877	\$ 28,850	\$ 0	\$ 18,434,727	
Total Liabilities and Fund Balances	\$ 1,114,469	\$ 7,593,164	\$ 19,455,500	\$ 28,850	\$ 0	\$ 19,484,350	

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, 2008

	Special Revenue Funds						Constitu- tional Officers - Fees
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General		
Revenues							
Local Taxes	\$ 1,159,610	\$ 0	\$ 49,731	\$ 3,960,000	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	665,360	0	60,914	0	0
Charges for Current Services	1,299,073	0	0	0	0	0	5,016,617
Other Local Revenues	107,898	173,853	51,943	233,529	0	0	0
State of Tennessee	280,276	0	0	0	0	0	0
Federal Government	0	0	0	54,171	0	0	0
Total Revenues	\$ 2,846,857	\$ 173,853	\$ 767,034	\$ 4,247,700	\$ 60,914	\$ 5,016,617	
Expenditures							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 42,352	\$ 579	\$ 859,343	
Finance	0	0	0	0	0	2,301,343	
Administration of Justice	0	0	0	0	19,720	1,856,381	
Public Safety	0	0	754,727	0	0	0	0
Public Health and Welfare	3,308,300	0	0	0	0	0	0
Other Operations	99,086	220,095	0	0	0	0	0
Highways	0	0	0	0	0	0	0
Capital Projects	0	0	0	89,440	0	0	0
Total Expenditures	\$ 3,407,386	\$ 220,095	\$ 754,727	\$ 131,792	\$ 20,299	\$ 5,017,067	
Excess (Deficiency) of Revenues Over Expenditures	\$ (560,529)	\$ (46,242)	\$ 12,307	\$ 4,115,908	\$ 40,615	\$ (450)	
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Transfers In	0	0	0	18,245	0	0	0
Transfers Out	0	0	0	(5,718,549)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (5,700,304)	\$ 0	\$ 0	0
Net Change in Fund Balances	\$ (560,529)	\$ (46,242)	\$ 12,307	\$ (1,584,396)	\$ 40,615	\$ (450)	
Fund Balance, July 1, 2007	4,544,013	917,348	1,186,950	5,924,745	166,479	745,212	
Fund Balance, June 30, 2008	\$ 3,983,484	\$ 871,106	\$ 1,199,257	\$ 4,340,349	\$ 207,094	\$ 744,762	

(Continued)

Exhibit G-2

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

	Special Revenue Funds		Capital Projects Funds			
	(Cont.)		Community		Total	
	Highway / Public Works	Total	Development/ Industrial Park	Nursing Home Projects	Total	Total Nonmajor Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 4,374,831	\$ 9,544,172	\$ 0	\$ 0	\$ 0	\$ 9,544,172
Fines, Forfeitures, and Penalties	0	726,274	0	0	0	726,274
Charges for Current Services	0	6,315,690	0	0	0	6,315,690
Other Local Revenues	533,696	1,100,919	0	0	0	1,100,919
State of Tennessee	4,183,654	4,463,930	0	0	0	4,463,930
Federal Government	0	54,171	0	0	0	54,171
Total Revenues	\$ 9,092,181	\$ 22,205,156	\$ 0	\$ 0	\$ 0	\$ 22,205,156
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 902,274	\$ 0	\$ 0	\$ 0	\$ 902,274
Finance	0	2,301,343	0	0	0	2,301,343
Administration of Justice	0	1,876,101	0	0	0	1,876,101
Public Safety	0	754,727	0	0	0	754,727
Public Health and Welfare	0	3,308,300	0	0	0	3,308,300
Other Operations	0	319,181	0	0	0	319,181
Highways	8,928,490	8,928,490	0	0	0	8,928,490
Capital Projects	0	89,440	0	4,152	4,152	93,592
Total Expenditures	\$ 8,928,490	\$ 18,479,856	\$ 0	\$ 4,152	\$ 4,152	\$ 18,484,008
Excess (Deficiency) of Revenues Over Expenditures	\$ 163,691	\$ 3,725,300	\$ 0	\$ (4,152)	\$ (4,152)	\$ 3,721,148
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 46,775	\$ 46,775	\$ 0	\$ 0	\$ 0	\$ 46,775
Transfers In	0	18,245	0	0	0	18,245
Transfers Out	0	(5,718,549)	0	0	0	(5,718,549)
Total Other Financing Sources (Uses)	\$ 46,775	\$ (5,653,529)	\$ 0	\$ 0	\$ 0	\$ (5,653,529)
Net Change in Fund Balances	\$ 210,466	\$ (1,928,229)	\$ 0	\$ (4,152)	\$ (4,152)	\$ (1,932,381)
Fund Balance, July 1, 2007	6,849,359	20,334,106	28,850	4,152	33,002	20,367,108
Fund Balance, June 30, 2008	\$ 7,059,825	\$ 18,405,877	\$ 28,850	\$ 0	\$ 28,850	\$ 18,434,727

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 1,159,610	\$ 0	\$ 0	\$ 1,159,610	\$ 1,057,500	\$ 1,177,500	\$ (17,890)
Charges for Current Services	1,299,073	0	0	1,299,073	1,135,000	1,305,000	(5,927)
Other Local Revenues	107,898	0	0	107,898	84,000	96,832	11,066
State of Tennessee	280,276	0	0	280,276	283,811	292,811	(12,535)
Total Revenues	\$ 2,846,857	\$ 0	\$ 0	\$ 2,846,857	\$ 2,560,311	\$ 2,872,143	\$ (25,286)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 130,876	\$ (1,068)	\$ 430	\$ 130,238	\$ 132,936	\$ 132,936	\$ 2,698
Convenience Centers	1,938,092	(16,761)	3,265	1,924,596	2,003,085	2,070,885	146,289
Other Waste Collection	280,985	(1,250)	500	280,235	327,500	327,500	47,265
Landfill Operation and Maintenance	860,984	(77,528)	14,281	797,737	997,701	997,701	199,964
Postclosure Care Costs	97,363	(13,980)	0	83,383	172,500	172,500	89,117
<u>Other Operations</u>							
Employee Benefits	52,239	0	0	52,239	52,240	52,240	1
Miscellaneous	46,847	0	0	46,847	69,525	69,525	22,678
Total Expenditures	\$ 3,407,386	\$ (110,587)	\$ 18,476	\$ 3,315,275	\$ 3,755,487	\$ 3,823,287	\$ 508,012
Excess (Deficiency) of Revenues Over Expenditures	\$ (560,529)	\$ 110,587	\$ (18,476)	\$ (468,418)	\$ (1,195,176)	\$ (951,144)	\$ 482,726
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ (560,529)	\$ 110,587	\$ (18,476)	\$ (468,418)	\$ (1,195,176)	\$ (951,144)	\$ 482,726
	4,544,013	(110,587)	0	4,433,426	4,244,577	4,244,577	188,849
Fund Balance, June 30, 2008	\$ 3,983,484	\$ 0	\$ (18,476)	\$ 3,965,008	\$ 3,049,401	\$ 3,293,433	\$ 671,575

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 173,853	\$ 128,499	\$ 173,853	\$ 0
Total Revenues	\$ 173,853	\$ 128,499	\$ 173,853	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 203,065	\$ 203,065	\$ 203,065	\$ 0
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 220,095	\$ 220,095	\$ 220,095	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (46,242)	\$ (91,596)	\$ (46,242)	\$ 0
Net Change in Fund Balance	\$ (46,242)	\$ (91,596)	\$ (46,242)	\$ 0
Fund Balance, July 1, 2007	917,348	571,917	612,769	304,579
Fund Balance, June 30, 2008	\$ 871,106	\$ 480,321	\$ 566,527	\$ 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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 49,731	\$ 0	\$ 0	\$ 49,731	\$ 0	\$ 50,000	\$ (269)
Fines, Forfeitures, and Penalties	665,360	0	0	665,360	715,000	740,000	(74,640)
Other Local Revenues	51,943	0	0	51,943	52,250	52,250	(307)
Total Revenues	\$ 767,034	\$ 0	\$ 0	\$ 767,034	\$ 767,250	\$ 842,250	\$ (75,216)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 754,727	\$ (18,518)	\$ 10,401	\$ 746,610	\$ 914,127	\$ 938,893	\$ 192,283
Total Expenditures	\$ 754,727	\$ (18,518)	\$ 10,401	\$ 746,610	\$ 914,127	\$ 938,893	\$ 192,283
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,307	\$ 18,518	\$ (10,401)	\$ 20,424	\$ (146,877)	\$ (96,643)	\$ 117,067
Net Change in Fund Balance	\$ 12,307	\$ 18,518	\$ (10,401)	\$ 20,424	\$ (146,877)	\$ (96,643)	\$ 117,067
Fund Balance, July 1, 2007	1,186,950	(18,518)	0	1,168,433	1,193,426	1,048,048	120,385
Fund Balance, June 30, 2008	\$ 1,199,257	\$ 0	\$ (10,401)	\$ 1,188,857	\$ 1,046,549	\$ 951,405	\$ 237,452

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,960,000	\$ 6,000,000	\$ 4,200,000	\$ (240,000)
Other Local Revenues	233,529	212,500	232,028	1,501
Federal Government	54,171	0	54,171	0
Total Revenues	<u>\$ 4,247,700</u>	<u>\$ 6,212,500</u>	<u>\$ 4,486,199</u>	<u>\$ (238,499)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 42,352	\$ 62,125	\$ 62,125	\$ 19,773
<u>Capital Projects</u>				
Other General Government Projects	89,440	0	89,440	0
Total Expenditures	<u>\$ 131,792</u>	<u>\$ 62,125</u>	<u>\$ 151,565</u>	<u>\$ 19,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,115,908</u>	<u>\$ 6,150,375</u>	<u>\$ 4,334,634</u>	<u>\$ (218,726)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 18,245	0	\$ 18,245	0
Transfers Out	(5,718,549)	(5,940,200)	(7,290,200)	1,571,651
Total Other Financing Sources (Uses)	<u>\$ (5,700,304)</u>	<u>\$ (5,940,200)</u>	<u>\$ (7,271,955)</u>	<u>\$ 1,571,651</u>
Net Change in Fund Balance	\$ (1,584,396)	\$ 210,175	\$ (2,937,321)	\$ 1,352,925
Fund Balance, July 1, 2007	<u>5,924,745</u>	<u>5,300,168</u>	<u>4,839,958</u>	<u>1,084,787</u>
Fund Balance, June 30, 2008	<u><u>\$ 4,340,349</u></u>	<u><u>\$ 5,510,343</u></u>	<u><u>\$ 1,902,637</u></u>	<u><u>\$ 2,437,712</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,374,831	\$ 4,229,537	\$ 4,491,937	\$ (117,106)
Other Local Revenues	533,696	281,750	529,500	4,196
State of Tennessee	4,183,654	3,702,500	4,182,420	1,234
Total Revenues	<u>\$ 9,092,181</u>	<u>\$ 8,213,787</u>	<u>\$ 9,203,857</u>	<u>\$ (111,676)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 592,372	\$ 681,863	\$ 681,863	\$ 89,491
Highway and Bridge Maintenance	5,283,284	5,564,585	5,660,085	376,801
Operation and Maintenance of Equipment	878,426	1,193,600	1,193,600	315,174
Quarry Operations	395,959	504,650	504,650	108,691
Other Charges	352,380	539,585	539,585	187,205
Employee Benefits	225,914	177,600	243,200	17,286
Capital Outlay	1,200,155	934,860	1,634,860	434,705
Total Expenditures	<u>\$ 8,928,490</u>	<u>\$ 9,596,743</u>	<u>\$ 10,457,843</u>	<u>\$ 1,529,353</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 163,691</u>	<u>\$ (1,382,956)</u>	<u>\$ (1,253,986)</u>	<u>\$ 1,417,677</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 46,775	\$ 0	\$ 0	\$ 46,775
Insurance Recovery	0	0	190	(190)
Total Other Financing Sources (Uses)	<u>\$ 46,775</u>	<u>\$ 0</u>	<u>\$ 190</u>	<u>\$ 46,585</u>
Net Change in Fund Balance	\$ 210,466	\$ (1,382,956)	\$ (1,253,796)	\$ 1,464,262
Fund Balance, July 1, 2007	<u>6,849,359</u>	<u>5,438,327</u>	<u>4,824,040</u>	<u>2,025,319</u>
Fund Balance, June 30, 2008	<u><u>\$ 7,059,825</u></u>	<u><u>\$ 4,055,371</u></u>	<u><u>\$ 3,570,244</u></u>	<u><u>\$ 3,489,581</u></u>

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Major Governmental Fund

General Debt Service Fund

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 37,468,343	\$ 36,904,239	\$ 37,647,739	\$ (179,396)
Other Local Revenues	2,077,505	1,843,050	2,083,050	(5,545)
Total Revenues	<u>\$ 39,545,848</u>	<u>\$ 38,747,289</u>	<u>\$ 39,730,789</u>	<u>\$ (184,941)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 743,703	\$ 1,009,100	\$ 874,157	\$ 130,454
<u>Principal on Debt</u>				
General Government	5,084,850	5,084,850	5,084,850	0
Education	19,430,150	19,430,150	19,430,150	0
<u>Interest on Debt</u>				
General Government	2,849,949	2,723,690	2,849,950	1
Education	13,490,763	14,187,202	14,060,942	570,179
<u>Other Debt Service</u>				
General Government	60,276	0	60,276	0
Education	288,378	0	288,379	1
Total Expenditures	<u>\$ 41,948,069</u>	<u>\$ 42,434,992</u>	<u>\$ 42,648,704</u>	<u>\$ 700,635</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,402,221)</u>	<u>\$ (3,687,703)</u>	<u>\$ (2,917,915)</u>	<u>\$ 515,694</u>
<u>Other Financing Sources (Uses)</u>				
Premiums on Debt Issued	\$ 194,712	\$ 0	\$ 194,712	\$ 0
Transfers In	1,983,939	3,000,000	2,103,940	(120,001)
Total Other Financing Sources (Uses)	<u>\$ 2,178,651</u>	<u>\$ 3,000,000</u>	<u>\$ 2,298,652</u>	<u>\$ (120,001)</u>
Net Change in Fund Balance	\$ (223,570)	\$ (687,703)	\$ (619,263)	\$ 395,693
Fund Balance, July 1, 2007	<u>30,928,425</u>	<u>28,491,649</u>	<u>30,871,576</u>	<u>56,849</u>
Fund Balance, June 30, 2008	<u><u>\$ 30,704,855</u></u>	<u><u>\$ 27,803,946</u></u>	<u><u>\$ 30,252,313</u></u>	<u><u>\$ 452,542</u></u>

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Proprietary Funds

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

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

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

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

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Exhibit I-1

Rutherford County, Tennessee
Combining Statement of Net Assets
Proprietary Funds
June 30, 2008

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>ASSETS</u>				
Cash	\$ 77,822	\$ 709,000	\$ 129,603	\$ 916,425
Equity in Pooled Cash and Investments	1,005,118	24,583,435	3,130,376	28,718,929
Accounts Receivable	5,146	191,093	0	196,239
Due from Other Governments	0	7,012	0	7,012
Total Assets	\$ 1,088,086	\$ 25,490,540	\$ 3,259,979	\$ 29,838,605
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 1,822	\$ 0	\$ 1,822
Claims and Judgments Payable	903,601	7,633,083	2,825,000	11,361,684
Due to Other Funds	0	1,463	1,463	2,926
Total Liabilities	\$ 903,601	\$ 7,636,368	\$ 2,826,463	\$ 11,366,432
<u>NET ASSETS</u>				
Unrestricted	\$ 184,485	\$ 17,854,172	\$ 433,516	\$ 18,472,173
Total Net Assets	\$ 184,485	\$ 17,854,172	\$ 433,516	\$ 18,472,173

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,408,548	\$ 36,545,662	\$ 2,509,000	\$ 40,463,210
Other Local Revenues:				
Retirees' Insurance Payments	0	1,534,170	0	1,534,170
Cobra Insurance Payments	0	67,140	0	67,140
Total Operating Revenues	\$ 1,408,548	\$ 38,146,972	\$ 2,509,000	\$ 42,064,520
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 42,500	\$ 3,390,283	\$ 65,925	\$ 3,498,708
Consultants	0	58,501	0	58,501
Contracts with Private Agencies	0	1,958,467	0	1,958,467
Legal Services	0	0	4,166	4,166
Drug and Medical Supplies	0	40,082	0	40,082
Excess Risk Insurance	0	0	111,937	111,937
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Medical Claims	0	27,599,677	0	27,599,677
Liability Claims	823,620	0	0	823,620
Other Self-Insured Claims	0	0	1,287,457	1,287,457
Other Fringe Benefits	0	353,042	0	353,042
Other Contracted Services	29,750	7,207	2,750	39,707
Total Operating Expenses	\$ 895,870	\$ 33,407,259	\$ 1,479,735	\$ 35,782,864
Operating Income (Loss)	\$ 512,678	\$ 4,739,713	\$ 1,029,265	\$ 6,281,656
<u>Nonoperating Revenues (Expenses)</u>				
Miscellaneous Refunds	\$ 0	\$ (2,935)	\$ 8,416	\$ 5,481
Total Nonoperating Revenues (Expenses)	\$ 0	\$ (2,935)	\$ 8,416	\$ 5,481
Income (Loss) Before Transfers	\$ 512,678	\$ 4,736,778	\$ 1,037,681	\$ 6,287,137
Transfers Out	0	(189,490)	(189,490)	(378,980)
Change in Net Assets	\$ 512,678	\$ 4,547,288	\$ 848,191	\$ 5,908,157
Net Assets, July 1, 2007	(328,193)	13,306,884	(414,675)	12,564,016
Net Assets, June 30, 2008	\$ 184,485	\$ 17,854,172	\$ 433,516	\$ 18,472,173

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Customers and Users	\$ 1,662,413	\$ 38,098,069	\$ 2,510,120	\$ 42,270,602
Payment to Suppliers	(78,450)	(5,814,364)	(192,278)	(6,085,092)
Claims Paid	(805,881)	(26,019,823)	(1,178,308)	(28,004,012)
Other Receipts (Payments)	0	(2,935)	8,416	5,481
Net Cash Provided By (Used In) Operating Activities	\$ 778,082	\$ 6,260,947	\$ 1,147,950	\$ 8,186,979
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers to Other Funds	\$ 0	\$ (189,490)	\$ (189,490)	\$ (378,980)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (189,490)	\$ (189,490)	\$ (378,980)
Net Increase (Decrease) in Cash	\$ 778,082	\$ 6,071,457	\$ 958,460	\$ 7,807,999
Cash, July 1, 2007	304,858	19,220,978	2,301,519	21,827,355
Cash, June 30, 2008	\$ 1,082,940	\$ 25,292,435	\$ 3,259,979	\$ 29,635,354
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>				
<u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
Operating Income (Loss)	\$ 512,678	\$ 4,739,713	\$ 1,029,265	\$ 6,281,656
Miscellaneous Refunds	0	(2,935)	8,416	5,481
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	253,865	(47,916)	1,120	207,069
(Increase) Decrease in Due from Other Governments	0	(987)	0	(987)
Increase (Decrease) in Accounts Payable	(6,200)	(5,931)	0	(12,131)
Increase (Decrease) in Claims and Judgments Payable	17,739	1,579,854	110,000	1,707,593
Increase (Decrease) in Due to Other Funds	0	(851)	(851)	(1,702)
Net Cash Provided By (Used In) Operating Activities	\$ 778,082	\$ 6,260,947	\$ 1,147,950	\$ 8,186,979
<u>RECONCILIATION OF CASH WITH STATEMENT OF NET ASSETS</u>				
Cash per Net Assets	\$ 77,822	\$ 709,000	\$ 129,603	\$ 916,425
Equity in Pooled Cash and Investments per Net Assets	1,005,118	24,583,435	3,130,376	28,718,929
Cash, June 30, 2008	\$ 1,082,940	\$ 25,292,435	\$ 3,259,979	\$ 29,635,354

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Fiduciary Funds

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.

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.

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Exhibit J-1

Rutherford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

	Agency Funds				
	Cities -	City		Constitu-	
	Sales	School		tional	
	Tax	ADA -	Joint	Officers -	
		Murfreesboro	Venture	Agency	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 5,421,495	\$ 5,421,495
Equity in Pooled Cash and Investments	0	203,472	24,383	0	227,855
Investments	0	0	0	1,308,799	1,308,799
Due from Other Governments	7,829,937	1,301,877	0	0	9,131,814
Taxes Receivable	0	10,685,304	0	0	10,685,304
Allowance for Uncollectible Taxes	0	(560,466)	0	0	(560,466)
Total Assets	<u>\$ 7,829,937</u>	<u>\$ 11,630,187</u>	<u>\$ 24,383</u>	<u>\$ 6,730,294</u>	<u>\$ 26,214,801</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 7,829,937	\$ 11,630,187	\$ 0	\$ 0	\$ 19,460,124
Due to Joint Ventures	0	0	24,383	0	24,383
Due to Litigants, Heirs, and Others	0	0	0	6,730,294	6,730,294
Total Liabilities	<u>\$ 7,829,937</u>	<u>\$ 11,630,187</u>	<u>\$ 24,383</u>	<u>\$ 6,730,294</u>	<u>\$ 26,214,801</u>

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 45,628,739	\$ 45,628,739	\$ 0
Due from Other Governments	6,122,784	7,829,937	6,122,784	7,829,937
Total Assets	\$ 6,122,784	\$ 53,458,676	\$ 51,751,523	\$ 7,829,937
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,122,784	\$ 53,458,676	\$ 51,751,523	\$ 7,829,937
Total Liabilities	\$ 6,122,784	\$ 53,458,676	\$ 51,751,523	\$ 7,829,937
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 208,945	\$ 17,431,039	\$ 17,436,512	\$ 203,472
Due from Other Governments	1,227,191	1,301,877	1,227,191	1,301,877
Taxes Receivable	9,727,849	10,685,304	9,727,849	10,685,304
Allowance for Uncollectible Taxes	(496,302)	(560,466)	(496,302)	(560,466)
Total Assets	\$ 10,667,683	\$ 28,857,754	\$ 27,895,250	\$ 11,630,187
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,667,683	\$ 28,857,754	\$ 27,895,250	\$ 11,630,187
Total Liabilities	\$ 10,667,683	\$ 28,857,754	\$ 27,895,250	\$ 11,630,187
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 29,756	\$ 0	\$ 5,373	\$ 24,383
Total Assets	\$ 29,756	\$ 0	\$ 5,373	\$ 24,383
<u>Liabilities</u>				
Due to Joint Ventures	\$ 29,756	\$ 0	\$ 5,373	\$ 24,383
Total Liabilities	\$ 29,756	\$ 0	\$ 5,373	\$ 24,383
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,530,754	\$ 60,280,100	\$ 61,389,359	\$ 5,421,495
Investments	521,555	1,308,799	521,555	1,308,799
Total Assets	\$ 7,052,309	\$ 61,588,899	\$ 61,910,914	\$ 6,730,294
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,052,309	\$ 61,588,899	\$ 61,910,914	\$ 6,730,294
Total Liabilities	\$ 7,052,309	\$ 61,588,899	\$ 61,910,914	\$ 6,730,294

(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	\$ 6,530,754	\$ 60,280,100	\$ 61,389,359	\$ 5,421,495
Equity in Pooled Cash and Investments	238,701	63,059,778	63,070,624	227,855
Investments	521,555	1,308,799	521,555	1,308,799
Due from Other Governments	7,349,975	9,131,814	7,349,975	9,131,814
Taxes Receivable	9,727,849	10,685,304	9,727,849	10,685,304
Allowance for Uncollectible Taxes	(496,302)	(560,466)	(496,302)	(560,466)
Total Assets	<u>\$ 23,872,532</u>	<u>\$ 143,905,329</u>	<u>\$ 141,563,060</u>	<u>\$ 26,214,801</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 16,790,467	\$ 82,316,430	\$ 79,646,773	\$ 19,460,124
Due to Joint Ventures	29,756	0	5,373	24,383
Due to Litigants, Heirs, and Others	7,052,309	61,588,899	61,910,914	6,730,294
Total Liabilities	<u>\$ 23,872,532</u>	<u>\$ 143,905,329</u>	<u>\$ 141,563,060</u>	<u>\$ 26,214,801</u>

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Rutherford County School Department

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

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

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

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

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

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

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

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Rutherford County, Tennessee
Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2008

Exhibit K-1

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 155,376,720	\$ 199,284	\$ 9,786,696	\$ 0	\$ (145,390,740)
Support Services	94,370,758	51,537	1,261,538	36,321,901	(56,735,782)
Operation of Non-Instructional Services	14,510,020	6,237,841	10,082,809	0	1,810,630
Interest on Long-term Debt	119,758	0	0	0	(119,758)
Other Debt Service	250	0	0	0	(250)
Total Governmental Activities	\$ 264,377,506	\$ 6,488,662	\$ 21,131,043	\$ 36,321,901	\$ (200,435,900)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 50,463,709
Payments in-lieu-of Taxes					650,237
Local Option Sales Taxes					37,195,205
Wheel Tax					3,201,460
Business Tax					1,227,427
Other local taxes					19,735
Grants and Contributions Not Restricted for Specific Programs					132,260,382
Interest Income					1,395,357
Miscellaneous					359,984
Gain on Disposal of Capital Assets					514,079
Total General Revenues					\$ 227,287,575
Change in Net Assets					\$ 26,851,675
Net Assets, July 1, 2007					369,942,453
Net Assets, June 30, 2008					\$ 396,794,128

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2008

	Major Funds		Nonmajor Funds	Total
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 150	\$ 0	\$ 1,303,058	\$ 1,303,208
Equity in Pooled Cash and Investments	23,357,984	15,889,787	1,940,480	41,188,251
Inventories	0	0	237,878	237,878
Accounts Receivable	365,312	0	1,813	367,125
Due from Other Governments	9,508,604	0	1,392,396	10,901,000
Due from Other Funds	540	0	7	547
Property Taxes Receivable	54,470,766	0	2,216,588	56,687,354
Allowance for Uncollectible Property Taxes	(2,856,585)	0	(116,780)	(2,973,365)
Advances to Other Funds	1,569,000	0	0	1,569,000
Total Assets	\$ 86,415,771	\$ 15,889,787	\$ 6,975,440	\$ 109,280,998
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 4,613,919	\$ 74,058	\$ 98,512	\$ 4,786,489
Accrued Payroll	14,158,437	0	502,755	14,661,192
Payroll Deductions Payable	1,032	0	0	1,032
Retainage Payable	0	6,620	0	6,620
Due to Other Funds	7	0	540	547
Due to State of Tennessee	0	0	2	2
Advances Payable to Other Funds	0	1,569,000	0	1,569,000
Deferred Revenue - Current Property Taxes	50,391,295	0	2,048,426	52,439,721
Deferred Revenue - Delinquent Property Taxes	1,065,053	0	44,750	1,109,803
Other Deferred Revenues	3,057,696	0	0	3,057,696
Total Liabilities	\$ 73,287,439	\$ 1,649,678	\$ 2,694,985	\$ 77,632,102
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 1,488,780	\$ 22,627,657	\$ 536,981	\$ 24,653,418
Reserved for Driver Education	207,172	0	0	207,172
Reserved for Career Ladder Program	36,634	0	0	36,634
Reserved for Inventories	0	0	237,878	237,878
Other Federal Reserves	0	0	2,195	2,195
Unreserved, Reported In:				
General Fund	11,395,746	0	0	11,395,746
Special Revenue Funds	0	0	2,903,271	2,903,271
Capital Projects Funds (Deficit)	0	(8,387,548)	600,130	(7,787,418)
Total Fund Balances	\$ 13,128,332	\$ 14,240,109	\$ 4,280,455	\$ 31,648,896
Total Liabilities and Fund Balances	\$ 86,415,771	\$ 15,889,787	\$ 6,975,440	\$ 109,280,998

Exhibit K-3

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, 2008

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-2)			\$ 31,648,896
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 8,505,900		
Add: construction in progress	41,763,747		
Add: buildings and improvements net of accumulated depreciation	309,426,079		
Add: other capital assets net of accumulated depreciation	<u>5,427,096</u>	365,122,822	
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,167,499	
(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.		32,537	
(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.		(45,500)	
(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	\$ (2,775,000)		
Less: notes payable	(357,142)		
Less: compensated absences payable	(962,723)		
Less: unamortized debt premiums	<u>(37,261)</u>	<u>(4,132,126)</u>	
Net assets of governmental activities (Exhibit A)			<u>\$ 396,794,128</u>

Exhibit K-4

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2008

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 90,472,406	\$ 0	\$ 2,003,241	\$ 92,475,647
Licenses and Permits	15,148	0	0	15,148
Charges for Current Services	189,686	0	6,237,841	6,427,527
Other Local Revenues	1,737,700	1,000,000	3,846,796	6,584,496
State of Tennessee	132,049,134	0	1,154,071	133,203,205
Federal Government	1,034,552	0	14,558,820	15,593,372
Other Governments and Citizens Groups	0	35,321,901	0	35,321,901
Total Revenues	<u>\$ 225,498,626</u>	<u>\$ 36,321,901</u>	<u>\$ 27,800,769</u>	<u>\$ 289,621,296</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 149,495,861	\$ 0	\$ 5,868,488	\$ 155,364,349
Support Services	72,714,321	0	4,133,760	76,848,081
Operation of Non-Instructional Services	789,454	0	13,180,518	13,969,972
Capital Outlay	665,351	0	0	665,351
Debt Service:				
Principal on Debt	561,429	0	0	561,429
Interest on Debt	128,800	0	0	128,800
Other Debt Service	250	0	0	250
Capital Projects	0	45,329,543	1,227,808	46,557,351
Total Expenditures	<u>\$ 224,355,466</u>	<u>\$ 45,329,543</u>	<u>\$ 24,410,574</u>	<u>\$ 294,095,583</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,143,160</u>	<u>\$ (9,007,642)</u>	<u>\$ 3,390,195</u>	<u>\$ (4,474,287)</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 562,212	\$ 0	\$ 0	\$ 562,212
Insurance Recovery	633	0	0	633
Transfers In	111,861	7,320,649	0	7,432,510
Transfers Out	(7,320,649)	0	(111,861)	(7,432,510)
Total Other Financing Sources (Uses)	<u>\$ (6,645,943)</u>	<u>\$ 7,320,649</u>	<u>\$ (111,861)</u>	<u>\$ 562,845</u>
Net Change in Fund Balances	\$ (5,502,783)	\$ (1,686,993)	\$ 3,278,334	\$ (3,911,442)
Fund Balance, July 1, 2007	<u>18,631,115</u>	<u>15,927,102</u>	<u>1,002,121</u>	<u>35,560,338</u>
Fund Balance, June 30, 2008	<u>\$ 13,128,332</u>	<u>\$ 14,240,109</u>	<u>\$ 4,280,455</u>	<u>\$ 31,648,896</u>

Exhibit K-5

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2008

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (3,911,442)
(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	\$ 38,735,182	
Less: current year depreciation expense	<u>(8,583,030)</u>	30,152,152
(2) Donated capital assets do not generate current financial resources and are therefore not recognized in the governmental funds. This adjustment reflects capital assets disposals during the current period.		(48,133)
(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, 2007	\$ (3,878,885)	
Add: deferred delinquent property taxes and other deferred June 30, 2008	<u>4,167,499</u>	288,614
(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 payments on notes	\$ 71,429	
Add: principal payments on bonds	<u>490,000</u>	561,429
(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	\$ 8,167	
Change in compensated absences payable	<u>(199,987)</u>	(191,820)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 26,851,675</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2008

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Govern- mental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,303,058	\$ 1,303,058	\$ 0	\$ 1,303,058
Equity in Pooled Cash and Investments	147,814	1,063,774	1,211,588	728,892	1,940,480
Inventories	0	237,878	237,878	0	237,878
Accounts Receivable		1,382	1,382	431	1,813
Due from Other Governments	838,248	554,148	1,392,396	0	1,392,396
Due from Other Funds	7	0	7	0	7
Property Taxes Receivable	0	0	0	2,216,588	2,216,588
Allowance for Uncollectible Property Taxes	0	0	0	(116,780)	(116,780)
Total Assets	<u>\$ 986,069</u>	<u>\$ 3,160,240</u>	<u>\$ 4,146,309</u>	<u>\$ 2,829,131</u>	<u>\$ 6,975,440</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 98,512	\$ 0	\$ 98,512	\$ 0	\$ 98,512
Accrued Payroll	502,755	0	502,755	0	502,755
Due to Other Funds	540	0	540	0	540
Due to State of Tennessee	2	0	2	0	2
Deferred Revenue - Current Property Taxes	0	0	0	2,048,426	2,048,426
Deferred Revenue - Delinquent Property Taxes	0	0	0	44,750	44,750
Other Deferred Revenues			0	0	0
Total Liabilities	<u>\$ 601,809</u>	<u>\$ 0</u>	<u>\$ 601,809</u>	<u>\$ 2,093,176</u>	<u>\$ 2,694,985</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 382,065	\$ 19,091	\$ 401,156	\$ 135,825	\$ 536,981
Reserved for Inventories	0	237,878	237,878	0	237,878
Other Federal Reserves	2,195	0	2,195	0	2,195
Unreserved	0	2,903,271	2,903,271	600,130	3,503,401
Total Fund Balances	<u>\$ 384,260</u>	<u>\$ 3,160,240</u>	<u>\$ 3,544,500</u>	<u>\$ 735,955</u>	<u>\$ 4,280,455</u>
Total Liabilities and Fund Balances	<u>\$ 986,069</u>	<u>\$ 3,160,240</u>	<u>\$ 4,146,309</u>	<u>\$ 2,829,131</u>	<u>\$ 6,975,440</u>

Exhibit K-7

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2008

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,003,241	\$ 2,003,241
Charges for Current Services	0	6,237,841	6,237,841	0	6,237,841
Other Local Revenues	0	3,846,796	3,846,796	0	3,846,796
State of Tennessee	995,442	158,629	1,154,071	0	1,154,071
Federal Government	9,168,701	5,390,119	14,558,820	0	14,558,820
Total Revenues	<u>\$ 10,164,143</u>	<u>\$ 15,633,385</u>	<u>\$ 25,797,528</u>	<u>\$ 2,003,241</u>	<u>\$ 27,800,769</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 5,868,488	\$ 0	\$ 5,868,488	\$ 0	\$ 5,868,488
Support Services	4,010,337	83,945	4,094,282	39,478	4,133,760
Operation of Non-Instructional Services	894,107	12,286,411	13,180,518	0	13,180,518
Capital Projects	0	0	0	1,227,808	1,227,808
Total Expenditures	<u>\$ 10,772,932</u>	<u>\$ 12,370,356</u>	<u>\$ 23,143,288</u>	<u>\$ 1,267,286</u>	<u>\$ 24,410,574</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (608,789)</u>	<u>\$ 3,263,029</u>	<u>\$ 2,654,240</u>	<u>\$ 735,955</u>	<u>\$ 3,390,195</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (9,072)	\$ (102,789)	\$ (111,861)	\$ 0	\$ (111,861)
Total Other Financing Sources (Uses)	<u>\$ (9,072)</u>	<u>\$ (102,789)</u>	<u>\$ (111,861)</u>	<u>\$ 0</u>	<u>\$ (111,861)</u>
Net Change in Fund Balances	\$ (617,861)	\$ 3,160,240	\$ 2,542,379	\$ 735,955	\$ 3,278,334
Fund Balance, July 1, 2007	<u>1,002,121</u>	<u>0</u>	<u>1,002,121</u>	<u>0</u>	<u>1,002,121</u>
Fund Balance, June 30, 2008	<u>\$ 384,260</u>	<u>\$ 3,160,240</u>	<u>\$ 3,544,500</u>	<u>\$ 735,955</u>	<u>\$ 4,280,455</u>

Exhibit K-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
General Purpose School Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 90,472,406	\$ 0	\$ 0	\$ 90,472,406	\$ 90,270,393	\$ 90,502,393	\$ (29,987)
Licenses and Permits	15,148	0	0	15,148	16,000	16,000	(852)
Charges for Current Services	189,686	0	0	189,686	288,500	208,500	(18,814)
Other Local Revenues	1,737,700	0	0	1,737,700	1,660,956	2,936,087	(1,198,387)
State of Tennessee	132,049,134	0	0	132,049,134	126,785,651	131,028,916	1,020,218
Federal Government	1,034,552	0	0	1,034,552	978,500	948,709	85,843
Total Revenues	\$ 225,498,626	\$ 0	\$ 0	\$ 225,498,626	\$ 220,000,000	\$ 225,640,605	\$ (141,979)

<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 120,053,943	\$ (2,778,438)	\$ 727,508	\$ 118,003,013	\$ 117,153,976	\$ 119,702,657	\$ 1,699,644
Alternative Instruction Program	1,443,340	(1,038)	4,281	1,446,583	1,449,436	1,465,134	18,551
Special Education Program	19,283,007	(161,476)	58,334	19,179,865	18,709,863	19,630,330	450,465
Vocational Education Program	8,249,160	(44,965)	19,090	8,223,285	8,084,704	8,418,244	194,959
Adult Education Program	466,411	(33,748)	5,417	438,080	491,629	482,257	44,177
<u>Support Services</u>							
Attendance	568,087	(5,848)	1,754	563,993	523,693	565,583	1,590
Health Services	2,247,706	(12,609)	375	2,235,472	2,261,596	2,292,156	56,684
Other Student Support	6,346,179	(2,585)	7,080	6,350,674	5,970,821	6,554,127	203,453
Regular Instruction Program	7,661,977	(149,996)	16,439	7,528,420	7,482,637	7,774,097	245,677
Alternative Instruction Program	637,293	(13,682)	518	624,129	557,224	681,884	57,755
Special Education Program	961,231	(4,912)	4,140	960,459	973,379	990,811	30,352
Vocational Education Program	111,588	(2,189)	5,665	115,064	118,429	118,419	3,355
Adult Programs	168,264	(4,903)	0	163,361	181,101	176,349	12,988
Other Programs	20,088	0	0	20,088	0	20,088	0
Board of Education	4,465,944	(1,414)	16,960	4,481,490	4,083,156	4,752,312	270,822

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 504,975	\$ (1,854)	\$ 873	\$ 503,994	\$ 562,112	\$ 526,801	\$ 22,807
Office of the Principal	12,910,897	(90,848)	73,600	12,893,649	13,028,517	13,158,735	265,086
Fiscal Services	773,359	(274)	1,699	774,784	782,833	784,719	9,935
Human Services/Personnel	366,004	(762)	521	365,763	371,543	381,801	16,038
Operation of Plant	17,509,762	(234,412)	110,871	17,386,221	16,798,690	17,389,053	2,832
Maintenance of Plant	5,533,168	(300,814)	336,868	5,569,222	5,641,336	5,588,593	19,371
Transportation	10,027,152	(3,448)	4,579	10,028,283	10,002,066	10,102,256	73,973
Central and Other	1,900,647	(95,837)	68,049	1,872,859	1,916,510	1,929,475	56,616
<u>Operation of Non-Instructional Services</u>							
Community Services	34,868	0	716	35,584	46,023	53,224	17,640
Early Childhood Education	754,586	(7,392)	4,296	751,490	2,023,497	798,421	46,931
<u>Capital Outlay</u>							
Regular Capital Outlay	665,351	(9,000)	19,147	675,498	95,000	687,138	11,640
<u>Principal on Debt</u>							
Education	561,429	0	0	561,429	561,429	561,429	0
<u>Interest on Debt</u>							
Education	128,800	0	0	128,800	128,800	128,800	0
<u>Other Debt Service</u>							
Education	250	0	0	250	0	250	0
Total Expenditures	\$ 224,355,466	\$ (3,962,444)	\$ 1,488,780	\$ 221,881,802	\$ 220,000,000	\$ 225,715,143	\$ 3,833,341
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,143,160	\$ 3,962,444	\$ (1,488,780)	\$ 3,616,824	\$ 0	\$ (74,538)	\$ 3,691,362

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 562,212	\$ 0	\$ 0	\$ 562,212	\$ 0	\$ 562,212	\$ 0
Insurance Recovery	633	0	0	633	0	10,000	(9,367)
Transfers In	111,861	0	0	111,861	0	155,884	(44,023)
Transfers Out	(7,320,649)	0	0	(7,320,649)	0	(7,320,649)	0
Total Other Financing Sources (Uses)	\$ (6,645,943)	\$ 0	\$ 0	\$ (6,645,943)	\$ 0	\$ (6,592,553)	\$ (53,390)
<u>Net Change in Fund Balance</u>	\$ (5,502,783)	\$ 3,962,444	\$ (1,488,780)	\$ (3,029,119)	\$ 0	\$ (6,667,091)	\$ 3,637,972
Fund Balance, July 1, 2007	18,631,115	(3,962,444)	0	14,668,671	14,400,638	14,400,638	268,033
Fund Balance, June 30, 2008	\$ 13,128,332	\$ 0	\$ (1,488,780)	\$ 11,639,552	\$ 14,400,638	\$ 7,733,547	\$ 3,906,005

Exhibit K-9

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
State of Tennessee	\$ 995,442 \$	0 \$	0 \$	995,442 \$	0 \$	995,525 \$	(83)
Federal Government	9,168,701	0	0	9,168,701	0	11,604,865	(2,436,164)
Total Revenues	\$ 10,164,143 \$	0 \$	0 \$	10,164,143 \$	0 \$	12,600,390 \$	(2,436,247)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,147,521 \$	(23,562) \$	610 \$	2,124,569 \$	0 \$	2,324,032 \$	199,463
Alternative Instruction Program	2,077	0	0	2,077	0	3,690	1,613
Special Education Program	3,220,191	(3,184)	35,252	3,252,259	0	4,070,122	817,863
Vocational Education Program	498,699	(6,356)	39,385	531,728	0	538,003	6,275
<u>Support Services</u>							
Health Services	357,724	0	0	357,724	0	422,896	65,172
Other Student Support	918,790	(19)	0	918,771	0	1,056,152	137,381
Regular Instruction Program	1,213,892	(269,445)	302,200	1,246,647	0	1,508,173	261,526
Alternative Instruction Program	3,355	0	0	3,355	0	3,560	205
Special Education Program	1,431,341	(3,449)	4,320	1,432,212	0	1,690,136	257,924
Vocational Education Program	74,860	(1,119)	0	73,741	0	74,306	565
Transportation	10,375	(585)	0	9,790	0	10,375	585
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	894,107	0	298	894,405	0	894,476	71
Total Expenditures	\$ 10,772,932 \$	(307,719) \$	382,065 \$	10,847,278 \$	0 \$	12,595,921 \$	1,748,643
Excess (Deficiency) of Revenues Over Expenditures	\$ (608,789) \$	307,719 \$	(382,065) \$	(683,135) \$	0 \$	4,469 \$	(687,604)

(Continued)

Exhibit K-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)							
Transfers Out	\$ (9,072) \$	0 \$	0 \$	(9,072) \$	0 \$	(4,467) \$	(4,605)
Total Other Financing Sources (Uses)	\$ (9,072) \$	0 \$	0 \$	(9,072) \$	0 \$	(4,467) \$	(4,605)
Net Change in Fund Balance	\$ (617,861) \$	307,719 \$	(382,065) \$	(692,207) \$	0 \$	2 \$	(692,209)
Fund Balance, July 1, 2007	1,002,121	(307,719)	0	694,402	0	0	694,402
Fund Balance, June 30, 2008	\$ 384,260 \$	0 \$	(382,065) \$	2,195 \$	0 \$	2 \$	2,193

Exhibit K-10

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Charges for Current Services	\$ 6,237,841	\$ 0	\$ 6,237,841	\$ 6,011,000	\$ 6,760,000	\$ (522,159)
Other Local Revenues	3,846,796	0	3,846,796	85,000	3,841,459	5,337
State of Tennessee	158,629	0	158,629	150,000	158,629	0
Federal Government	5,390,119	0	5,390,119	5,296,000	5,650,000	(259,881)
Total Revenues	\$ 15,633,385	\$ 0	\$ 15,633,385	\$ 11,542,000	\$ 16,410,088	\$ (776,703)
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 83,945	\$ 0	\$ 83,945	\$ 70,000	\$ 83,945	\$ 0
Operation of Non-Instructional Services						
Food Service	12,286,411	19,091	12,305,502	12,062,795	13,452,479	1,146,977
Total Expenditures	\$ 12,370,356	\$ 19,091	\$ 12,389,447	\$ 12,132,795	\$ 13,536,424	\$ 1,146,977
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,263,029	\$ (19,091)	\$ 3,243,938	\$ (590,795)	\$ 2,873,664	\$ 370,274
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (102,789)	\$ 0	\$ (102,789)	\$ 0	\$ (165,884)	\$ 63,095
Total Other Financing Sources (Uses)	\$ (102,789)	\$ 0	\$ (102,789)	\$ 0	\$ (165,884)	\$ 63,095
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 3,160,240	\$ (19,091)	\$ 3,141,149	\$ (590,795)	\$ 2,707,780	\$ 433,369
	0	0	0	590,795	0	0
Fund Balance, June 30, 2008	\$ 3,160,240	\$ (19,091)	\$ 3,141,149	\$ 0	\$ 2,707,780	\$ 433,369

Exhibit K-11

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2008

	Actual (GAAP Basis)	Actual Revenues/ Expenditures (Budgetary Basis)	Add: Encumbrances 6/30/2008	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Local Taxes	\$ 2,003,241	\$	0	\$ 2,003,241	\$ 1,997,697	\$ 5,544
Total Revenues	\$ 2,003,241	\$	0	\$ 2,003,241	\$ 1,997,697	\$ 5,544
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 39,478	\$	0	\$ 39,478	\$ 41,565	\$ 2,087
<u>Capital Projects</u>						
Education Capital Projects	1,227,808		135,825	1,363,633	1,913,042	549,409
Total Expenditures	\$ 1,267,286	\$	135,825	\$ 1,403,111	\$ 1,951,607	\$ 551,496
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 735,955	\$	(135,825)	\$ 600,130	\$ 43,090	\$ 557,040
<u>Net Change in Fund Balance Fund Balance, July 1, 2007</u>	\$ 735,955	\$	(135,825)	\$ 600,130	\$ 43,090	\$ 557,040
	0		0	0	0	0
<u>Fund Balance, June 30, 2008</u>	\$ 735,955	\$	(135,825)	\$ 600,130	\$ 43,090	\$ 557,040

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2008

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

Exhibit K-13

Rutherford County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
For the Year Ended June 30, 2008

	Private - Purpose Trust Fund <hr/> Endowment Fund <hr/>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 1,412
Total Additions	<hr/> \$ 1,412 <hr/>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 1,412
Total Deductions	<hr/> \$ 1,412 <hr/>
Change in Net Assets	\$ 0
Net Assets, July 1, 2007	<hr/> 28,783 <hr/>
Net Assets, June 30, 2008	<hr/> \$ 28,783 <hr/>

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, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through General Debt Service Fund								
Land Purchase for Agriculture Facility	\$ 2,000,000	6 %	4-24-01	1-10-08	\$ 925,000	\$ 0	\$ 925,000	\$ 0
Total Notes Payable					\$ 925,000	\$ 0	\$ 925,000	\$ 0
BONDS PAYABLE								
Payable through General Debt Service Fund								
Refunding Bonds - School	40,600,000	2.25 to 5.25	2-15-1993	4-1-08	\$ 735,000	\$ 0	\$ 735,000	\$ 0
School Facilities and Closure Costs	35,015,000	4.1 to 5.1	4-9-1998	4-1-08	1,650,000	0	1,650,000	0
School Facilities	9,900,000	5.2945	12-14-1999	6-30-09	1,600,000	0	800,000	800,000
School Facilities	34,000,000	5.5764981	3-8-00	2-1-10	7,000,000	0	2,200,000	4,800,000
Refunding Bonds	73,585,000	4 to 5	3-22-01	4-1-20	66,610,000	0	6,745,000	59,865,000
School Facilities	30,850,000	4 to 5	3-22-01	4-1-11	5,715,000	0	1,505,000	4,210,000
School Facilities and Public Improvement	30,610,000	4 to 5	10-24-01	4-1-11	7,400,000	0	1,700,000	5,700,000
School Facilities and Public Improvement	23,610,000	4 to 5	6-1-02	5-1-22	18,610,000	0	1,000,000	17,610,000
Various Purpose and Refunding (24.29%)	30,115,000	4.1446	4-1-03	4-1-23	30,115,000	0	3,755,000	26,360,000
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	50,850,000	0	1,400,000	49,450,000
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	62,195,000	0	2,100,000	60,095,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-28	0	42,700,000	0	42,700,000
Total Bonds Payable					\$ 337,640,000	\$ 42,700,000	\$ 23,590,000	\$ 356,750,000

(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 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
<u>DISCRETELY PRESENTED RUTHERFORD</u>								
<u>COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
Payable through Education Debt Service Fund Energy Efficiency Note	\$ 500,000	0 %	7-17-06	8-16-12	\$ 428,571	\$ 0	\$ 71,429	\$ 357,142
Total Notes Payable					<u>\$ 428,571</u>	<u>\$ 0</u>	<u>\$ 71,429</u>	<u>\$ 357,142</u>
<u>BONDS PAYABLE</u>								
Payable through Education Debt Service Fund School Facilities and Improvement	4,035,000	3.7 to 4	12-1-05	2-1-13	\$ 3,265,000	\$ 0	\$ 490,000	\$ 2,775,000
Total Bonds Payable					<u>\$ 3,265,000</u>	<u>\$ 0</u>	<u>\$ 490,000</u>	<u>\$ 2,775,000</u>

Exhibit L-2

Rutherford County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Rutherford County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	\$ 22,670,000	\$ 16,343,391	\$ 39,013,391
2010	20,485,000	15,402,791	35,887,791
2011	20,765,000	14,552,291	35,317,291
2012	22,840,000	13,600,891	36,440,891
2013	23,705,000	12,537,316	36,242,316
2014	23,850,000	11,406,316	35,256,316
2015	24,760,000	10,274,816	35,034,816
2016	22,325,000	9,106,036	31,431,036
2017	20,300,000	8,036,061	28,336,061
2018	21,380,000	7,087,038	28,467,038
2019	19,480,000	6,061,313	25,541,313
2020	18,455,000	5,191,769	23,646,769
2021	18,200,000	4,344,494	22,544,494
2022	15,140,000	3,533,294	18,673,294
2023	14,055,000	2,825,919	16,880,919
2024	9,715,000	2,169,019	11,884,019
2025	10,035,000	1,719,894	11,754,894
2026	10,390,000	1,285,588	11,675,588
2027	5,700,000	805,500	6,505,500
2028	5,800,000	555,750	6,355,750
2029	3,250,000	301,500	3,551,500
2030	3,450,000	155,250	3,605,250
Total	\$ 356,750,000	\$ 147,296,236	\$ 504,046,236

(Continued)

Exhibit L-2

Rutherford County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Rutherford County School Department (Cont.)

DISCRETELY PRESENTED RUTHERFORD
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 71,429	\$ 0	\$ 71,429
2010	71,429	0	71,429
2011	71,428	0	71,428
2012	71,428	0	71,428
2013	71,428	0	71,428
Total	<u>\$ 357,142</u>	<u>\$ 0</u>	<u>\$ 357,142</u>

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2009	\$ 510,000	\$ 109,200	\$ 619,200
2010	530,000	88,800	618,800
2011	555,000	67,600	622,600
2012	580,000	45,400	625,400
2013	600,000	22,200	622,200
Total	<u>\$ 2,775,000</u>	<u>\$ 333,200</u>	<u>\$ 3,108,200</u>

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2008

<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	\$ 857,688
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>1,308,799</u>
Total Investments				<u>\$ 2,166,487</u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
Primary Government and Discretely Presented Rutherford County School Department
June 30, 2008

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	3-09-19	10 %	\$ 913,729
Construction/Renovations	Smyrna/Rutherford County Airport	639,724	8-17-06	8-17-19	6	624,470
Total						<u>\$ 1,538,199</u>
<u>DISCRETELY PRESENTED RUTHERFORD</u> <u>COUNTY SCHOOL DEPARTMENT</u>						
Advance (Long-term loan):						
General Purpose School Fund	Other Capital Projects Fund	1,569,000	7-17-06	7-17-09	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, 2008

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 373,500
General Capital Projects	General	Close construction projects	16,206
General Capital Projects	General Debt Service	Close construction projects	3,939
General Capital Projects	Adequate Facilities/Development Tax	Close construction projects	18,245
Adequate Facilities/Development Tax	General	Vehicles for sheriff and Ambulance Service	1,048,276
Adequate Facilities/Development Tax	General	GIS mapping equipment and vehicles for sheriff	384,773
Adequate Facilities/Development Tax	General Debt Service	Transfer one-half development tax	1,980,000
Adequate Facilities/Development Tax	General Capital Projects	Capital projects	2,305,500
Employee Insurance - Health	General	Salaries	189,490
Workers' Compensation	General	Salaries	189,490
Total Transfers Primary Government			<u>\$ 6,509,419</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Other Capital Projects	Land acquisition and school construction	\$ 7,320,649
School Federal Projects	General Purpose School	Salaries	5,367
School Federal Projects	General Purpose School	Indirect costs	3,705
Central Cafeteria	General Purpose School	Salaries	102,789
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 7,432,510</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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 105,479	\$ 60,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	100,458	100,000	Ohio Casualty Insurance Company
Director of Schools	State Board of Education and Local Board of Education	131,078 (1)	50,000	Hartford Fire Insurance Company
Trustee	Section 8-24-102, <u>TCA</u>	83,022	7,768,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	83,022	10,000	Westfield Insurance Company
Director of Finance	County Commission	90,890 (2)	100,000	Hartford Fire Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	83,022	100,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>			
Clerk and Master	and County Commission	91,325	100,000	"
Register	Section 8-24-102, <u>TCA</u> , Chancery			
Sheriff	Court Judge and County Commission	83,022 (3)	50,000	Ohio Casualty Insurance Company
	Section 8-24-102, <u>TCA</u>	83,022	25,000	Hartford Fire Insurance Company
	Section 8-24-102, <u>TCA</u>	100,458 (4)	25,000	"
Other Bonds				
Employee Blanket Bond			100,000	"

- (1) Includes \$6,000 career ladder payment. Does not include \$400 per month vehicle allowance until May 22, 2007, then the amount increased to \$600 per month.
- (2) Does not include longevity pay of \$275.
- (3) Does not include special commissioner fees of \$15,970 and longevity pay of \$350.
- (4) Does not include law enforcement training supplement of \$600.

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2008

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 23,349,230	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	363,886	1,765	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	162,914	0	0	0	0	0
Interest and Penalty	85,434	0	0	0	0	0
Pick-up Taxes	73,904	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,103	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	6,219,591	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	385,948	1,157,845	0	0	0	0
Hotel/Motel Tax	985,804	0	0	0	0	0
Wheel Tax	2,853,617	0	0	0	0	0
Litigation Tax - General	136,810	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	290,277	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	4,356	0	0	0	0	0
Business Tax	574,532	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	3,960,000	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	306,701	0	0	0	0	0
Wholesale Beer Tax	845,230	0	0	0	0	0
Interstate Telecommunications Tax	5,368	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	49,731	0	0
Total Local Taxes	\$ 36,646,705	\$ 1,159,610	\$ 0	\$ 49,731	\$ 3,960,000	

Licenses and Permits

Licenses

Animal Registration

Animal Vaccination

Cable TV Franchise

Permits

Building Permits

Plumbing Permits

\$ 98,082	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
42,403	0	0	0	0	0	0
622,771	0	0	0	0	0	0
664,199	0	0	0	0	0	0
93,720	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Food Handling Permits	2,475 \$	0 \$	0 \$	0 \$	0 \$	0
Other Permits	164,020	0	0	0	0	0
Total Licenses and Permits	\$ 1,687,670 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 63,863 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	454,422	0	0	0	0	0
Drug Control Fines	0	0	0	117,408	0	0
Drug Court Fees	13,722	0	0	0	0	0
Jail Fees	355,949	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Data Entry Fee - Circuit Court	3,241	0	0	0	0	0
Courtroom Security Fee	308	0	0	0	0	0
Victims Assistance Assessments	2,940	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	8,090	0	0	0	0	0
Data Entry Fee - Criminal Court	2,886	0	0	0	0	0
Courtroom Security Fee	1,436	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	450,932	0	0	0	0	0
Game and Fish Fines	648	0	0	0	0	0
Drug Control Fines	0	0	0	183,288	0	0
Drug Court Fees	61,845	0	0	0	0	0
DUI Treatment Fines	54,967	0	0	0	0	0
Data Entry Fee - General Sessions Court	45,625	0	0	0	0	0
Courtroom Security Fee	14,108	0	0	0	0	0
Victims Assistance Assessments	117,654	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	6,978	0	0	0	0	0
Drug Court Fees	9,423	0	0	0	0	0
Jail Fees	208,970	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court (Cont.)</u>						
Data Entry Fee - Juvenile Court	\$ 5,657	\$ 0	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	4,134	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	11,068	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines						
Drug Court Fees	248,221	0	0	0	0	0
District Attorney General Fees	1,260	0	0	0	0	0
Courts in Other District Counties	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Proceeds from Confiscated Property	0	0	0	0	0	0
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 2,148,347	\$ 0	\$ 0	\$ 364,664	\$ 0	0

Charges for Current Services

General Service Charges

Tipping Fees	\$ 0	\$ 256,131	\$ 0	\$ 0	\$ 0	0
Surcharge - Host Agency	0	1,042,942	0	0	0	0
Patient Charges	4,786,104	0	0	0	0	0
Past Due Collections - Ambulance	163,416	0	0	0	0	0
Zoning Studies	107,475	0	0	0	0	0
Work Release Charges for Board	47,788	0	0	0	0	0
Other General Service Charges	5,480	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	256,100	0	0	0	0	0
Recreation Fees	749	0	0	0	0	0
Telephone Commissions	219,564	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	122,322	0	0	0	0	0
Probation Fees	9,465	0	0	0	0	0
Data Processing Fee - Sheriff	26,980	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fees - Sheriff	\$ 3,200	\$ 0	\$ 0	\$ 0	\$ 0	0
Education Charges						
Contract for Administrative Services with Other LEAs	140,174	0	0	0	0	0
Other Charges for Services						
Other Charges for Services	78,472	0	0	0	0	0
Total Charges for Current Services	\$ 5,967,289	\$ 1,299,073	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 2,973,226	\$ 0	\$ 128,499	\$ 51,943	\$ 232,701	0
Lease/Rentals	124,353	0	0	0	0	0
Sale of Materials and Supplies	9,899	0	0	0	0	0
Commissary Sales	116,978	0	0	0	0	0
Sale of Maps	18,283	0	0	0	0	0
Sale of Recycled Materials	1,577	96,541	0	0	0	0
Sale of Animals/Livestock	173,622	0	0	0	0	0
Miscellaneous Refunds	120,594	2,382	0	0	828	0
<u>Nonrecurring Items</u>						
Sale of Equipment	19,653	8,975	0	0	0	0
Sale of Property	95,856	0	45,354	0	0	0
Contributions and Gifts	43,165	0	0	0	0	0
Performance Bond Forfeitures	133,805	0	0	0	0	0
Total Other Local Revenues	\$ 3,831,011	\$ 107,898	\$ 173,853	\$ 51,943	\$ 233,529	0
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 700,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	1,290,130	0	0	0	0	0
Register	988,304	0	0	0	0	0
Trustee	3,569,484	0	0	0	0	0
<u>Fees-In-Lieu of Salary</u>						
Clerk and Master	540,973	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees-In-Lieu of Salary (Cont.)</u>						
Sheriff	\$ 58,317	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Fees Received from County Officials	\$ 7,147,208	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	54,776	0	0	0	0	0
Solid Waste Grants	0	32,329	0	0	0	0
Other General Government Grants	447	1,000	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	99,600	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,507,787	0	0	0	0	0
Other Health and Welfare Grants	15,789	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	0	97,570	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	0
Income Tax	397,435	0	0	0	0	0
Beer Tax	19,312	0	0	0	0	0
Alcoholic Beverage Tax	196,836	0	0	0	0	0
Mixed Drink Tax	14,252	0	0	0	0	0
Contracted Prisoner Boarding	3,573,433	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Grants	124,421	0	0	0	0	0
Other State Revenues	747,649	149,377	0	0	0	0
Total State of Tennessee	\$ 6,777,117	\$ 280,276	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds				Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 28,490	\$ 0	\$ 0	\$ 0	0
Breakfast	18,662	0	0	0	0
Homeland Security Grants	26,021	0	0	0	0
Law Enforcement Grants	53,366	0	0	0	0
Other Federal through State	69,003	0	0	0	54,171
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	36,593	0	0	0	0
Asset Forfeiture Funds	23,498	0	0	0	0
Other Direct Federal Revenue	121,757	0	0	0	0
Total Federal Government	\$ 377,390	\$ 0	\$ 0	\$ 0	\$ 54,171
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 37,798	\$ 0	\$ 0	\$ 0	0
Contributions	156,022	0	0	0	0
Contracted Services	313,750	0	0	0	0
<u>Other</u>					
Other	725	0	0	0	0
Total Other Governments and Citizens Groups	\$ 508,295	\$ 0	\$ 0	\$ 0	0
Total	\$ 65,091,032	\$ 2,846,857	\$ 173,853	\$ 767,034	\$ 4,247,700

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service			
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 467,343	\$ 32,221,152	\$ 0	\$ 0	\$ 56,037,725
Trustee's Collections - Prior Year	0	0	7,826	524,112	0	0	897,589
Circuit/Clerk & Master Collections - Prior Years	0	0	3,468	232,275	0	0	398,657
Interest and Penalty	0	0	1,803	121,556	0	0	208,793
Pick-up Taxes	0	0	1,516	103,347	0	0	178,767
Payments in-Lieu-of Taxes - T.V.A.	0	0	62	4,282	0	0	7,447
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	6,219,591
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	385,948	2,832,333	0	0	4,762,074
Hotel/Motel Tax	0	0	0	0	0	0	985,804
Wheel Tax	0	0	2,853,617	0	0	0	5,707,234
Litigation Tax - General	0	0	0	630,907	0	0	767,717
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	290,277
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	4,356
Business Tax	0	0	11,648	798,379	0	0	1,384,559
Mineral Severance Tax	0	0	641,600	0	0	0	641,600
Adequate Facilities/Development Tax	0	0	0	0	0	0	3,960,000
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	306,701
Wholesale Beer Tax	0	0	0	0	0	0	845,230
Interstate Telecommunications Tax	0	0	0	0	0	0	5,368
Other Statutory Local Taxes	0	0	0	0	0	0	49,731
Total Local Taxes	\$ 0	\$ 0	\$ 4,374,831	\$ 37,468,343	\$ 0	\$ 0	\$ 83,659,220
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,082
Animal Vaccination	0	0	0	0	0	0	42,403
Cable TV Franchise	0	0	0	0	0	0	622,771
<u>Permits</u>							
Building Permits	0	0	0	0	0	0	664,199
Plumbing Permits	0	0	0	0	0	0	93,720

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects		
<u>Licenses and Permits (Cont.)</u>							
<u>Permits (Cont.)</u>							
Food Handling Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,475
Other Permits	0	0	0	0	0	0	164,020
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,687,670
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	63,863
Officers Costs	0	0	0	0	0	0	454,422
Drug Control Fines	0	0	0	0	0	0	117,408
Drug Court Fees	0	0	0	0	0	0	13,722
Jail Fees	0	0	0	0	0	0	355,949
District Attorney General Fees	52,492	0	0	0	0	0	52,492
Data Entry Fee - Circuit Court	0	0	0	0	0	0	3,241
Courtroom Security Fee	0	0	0	0	0	0	308
Victims Assistance Assessments	0	0	0	0	0	0	2,940
<u>Criminal Court</u>							
DUI Treatment Fines	0	0	0	0	0	0	8,090
Data Entry Fee - Criminal Court	0	0	0	0	0	0	2,886
Courtroom Security Fee	0	0	0	0	0	0	1,436
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	450,932
Game and Fish Fines	0	0	0	0	0	0	648
Drug Control Fines	0	0	0	0	0	0	183,288
Drug Court Fees	0	0	0	0	0	0	61,845
DUI Treatment Fines	0	0	0	0	0	0	54,967
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	45,625
Courtroom Security Fee	0	0	0	0	0	0	14,108
Victims Assistance Assessments	0	0	0	0	0	0	117,654
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	6,978
Drug Court Fees	0	0	0	0	0	0	9,423
Jail Fees	0	0	0	0	0	0	208,970

(Continued)

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	5,657
	0	0	0	0	0	4,134
	0	0	0	0	0	11,068
	0	0	0	0	0	248,221
	0	0	0	0	0	1,260
	6,403	0	0	0	0	6,403
	2,019	0	0	0	0	2,019
	0	0	0	0	0	364,664
\$	60,914 \$	0 \$	0 \$	0 \$	0 \$	2,874,621

Fines, Forfeitures, and Penalties (Cont.)

<u>Juvenile Court (Cont.)</u>						
Data Entry Fee - Juvenile Court						
Courtroom Security Fee						
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court						
<u>Other Courts - In-county</u>						
<u>Fines</u>						
Drug Court Fees						
District Attorney General Fees						
Courts in Other District Counties						
District Attorney General Fees						
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property						
Total Fines, Forfeitures, and Penalties						
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees						
Surcharge - Host Agency						
Patient Charges						
Past Due Collections - Ambulance						
Zoning Studies						
Work Release Charges for Board						
Other General Service Charges						
<u>Fees</u>						
Subdivision Lot Fees						
Recreation Fees						
Telephone Commissions						
Constitutional Officers' Fees and Commissions						
Special Commissioner Fees/Special Master Fees						
Data Processing Fee - Register						
Probation Fees						
Data Processing Fee - Sheriff						

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects		
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Sexual Offender Registration Fees - Sheriff	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3,200
Education Charges							
Contract for Administrative Services with Other LEAs	0	0	0	0	0	0	140,174
Other Charges for Services							
Other Charges for Services	0	0	0	0	0	0	78,472
Total Charges for Current Services	\$ 0 \$	5,016,617 \$	0 \$	0 \$	0 \$	0 \$	12,282,979
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0 \$	0 \$	263,836 \$	1,961,255 \$	59,510 \$	0	5,670,970
Lease/Rentals	0	0	0	116,250	0	0	240,603
Sale of Materials and Supplies	0	0	269,625	0	0	0	279,524
Commissary Sales	0	0	0	0	0	0	116,978
Sale of Maps	0	0	0	0	0	0	18,283
Sale of Recycled Materials	0	0	0	0	0	0	98,118
Sale of Animals/Livestock	0	0	0	0	0	0	173,622
Miscellaneous Refunds	0	0	235	0	0	0	124,039
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	28,628
Sale of Property	0	0	0	0	0	0	141,210
Contributions and Gifts	0	0	0	0	0	0	43,165
Performance Bond Forfeitures	0	0	0	0	0	0	133,805
Total Other Local Revenues	\$ 0 \$	0 \$	533,696 \$	2,077,505 \$	59,510 \$	0	7,068,945
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	700,000
Circuit Court Clerk	0	0	0	0	0	0	1,290,130
Register	0	0	0	0	0	0	988,304
Trustee	0	0	0	0	0	0	3,569,484
<u>Fees-In-Lieu of Salary</u>							
Clerk and Master	0	0	0	0	0	0	540,973

(Continued)

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works			
\$	0 \$	0 \$	0 \$	0 \$	0 \$	58,317
\$	0 \$	0 \$	0 \$	0 \$	0 \$	7,147,208
Fees Received from County Officials (Cont.)						
<u>Fees-In-Lieu of Salary (Cont.)</u>						
Sheriff						
Total Fees Received from County Officials						
State of Tennessee						
<u>General Government Grants</u>						
Juvenile Services Program	0	0	0	0	0	9,000
State Reappraisal Grant	0	0	0	0	0	54,776
Solid Waste Grants	0	0	0	0	0	32,329
Other General Government Grants	0	0	0	0	0	1,447
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	99,600
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	1,507,787
Other Health and Welfare Grants	0	0	0	0	0	15,789
<u>Public Works Grants</u>						
State Aid Program	0	0	789,308	0	0	789,308
Litter Program	0	0	0	0	0	97,570
<u>Other State Revenues</u>						
Flood Control	0	0	11,609	0	0	11,609
Income Tax	0	0	0	0	0	397,435
Beer Tax	0	0	0	0	0	19,312
Alcoholic Beverage Tax	0	0	0	0	0	196,836
Mixed Drink Tax	0	0	0	0	0	14,252
Contracted Prisoner Boarding	0	0	0	0	0	3,573,433
Gasoline and Motor Fuel Tax	0	0	3,236,553	0	0	3,236,553
Petroleum Special Tax	0	0	146,184	0	0	146,184
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	141,000	265,421
Other State Revenues	0	0	0	0	0	897,026
Total State of Tennessee	0 \$	0 \$	4,183,654 \$	0 \$	141,000 \$	11,382,047

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects		
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	28,490
Breakfast	0	0	0	0	0	0	18,662
Homeland Security Grants	0	0	0	0	0	0	26,021
Law Enforcement Grants	0	0	0	0	0	0	53,366
Other Federal through State	0	0	0	0	0	0	123,174
<u>Direct Federal Revenue</u>							
Police Service (Lake Area)	0	0	0	0	0	0	36,593
Asset Forfeiture Funds	0	0	0	0	0	0	23,498
Other Direct Federal Revenue	0	0	0	0	0	0	121,757
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	431,561
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	37,798
Contributions	0	0	0	0	0	0	156,022
Contracted Services	0	0	0	0	0	0	313,750
<u>Other</u>							
Other	0	0	0	0	0	0	725
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	508,295
Total	\$ 60,914 \$	5,016,617 \$	9,092,181 \$	39,545,848 \$	200,510 \$	127,042,546	

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2008

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 46,777,151	\$ 0	\$ 0	\$ 1,960,580	\$ 0	\$ 48,737,731
Trustee's Collections - Prior Year	847,222	0	0	0	0	847,222
Circuit/Clerk & Master Collections - Prior Years	376,397	0	0	0	0	376,397
Interest and Penalty	191,461	0	0	431	0	191,892
Pick-up Taxes	156,942	0	0	3,724	0	160,666
Payments in-Lieu-of Taxes - T.V.A.	6,229	0	0	260	0	6,489
Payments in-Lieu-of Taxes - Local Utilities	650,237	0	0	0	0	650,237
<u>County Local Option Taxes</u>						
Local Option Sales Tax	37,056,391	0	0	0	0	37,056,391
Wheel Tax	3,201,460	0	0	0	0	3,201,460
Business Tax	1,189,181	0	0	38,246	0	1,227,427
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	19,735	0	0	0	0	19,735
Total Local Taxes	\$ 90,472,406	\$ 0	\$ 0	\$ 2,003,241	\$ 0	\$ 92,475,647
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 15,148	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,148
Total Licenses and Permits	\$ 15,148	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,148
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 113,951	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113,951
Tuition - Other State Systems	1,500	0	0	0	0	1,500
Tuition - Other	60,355	0	0	0	0	60,355
Lunch Payments - Children	0	0	4,424,462	0	0	4,424,462
Lunch Payments - Adults	0	0	288,923	0	0	288,923
Income from Breakfast	0	0	839,235	0	0	839,235
A la carte Sales	0	0	684,721	0	0	684,721
Contract for Administrative Services with Other LEAs	13,880	0	0	0	0	13,880
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	500	0	0	500
Total Charges for Current Services	\$ 189,686	\$ 0	\$ 6,237,841	\$ 0	\$ 0	\$ 6,427,527

(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	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,319,202	\$ 0	\$ 76,155	\$ 0	\$ 0	\$ 1,395,357
Sale of Materials and Supplies	51,537	0	0	0	0	51,537
Miscellaneous Refunds	307,616	0	49,054	0	0	356,670
<u>Nonrecurring Items</u>						
Sale of Equipment	2,681	0	0	0	0	2,681
Contributions and Gifts	47,066	0	3,721,587	0	1,000,000	4,768,653
<u>Other Local Revenues</u>						
Other Local Revenues	9,598	0	0	0	0	9,598
Total Other Local Revenues	\$ 1,737,700	\$ 0	\$ 3,846,796	\$ 0	\$ 1,000,000	\$ 6,584,496
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 20,088	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,088
<u>State Education Funds</u>						
Basic Education Program	128,237,000	0	0	0	0	128,237,000
Early Childhood Education	0	894,405	0	0	0	894,405
School Food Service	0	0	158,629	0	0	158,629
Driver Education	151,450	0	0	0	0	151,450
Other State Education Funds	331,317	3,550	0	0	0	334,867
Career Ladder Program	1,231,109	0	0	0	0	1,231,109
Career Ladder - Extended Contract	362,935	0	0	0	0	362,935
<u>Other State Revenues</u>						
Mixed Drink Tax	236,487	0	0	0	0	236,487
State Revenue Sharing - T.V.A.	1,478,748	0	0	0	0	1,478,748
Other State Grants	0	97,487	0	0	0	97,487
Total State of Tennessee	\$ 132,049,134	\$ 995,442	\$ 158,629	\$ 0	\$ 0	\$ 133,203,205
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 4,310,255	\$ 0	\$ 0	\$ 4,310,255
Breakfast	0	0	1,079,864	0	0	1,079,864
Vocational Education - Basic Grants to States	0	596,944	0	0	0	596,944
Other Vocational	0	8,000	0	0	0	8,000
Title I Grants to Local Education Agencies	0	2,205,498	0	0	0	2,205,498
Innovative Education Program Strategies	0	33,946	0	0	0	33,946

(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	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education - Grants to States	\$ 257,571	\$ 4,996,993	\$ 0	\$ 0	\$ 0	\$ 5,254,564
Special Education Preschool Grants	0	189,221	0	0	0	189,221
English Language Acquisition Grants	0	233,192	0	0	0	233,192
Safe and Drug-Free Schools - State Grants	0	139,116	0	0	0	139,116
Education for Homeless Children and Youth	0	65,000	0	0	0	65,000
Eisenhower Professional Development State Grants	0	664,619	0	0	0	664,619
Other Federal through State	276,829	36,172	0	0	0	313,001
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	500,152	0	0	0	0	500,152
Total Federal Government	\$ 1,034,552	\$ 9,168,701	\$ 5,390,119	\$ 0	\$ 0	\$ 15,593,372
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	0	0	0	0	\$ 35,321,901	\$ 35,321,901
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,321,901	\$ 35,321,901
Total	\$ 225,498,626	\$ 10,164,143	\$ 15,633,385	\$ 2,003,241	\$ 36,321,901	\$ 289,621,296

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2008

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	94,500	
Other Per Diem and Fees		81,900	
Social Security		10,937	
Employer Medicare		2,558	
Total County Commission			\$ 189,895

Board of Equalization

Board and Committee Members Fees	\$	4,900	
Social Security		304	
Employer Medicare		71	
Consultants		198	
Legal Notices, Recording, and Court Costs		1,327	
Total Board of Equalization			6,800

County Mayor/Executive

County Official/Administrative Officer	\$	105,479	
Secretary(ies)		131,225	
Part-time Personnel		7,200	
Longevity Pay		1,650	
Social Security		14,144	
State Retirement		30,772	
Employee and Dependent Insurance		24,322	
Employer Medicare		3,386	
Communication		1,216	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		8,361	
Maintenance Agreements		1,860	
Maintenance and Repair Services - Office Equipment		482	
Postal Charges		2,693	
Travel		410	
Duplicating Supplies		1,300	
Office Supplies		5,064	
Data Processing Equipment		1,379	
Total County Mayor/Executive			341,093

Personnel Office

County Official/Administrative Officer	\$	70,465	
Assistant(s)		38,459	
Part-time Personnel		6,008	
Longevity Pay		250	

(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.)

In-Service Training	\$	1,472	
Social Security		7,060	
State Retirement		14,094	
Employee and Dependent Insurance		7,491	
Employer Medicare		1,651	
Advertising		2,764	
Communication		1,096	
Dues and Memberships		660	
Postal Charges		508	
Travel		462	
Office Supplies		3,107	
Other Supplies and Materials		3,193	
Other Charges		5,000	
Furniture and Fixtures		5,732	
Total Personnel Office			\$ 169,472

County Attorney

County Official/Administrative Officer	\$	108,691	
Secretary(ies)		77,437	
Longevity Pay		1,225	
Overtime Pay		371	
Social Security		10,854	
State Retirement		24,235	
Employee and Dependent Insurance		24,264	
Employer Medicare		2,615	
Communication		412	
Dues and Memberships		2,500	
Maintenance and Repair Services - Equipment		195	
Postal Charges		332	
Travel		955	
Office Supplies		1,129	
Total County Attorney			255,215

Election Commission

County Official/Administrative Officer	\$	74,720	
Part-time Personnel		13,915	
Longevity Pay		1,600	
Overtime Pay		2,074	
Other Salaries and Wages		209,598	
Election Commission		12,900	

(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.)

Election Workers	\$	120,172	
In-Service Training		2,703	
Social Security		23,810	
State Retirement		35,360	
Employee and Dependent Insurance		30,190	
Employer Medicare		5,569	
Communication		19,991	
Dues and Memberships		1,427	
Legal Notices, Recording, and Court Costs		10,533	
Maintenance Agreements		8,458	
Maintenance and Repair Services - Office Equipment		932	
Maintenance and Repair Services - Vehicles		540	
Postal Charges		35,768	
Printing, Stationery, and Forms		9,093	
Rentals		750	
Travel		3,960	
Data Processing Supplies		13,407	
Gasoline		47	
Office Supplies		15,685	
Data Processing Equipment		12,496	
Voting Machines		4,807	
Total Election Commission			\$ 670,505

Register of Deeds

In-Service Training	\$	175	
Communication		1,319	
Data Processing Services		38,548	
Maintenance Agreements		3,352	
Postal Charges		11,198	
Other Contracted Services		16,927	
Data Processing Supplies		4,290	
Office Supplies		5,939	
Data Processing Equipment		72,402	
Office Equipment		490	
Total Register of Deeds			154,640

Planning

County Official/Administrative Officer	\$	80,530	
Assistant(s)		203,066	
Supervisor/Director		69,891	

(Continued)

Exhibit L-9

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

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

Secretary(ies)	\$	91,802	
Part-time Personnel		28,825	
Longevity Pay		1,200	
Board and Committee Members Fees		31,600	
In-Service Training		11,107	
Social Security		30,392	
State Retirement		57,443	
Employee and Dependent Insurance		66,097	
Employer Medicare		7,111	
Communication		6,971	
Dues and Memberships		10,426	
Legal Notices, Recording, and Court Costs		4,893	
Maintenance Agreements		9,822	
Maintenance and Repair Services - Office Equipment		735	
Postal Charges		3,930	
Printing, Stationery, and Forms		3,525	
Data Processing Supplies		2,156	
Gasoline		5,489	
Office Supplies		10,714	
Periodicals		873	
Other Supplies and Materials		1,580	
Data Processing Equipment		2,132	
Furniture and Fixtures		370	
Other Equipment		26,623	
Total Planning			\$ 769,303

Codes Compliance

Secretary(ies)	\$	30,164	
Longevity Pay		450	
Social Security		1,736	
State Retirement		3,952	
Employee and Dependent Insurance		9,303	
Employer Medicare		406	
Communication		1,921	
Total Codes Compliance			47,932

Geographical Information Systems

Data Processing Personnel	\$	157,628
Part-time Personnel		18,323
Longevity Pay		825

(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.)

Overtime Pay	\$	1,814	
Social Security		10,628	
State Retirement		20,700	
Employee and Dependent Insurance		20,632	
Employer Medicare		2,486	
Data Processing Services		29,159	
Dues and Memberships		300	
Maintenance Agreements		41,084	
Postal Charges		298	
Travel		6,832	
Data Processing Supplies		23,316	
Data Processing Equipment		112,282	
Other Capital Outlay		741,503	
Total Geographical Information Systems			\$ 1,187,810

County Buildings

Supervisor/Director	\$	61,636	
Clerical Personnel		28,349	
Custodial Personnel		68,013	
Maintenance Personnel		122,508	
Part-time Personnel		140,915	
Longevity Pay		1,300	
Overtime Pay		3,051	
Social Security		25,407	
State Retirement		36,867	
Employee and Dependent Insurance		80,841	
Employer Medicare		5,942	
Communication		28,675	
Maintenance and Repair Services - Buildings		40,798	
Travel		2,086	
Other Contracted Services		72,714	
Custodial Supplies		28,696	
Data Processing Supplies		1,097	
Gasoline		11,420	
Utilities		421,330	
Other Supplies and Materials		81,798	
Building Improvements		56,695	
Maintenance Equipment		15,475	
Total County Buildings			1,335,613

(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	\$	69,059	
Teachers		96,182	
Salary Supplements		4,500	
Longevity Pay		1,075	
Social Security		10,147	
State Retirement		22,052	
Employee and Dependent Insurance		18,042	
Employer Medicare		2,373	
Communication		374	
Maintenance Agreements		625	
Travel		342	
Riprap		2,166	
Other Supplies and Materials		3,190	
Total Other General Administration			\$ 230,127

Preservation of Records

County Official/Administrative Officer	\$	41,278	
Other Salaries and Wages		4,979	
Social Security		2,829	
State Retirement		5,329	
Employee and Dependent Insurance		5,657	
Employer Medicare		662	
Communication		747	
Dues and Memberships		460	
Maintenance Agreements		200	
Postal Charges		340	
Library Books/Media		78	
Office Supplies		2,847	
Other Supplies and Materials		5,739	
Other Charges		30,200	
Data Processing Equipment		2,048	
Furniture and Fixtures		3,354	
Office Equipment		1,695	
Total Preservation of Records			108,442

Risk Management

Supervisor/Director	\$	64,447	
Clerical Personnel		103,425	
Part-time Personnel		22,426	
Longevity Pay		575	

(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.)

Other Salaries and Wages	\$	67,912	
Social Security		15,459	
State Retirement		30,553	
Employee and Dependent Insurance		37,231	
Employer Medicare		3,615	
Communication		5,388	
Maintenance Agreements		1,631	
Postal Charges		3,791	
Travel		4,811	
Office Supplies		9,791	
Other Charges		2,338	
Data Processing Equipment		2,633	
Office Equipment		2,988	
Total Risk Management			\$ 379,014

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	90,890	
Accountants/Bookkeepers		391,117	
Salary Supplements		7,200	
Clerical Personnel		24,263	
Part-time Personnel		13,624	
Longevity Pay		4,325	
Overtime Pay		1,675	
Other Salaries and Wages		58,730	
Social Security		35,003	
State Retirement		74,064	
Employee and Dependent Insurance		85,165	
Employer Medicare		8,186	
Communication		1,389	
Dues and Memberships		2,230	
Maintenance Agreements		2,702	
Maintenance and Repair Services - Equipment		541	
Postal Charges		10,103	
Travel		4,669	
Other Contracted Services		1,231	
Office Supplies		26,501	
Other Supplies and Materials		612	
Data Processing Equipment		5,185	
Office Equipment		732	
Total Accounting and Budgeting			850,137

(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

County Official/Administrative Officer	\$	83,022	
Deputy(ies)		822,487	
Salary Supplements		6,000	
Longevity Pay		4,550	
Overtime Pay		2,566	
In-Service Training		4,234	
Social Security		53,842	
State Retirement		118,595	
Employee and Dependent Insurance		170,608	
Employer Medicare		12,590	
Communication		4,481	
Data Processing Services		64,036	
Maintenance Agreements		16,635	
Maintenance and Repair Services - Equipment		1,000	
Postal Charges		6,161	
Travel		537	
Other Contracted Services		129,465	
Data Processing Supplies		1,599	
Office Supplies		17,262	
Other Supplies and Materials		868	
Data Processing Equipment		20,909	
Office Equipment		1,505	
Total Property Assessor's Office			\$ 1,542,952

Reappraisal Program

Deputy(ies)	\$	316,807	
Longevity Pay		2,600	
Overtime Pay		1,787	
Social Security		18,796	
State Retirement		41,466	
Employee and Dependent Insurance		71,145	
Employer Medicare		4,396	
Communication		6,992	
Maintenance and Repair Services - Equipment		324	
Postal Charges		7,469	
Data Processing Supplies		1,677	
Gasoline		20,432	
Other Supplies and Materials		1,161	
Motor Vehicles		39,410	
Total Reappraisal Program			534,462

(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	\$	914	
Legal Notices, Recording, and Court Costs		425	
Maintenance Agreements		601	
Postal Charges		36,947	
Office Supplies		10,186	
Other Supplies and Materials		1,920	
Data Processing Equipment		956	
Total County Trustee's Office			\$ 51,949

County Clerk's Office

Communication	\$	15,911	
Data Processing Services		17,999	
Operating Lease Payments		32,136	
Maintenance Agreements		7,993	
Maintenance and Repair Services - Equipment		1,100	
Postal Charges		40,358	
Gasoline		3,373	
Office Supplies		46,674	
Uniforms		497	
Other Supplies and Materials		9,026	
Data Processing Equipment		2,724	
Motor Vehicles		18,800	
Office Equipment		1,800	
Total County Clerk's Office			198,391

Data Processing

County Official/Administrative Officer	\$	90,547	
Data Processing Personnel		514,739	
Part-time Personnel		44,703	
Longevity Pay		1,475	
Overtime Pay		10,938	
Social Security		39,875	
State Retirement		79,688	
Employee and Dependent Insurance		70,441	
Employer Medicare		9,326	
Communication		105,234	
Data Processing Services		94,444	
Dues and Memberships		2,078	
Maintenance Agreements		71,377	
Postal Charges		88	

(Continued)

Exhibit L-9

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

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

Travel	\$	11,602	
Data Processing Supplies		39,916	
Gasoline		1,807	
Data Processing Equipment		187,769	
Other Equipment		20,397	
Total Data Processing			\$ 1,396,444

Administration of JusticeCircuit Court

Jury and Witness Fees	\$	43,196	
Communication		3,423	
Data Processing Services		81,048	
Legal Services		40,749	
Maintenance Agreements		13,275	
Postal Charges		28,552	
Office Supplies		57,498	
Other Supplies and Materials		1,109	
Other Charges		99,985	
Data Processing Equipment		3,306	
Furniture and Fixtures		494	
Office Equipment		600	
Total Circuit Court			373,235

Circuit Court Judge

Assistant(s)	\$	44,330	
Deputy(ies)		109,247	
Longevity Pay		125	
Social Security		9,142	
State Retirement		18,892	
Employee and Dependent Insurance		25,338	
Employer Medicare		2,138	
Travel		1,243	
Office Supplies		237	
Data Processing Equipment		1,852	
Total Circuit Court Judge			212,544

General Sessions Court

Judge(s)	\$	410,454
Assistant(s)		45,876
Deputy(ies)		95,421

(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.)

Part-time Personnel	\$	20,236	
Longevity Pay		1,900	
Overtime Pay		2,366	
Other Salaries and Wages		253,451	
Social Security		43,476	
State Retirement		104,605	
Employee and Dependent Insurance		95,699	
Employer Medicare		11,715	
Communication		3,006	
Data Processing Services		16,800	
Dues and Memberships		1,825	
Maintenance Agreements		2,083	
Postal Charges		10	
Travel		6,035	
Library Books/Media		640	
Office Supplies		5,169	
Uniforms		618	
Data Processing Equipment		2,826	
Office Equipment		4,889	
Total General Sessions Court			\$ 1,129,100

Drug Court

Supervisor/Director	\$	53,450	
Secretary(ies)		26,030	
Longevity Pay		350	
Other Salaries and Wages		160,337	
Social Security		14,371	
State Retirement		30,822	
Employee and Dependent Insurance		33,135	
Employer Medicare		3,361	
Communication		5,820	
Dues and Memberships		400	
Maintenance Agreements		1,569	
Postal Charges		392	
Travel		21,010	
Other Contracted Services		5,653	
Office Supplies		3,332	
Other Supplies and Materials		40,853	
Liability Insurance		4,000	
Data Processing Equipment		2,215	
Total Drug Court			407,100

(Continued)

Exhibit L-9

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

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

County Official/Administrative Officer	\$	83,022	
Deputy(ies)		328,503	
Attendants		29,055	
Part-time Personnel		43,875	
Longevity Pay		2,675	
Overtime Pay		4,786	
Jury and Witness Fees		2,864	
Social Security		29,422	
State Retirement		57,640	
Employee and Dependent Insurance		66,895	
Employer Medicare		6,881	
Communication		2,819	
Data Processing Services		5,432	
Dues and Memberships		685	
Maintenance Agreements		9,016	
Postal Charges		15,724	
Travel		1,407	
Other Contracted Services		548	
Office Supplies		24,172	
Other Supplies and Materials		465	
Data Processing Equipment		6,762	
Office Equipment		1,005	
Total Chancery Court			\$ 723,653

Juvenile Court

Judge(s)	\$	136,818
Deputy(ies)		31,568
Secretary(ies)		32,184
Longevity Pay		175
Other Salaries and Wages		72,460
Social Security		14,328
State Retirement		35,270
Employee and Dependent Insurance		32,218
Employer Medicare		3,847
Communication		936
Dues and Memberships		1,945
Postal Charges		85
Travel		2,044
Other Contracted Services		14,660
Library Books/Media		2,582

(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.)

Office Supplies	\$	2,458	
Other Supplies and Materials		1,282	
Data Processing Equipment		955	
Total Juvenile Court			\$ 385,815

District Attorney General

Assistant(s)	\$	48,857	
Longevity Pay		75	
Social Security		3,034	
State Retirement		6,317	
Employee and Dependent Insurance		58	
Employer Medicare		709	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			63,765

Other Administration of Justice

Part-time Personnel	\$	15,104	
Other Salaries and Wages		39,833	
Social Security		3,203	
State Retirement		5,142	
Employee and Dependent Insurance		9,303	
Employer Medicare		749	
Communication		466	
Maintenance Agreements		1,260	
Postal Charges		42	
Other Contracted Services		4,315	
Office Supplies		1,545	
Total Other Administration of Justice			80,962

Probation Services

County Official/Administrative Officer	\$	55,954	
Assistant(s)		39,833	
Youth Service Officer(s)		134,295	
Secretary(ies)		27,877	
Longevity Pay		1,025	
In-Service Training		1,385	
Social Security		15,421	
State Retirement		33,435	
Employee and Dependent Insurance		39,340	

(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.)

Employer Medicare	\$	3,607	
Communication		2,129	
Contracts with Private Agencies		588,941	
Data Processing Services		3,480	
Maintenance Agreements		1,078	
Postal Charges		79	
Printing, Stationery, and Forms		670	
Travel		2,382	
Office Supplies		2,789	
Other Supplies and Materials		460	
Total Probation Services			\$ 954,180

Public SafetySheriff's Department

County Official/Administrative Officer	\$	100,458
Salary Supplements		99,600
Part-time Personnel		317,716
Longevity Pay		46,375
Overtime Pay		622,698
Other Salaries and Wages		8,840,064
In-Service Training		81,304
Other Per Diem and Fees		957
Social Security		600,883
State Retirement		1,252,394
Employee and Dependent Insurance		1,470,743
Employer Medicare		140,597
Communication		136,103
Contracts with Private Agencies		53,200
Data Processing Services		22,352
Dues and Memberships		3,748
Maintenance Agreements		5,314
Maintenance and Repair Services - Equipment		48,020
Maintenance and Repair Services - Vehicles		162,715
Medical and Dental Services		30,481
Postal Charges		12,067
Printing, Stationery, and Forms		9,432
Other Contracted Services		14,994
Data Processing Supplies		8,887
Gasoline		641,411
Instructional Supplies and Materials		12,980

(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.)

Law Enforcement Supplies	\$	83,597	
Office Supplies		39,938	
Periodicals		4,562	
Uniforms		197,106	
Vehicle Parts		121,964	
Other Supplies and Materials		24,287	
Judgments		10,600	
Other Charges		10,399	
Communication Equipment		23,713	
Data Processing Equipment		118,527	
Law Enforcement Equipment		107,673	
Motor Vehicles		1,172,877	
Office Equipment		19,734	
Total Sheriff's Department			\$ 16,670,470

Special Patrols

Nightwatchmen	\$	36,706	
Social Security		2,275	
State Retirement		4,669	
Employer Medicare		532	
Total Special Patrols			44,182

Traffic Control

Utilities	\$	8,853	
Total Traffic Control			8,853

Administration of the Sexual Offender Registry

In-Service Training	\$	261	
Total Administration of the Sexual Offender Registry			261

Jail

Maintenance Personnel	\$	69,820	
Part-time Personnel		1,328	
Longevity Pay		15,100	
Overtime Pay		152,213	
Other Salaries and Wages		4,292,179	
In-Service Training		12,894	
Social Security		269,062	
State Retirement		583,711	
Employee and Dependent Insurance		920,746	

(Continued)

Exhibit L-9

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

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

Employer Medicare	\$	62,928	
Advertising		148	
Dues and Memberships		1,094	
Maintenance Agreements		29,941	
Maintenance and Repair Services - Buildings		105,052	
Maintenance and Repair Services - Equipment		27,108	
Printing, Stationery, and Forms		4,558	
Transportation - Other than Students		42,143	
Other Contracted Services		2,694,418	
Custodial Supplies		86,441	
Data Processing Supplies		5,485	
Food Preparation Supplies		48,305	
Food Supplies		1,153,834	
Law Enforcement Supplies		19,485	
Office Supplies		17,503	
Prisoners Clothing		41,722	
Uniforms		94,174	
Utilities		694,954	
Other Supplies and Materials		17,091	
Building Improvements		30,206	
Communication Equipment		2,898	
Data Processing Equipment		9,869	
Food Service Equipment		38,654	
Total Jail			\$ 11,545,064

Workhouse

County Official/Administrative Officer	\$	62,269
Captain(s)		55,603
Lieutenant(s)		46,227
Sergeant(s)		156,347
Guards		765,338
Secretary(ies)		41,961
Clerical Personnel		90,350
Part-time Personnel		28,450
Longevity Pay		3,950
Overtime Pay		19,557
Board and Committee Members Fees		4,300
In-Service Training		1,781
Social Security		76,278
State Retirement		159,357

(Continued)

Exhibit L-9

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

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

Employee and Dependent Insurance	\$	201,145	
Employer Medicare		17,840	
Communication		8,260	
Dues and Memberships		300	
Evaluation and Testing		4,836	
Operating Lease Payments		1,505	
Maintenance Agreements		2,222	
Maintenance and Repair Services - Buildings		11,220	
Maintenance and Repair Services - Equipment		16,658	
Medical and Dental Services		332	
Pest Control		450	
Postal Charges		347	
Printing, Stationery, and Forms		335	
Other Contracted Services		470,012	
Custodial Supplies		27,007	
Data Processing Supplies		3,018	
Equipment and Machinery Parts		1,889	
Gasoline		11,019	
Law Enforcement Supplies		4,868	
Office Supplies		6,250	
Prisoners Clothing		10,843	
Uniforms		12,372	
Utilities		174,218	
Other Supplies and Materials		17,264	
Data Processing Equipment		7,685	
Office Equipment		125	
Total Workhouse			\$ 2,523,788

Juvenile Services

County Official/Administrative Officer	\$	60,090
Captain(s)		49,961
Lieutenant(s)		44,611
Sergeant(s)		175,923
Guards		209,396
Secretary(ies)		29,978
Attendants		354,016
Part-time Personnel		31,311
Longevity Pay		1,100
Overtime Pay		20,177
In-Service Training		4,210

(Continued)

Exhibit L-9

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

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

Social Security	\$	58,520	
State Retirement		122,457	
Employee and Dependent Insurance		151,147	
Employer Medicare		13,686	
Communication		3,438	
Data Processing Services		6,415	
Evaluation and Testing		1,478	
Maintenance Agreements		1,398	
Maintenance and Repair Services - Buildings		7,170	
Maintenance and Repair Services - Equipment		757	
Maintenance and Repair Services - Vehicles		164	
Medical and Dental Services		5,116	
Postal Charges		621	
Printing, Stationery, and Forms		3,744	
Travel		84	
Other Contracted Services		58,332	
Drugs and Medical Supplies		361	
Gasoline		3,268	
Office Supplies		564	
Uniforms		8,354	
Other Supplies and Materials		39,898	
Communication Equipment		11,050	
Data Processing Equipment		1,724	
Total Juvenile Services			\$ 1,480,519

Rescue Squad

Contributions	\$	90,000	
Total Rescue Squad			90,000

Disaster Relief

County Official/Administrative Officer	\$	67,298	
Assistant(s)		55,335	
Supervisor/Director		45,948	
Secretary(ies)		32,896	
Longevity Pay		900	
Overtime Pay		5,293	
In-Service Training		1,047	
Social Security		12,386	
State Retirement		26,811	
Employee and Dependent Insurance		30,534	

(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.)

Employer Medicare	\$	2,897	
Communication		37,858	
Contributions		2,000	
Dues and Memberships		665	
Maintenance Agreements		3,162	
Maintenance and Repair Services - Vehicles		2,151	
Postal Charges		9	
Printing, Stationery, and Forms		108	
Travel		3,304	
Other Contracted Services		3,657	
Data Processing Supplies		2,157	
Electricity		2,740	
Gasoline		8,194	
Instructional Supplies and Materials		1,884	
Office Supplies		2,604	
Uniforms		3,008	
Other Supplies and Materials		26,334	
Communication Equipment		12,258	
Data Processing Equipment		11,842	
Other Equipment		86,479	
Total Disaster Relief			\$ 491,759

Inspection and Regulation

County Official/Administrative Officer	\$	71,464
Deputy(ies)		380,408
Clerical Personnel		116,559
Longevity Pay		2,675
Board and Committee Members Fees		500
Social Security		34,103
State Retirement		73,729
Employee and Dependent Insurance		102,362
Employer Medicare		7,975
Communication		8,642
Data Processing Services		449
Dues and Memberships		1,170
Maintenance Agreements		1,914
Postal Charges		1,868
Printing, Stationery, and Forms		2,460
Travel		1,540
Other Contracted Services		6,684

(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.)

Gasoline	\$	18,263	
Office Supplies		4,919	
Uniforms		814	
Other Supplies and Materials		595	
In Service/Staff Development		3,290	
Data Processing Equipment		2,596	
Motor Vehicles		300	
Total Inspection and Regulation			\$ 845,279

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,325	
Other Salaries and Wages		235,444	
Social Security		14,263	
State Retirement		30,566	
Employee and Dependent Insurance		35,315	
Employer Medicare		3,336	
Communication		12,497	
Contracts with Government Agencies		119,164	
Maintenance and Repair Services - Buildings		8,096	
Maintenance and Repair Services - Equipment		2,427	
Rentals		43,594	
Travel		2,659	
Other Contracted Services		49,813	
Drugs and Medical Supplies		15,475	
Utilities		53,685	
Other Supplies and Materials		10,526	
Communication Equipment		5,388	
Total Local Health Center			643,573

Rabies and Animal Control

County Official/Administrative Officer	\$	60,090	
Supervisor/Director		68,096	
Secretary(ies)		32,896	
Attendants		324,357	
Part-time Personnel		30,042	
Longevity Pay		1,400	
Overtime Pay		9,562	
Social Security		31,636	
State Retirement		64,105	

(Continued)

Exhibit L-9

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

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

Employee and Dependent Insurance	\$	90,862	
Employer Medicare		7,399	
Advertising		190	
Communication		15,553	
Dues and Memberships		514	
Evaluation and Testing		1,680	
Maintenance Agreements		5,186	
Maintenance and Repair Services - Buildings		3,576	
Maintenance and Repair Services - Vehicles		8,863	
Medical and Dental Services		306	
Postal Charges		166	
Travel		7,858	
Veterinary Services		80,743	
Other Contracted Services		68,770	
Animal Food and Supplies		10,373	
Custodial Supplies		9,500	
Data Processing Supplies		832	
Drugs and Medical Supplies		37,118	
Gasoline		41,376	
Office Supplies		6,958	
Uniforms		4,197	
Utilities		45,684	
Other Supplies and Materials		7,886	
Refunds		878	
Communication Equipment		1,380	
Data Processing Equipment		9,794	
Motor Vehicles		18,732	
Other Equipment		11,822	
Total Rabies and Animal Control			\$ 1,120,380

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	82,510
Supervisor/Director		1,115,716
Accountants/Bookkeepers		178,171
Paraprofessionals		3,475,176
Foremen		57,928
Dispatchers/Radio Operators		388,730
Custodial Personnel		20,910
Part-time Personnel		463,847
Longevity Pay		22,000

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Overtime Pay	\$	190,777	
In-Service Training		21,899	
Social Security		357,762	
State Retirement		713,761	
Employee and Dependent Insurance		844,155	
Employer Medicare		83,669	
Communication		112,863	
Contracts with Private Agencies		65,711	
Evaluation and Testing		16,958	
Maintenance and Repair Services - Buildings		52,242	
Maintenance and Repair Services - Vehicles		89,548	
Medical and Dental Services		12,103	
Pest Control		4,481	
Postal Charges		25,211	
Printing, Stationery, and Forms		10,097	
Travel		6,359	
Other Contracted Services		4,477	
Custodial Supplies		16,725	
Data Processing Supplies		7,209	
Drugs and Medical Supplies		306,216	
Gasoline		172,306	
Instructional Supplies and Materials		19,190	
Office Supplies		23,806	
Uniforms		106,823	
Utilities		85,346	
Other Supplies and Materials		37,266	
Refunds		46,254	
In Service/Staff Development		3,925	
Other Charges		89,006	
Building Improvements		4,800	
Data Processing Equipment		72,132	
Motor Vehicles		366,022	
Office Equipment		5,568	
Health Equipment		39,917	
Total Ambulance/Emergency Medical Services			\$ 9,819,572

Nursing Home

Building Improvements	\$	12,319	
Total Nursing Home			12,319

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)Dental Health Program

Dues and Memberships	\$	400	
Medical and Dental Services		<u>12,632</u>	
Total Dental Health Program			\$ 13,032

Other Local Health Services

Medical Personnel	\$	1,014,920	
Longevity Pay		3,950	
Social Security		59,639	
State Retirement		123,899	
Employee and Dependent Insurance		241,068	
Employer Medicare		13,948	
Postal Charges		3,000	
Printing, Stationery, and Forms		2,321	
Travel		18,456	
Other Supplies and Materials		12,973	
Liability Insurance		<u>1,050</u>	
Total Other Local Health Services			1,495,224

General Welfare Assistance

Contributions	\$	<u>41,500</u>	
Total General Welfare Assistance			41,500

Sanitation Management

Contracts with Private Agencies	\$	<u>20,123</u>	
Total Sanitation Management			20,123

Other Public Health and Welfare

Medical and Dental Services	\$	14,400	
Other Contracted Services		<u>167,704</u>	
Total Other Public Health and Welfare			182,104

Social, Cultural, and Recreational ServicesAdult Activities

Contributions	\$	<u>27,000</u>	
Total Adult Activities			27,000

Senior Citizens Assistance

Contributions	\$	<u>1,500</u>	
Total Senior Citizens Assistance			1,500

(Continued)

Exhibit L-9

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries

Contributions	\$ 1,010,007	
Total Libraries		\$ 1,010,007

Parks and Fair Boards

Supervisor/Director	\$ 25,000	
Other Salaries and Wages	130,706	
Board and Committee Members Fees	2,850	
Social Security	8,669	
Employer Medicare	2,299	
Contributions	107,121	
Maintenance and Repair Services - Buildings	591	
Matching Share	25,000	
Postal Charges	113	
Travel	1,715	
Other Contracted Services	25,000	
Equipment and Machinery Parts	12,832	
Other Supplies and Materials	787	
Total Parks and Fair Boards		342,683

Agriculture and Natural ResourcesAgriculture Extension Service

Teachers	\$ 68,231	
Secretary(ies)	86,140	
Part-time Personnel	47,064	
Longevity Pay	525	
Board and Committee Members Fees	1,350	
Social Security	12,017	
State Retirement	19,997	
Employee and Dependent Insurance	29,993	
Employer Medicare	2,811	
Communication	4,528	
Contracts with Government Agencies	215,107	
Data Processing Services	970	
Postal Charges	2,160	
Travel	4,503	
Other Contracted Services	15,362	
Gasoline	2,445	
Office Supplies	7,421	
Utilities	62,067	
Other Supplies and Materials	918	

(Continued)

Exhibit L-9

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

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

Data Processing Equipment	\$ 2,724	
Total Agriculture Extension Service		\$ 586,333

Soil Conservation

Assistant(s)	\$ 35,335	
Part-time Personnel	14,617	
Longevity Pay	225	
Social Security	2,946	
State Retirement	4,591	
Employee and Dependent Insurance	9,303	
Employer Medicare	689	
Contributions	12,000	
Total Soil Conservation		79,706

Storm Water Management

Assistant(s)	\$ 49,961	
Part-time Personnel	16,218	
In-Service Training	1,926	
Social Security	4,052	
State Retirement	6,450	
Employee and Dependent Insurance	5,954	
Employer Medicare	948	
Communication	4,295	
Contracts with Private Agencies	4,800	
Dues and Memberships	552	
Postal Charges	291	
Printing, Stationery, and Forms	2,136	
Travel	1,514	
Data Processing Supplies	175	
Gasoline	1,958	
Office Supplies	1,613	
Other Supplies and Materials	2,618	
Data Processing Equipment	166	
Total Storm Water Management		105,627

Other OperationsTourism

Contributions	\$ 335,864	
Total Tourism		335,864

(Continued)

Exhibit L-9

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

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

Mechanic(s)	\$	42,392	
Laborers		65,852	
Longevity Pay		575	
Overtime Pay		1,147	
Social Security		6,577	
State Retirement		14,197	
Employee and Dependent Insurance		20,618	
Employer Medicare		1,538	
Communication		831	
Maintenance Agreements		304	
Equipment and Machinery Parts		995	
Gasoline		17,540	
Utilities		17,146	
Vehicle Parts		17,955	
Other Supplies and Materials		5,583	
Other Equipment		1,963	
Total Other Charges			\$ 215,213

Employee Benefits

Unemployment Compensation	\$	74,663	
Other Fringe Benefits		54,196	
Workers' Compensation Insurance		784,060	
Total Employee Benefits			912,919

Payments to Cities

Contracts with Government Agencies	\$	1,920,994	
Total Payments to Cities			1,920,994

Miscellaneous

Audit Services	\$	41,131	
Consultants		6,000	
Contributions		667,703	
Dues and Memberships		31,971	
Engineering Services		1,725	
Legal Services		58,167	
Maintenance Agreements		3,577	
Maintenance and Repair Services - Buildings		52,836	
Travel		632	
Building and Contents Insurance		42,746	
Judgments		806,800	

(Continued)

Exhibit L-9

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

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

Liability Insurance	\$	390,119	
Premiums on Corporate Surety Bonds		1,200	
Trustee's Commission		808,719	
Tax Relief Program		268,943	
Other Charges		27,037	
Total Miscellaneous			\$ 3,209,306

Total General Fund \$ 70,545,704

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$	33,448	
Part-time Personnel		12,900	
Longevity Pay		550	
Other Salaries and Wages		38,437	
Social Security		5,129	
State Retirement		9,352	
Employee and Dependent Insurance		14,961	
Employer Medicare		1,199	
Travel		709	
Gasoline		5,263	
Instructional Supplies and Materials		2,797	
Other Supplies and Materials		6,131	
Total Sanitation Education/Information			\$ 130,876

Convenience Centers

Supervisor/Director	\$	61,288	
Foremen		35,590	
Truck Drivers		417,566	
Laborers		354,159	
Clerical Personnel		31,551	
Maintenance Personnel		27,018	
Part-time Personnel		1,353	
Longevity Pay		3,250	
Overtime Pay		24,316	
Social Security		55,937	
State Retirement		80,793	
Employee and Dependent Insurance		126,344	
Employer Medicare		13,454	

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Convenience Centers (Cont.)

Communication	\$	11,286	
Contracts with Government Agencies		8,797	
Evaluation and Testing		731	
Maintenance and Repair Services - Buildings		2,230	
Maintenance and Repair Services - Equipment		7,974	
Maintenance and Repair Services - Vehicles		101,994	
Postal Charges		15	
Rentals		15,660	
Tow-in Services		330	
Travel		1,092	
Other Contracted Services		8,875	
Asphalt		95,472	
Crushed Stone		6,169	
Data Processing Supplies		577	
Diesel Fuel		209,968	
Equipment and Machinery Parts		52,651	
Gasoline		9,360	
Office Supplies		279	
Tires and Tubes		37,187	
Uniforms		5,263	
Utilities		12,502	
Fencing		19,240	
Other Supplies and Materials		15,548	
Data Processing Equipment		185	
Site Development		38,862	
Solid Waste Equipment		43,226	
Total Convenience Centers			\$ 1,938,092

Other Waste Collection

Contracts with Private Agencies	\$	239,105	
Other Supplies and Materials		3,468	
Solid Waste Equipment		38,412	
Total Other Waste Collection			280,985

Landfill Operation and Maintenance

Supervisor/Director	\$	21,246	
Mechanic(s)		33,970	
Laborers		71,109	
Clerical Personnel		32,530	
Part-time Personnel		26,854	

(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.)

Longevity Pay	\$	1,050	
Overtime Pay		11,688	
Social Security		11,414	
State Retirement		21,887	
Employee and Dependent Insurance		31,819	
Employer Medicare		2,762	
Advertising		300	
Communication		4,665	
Contracts with Private Agencies		306,733	
Engineering Services		1,308	
Maintenance and Repair Services - Equipment		12,094	
Maintenance and Repair Services - Vehicles		126	
Postal Charges		17	
Travel		2,218	
Disposal Fees		169,951	
Other Contracted Services		1,580	
Crushed Stone		33,283	
Data Processing Supplies		1,182	
Diesel Fuel		20,066	
Electricity		2,925	
Equipment Parts - Light		255	
Equipment and Machinery Parts		10,016	
Fertilizer, Lime, and Seed		4,309	
Garage Supplies		1,120	
Gasoline		5,866	
Lubricants		2,455	
Pipe		922	
Propane Gas		3,459	
Small Tools		1,963	
Tires and Tubes		491	
Uniforms		2,341	
Other Supplies and Materials		5,010	
Total Landfill Operation and Maintenance			\$ 860,984

Postclosure Care Costs

Contracts with Private Agencies	\$	79,847	
Engineering Services		2,525	
Contracts for Postclosure Care Costs		3,940	
Crushed Stone		4,851	
Testing		6,200	
Total Postclosure Care Costs			97,363

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Other OperationsEmployee Benefits

Unemployment Compensation	\$	4,999	
Workers' Compensation Insurance		47,240	
Total Employee Benefits			\$ 52,239

Miscellaneous

Building and Contents Insurance	\$	2,956	
Judgments		11,000	
Liability Insurance		7,118	
Trustee's Commission		25,773	
Total Miscellaneous			46,847

Total Solid Waste/Sanitation Fund \$ 3,407,386

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	105,280	
Contributions		96,500	
Trustee's Commission		1,285	
Total Industrial Development			\$ 203,065

Payments to Cities

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

Total Industrial/Economic Development Fund 220,095

Drug Control FundPublic SafetyDrug Enforcement

Longevity Pay	\$	1,650	
Overtime Pay		84,393	
Other Salaries and Wages		306,293	
In-Service Training		15,805	
Social Security		23,526	
State Retirement		50,649	
Employee and Dependent Insurance		50,769	
Employer Medicare		5,502	
Contracts with Government Agencies		9,370	
Confidential Drug Enforcement Payments		120,000	

(Continued)

Exhibit L-9

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

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Maintenance and Repair Services - Vehicles	\$	16,163	
Veterinary Services		582	
Animal Food and Supplies		521	
Law Enforcement Supplies		1,552	
Uniforms		1,071	
Other Supplies and Materials		12,443	
Trustee's Commission		8,005	
Law Enforcement Equipment		12,735	
Motor Vehicles		33,698	
Total Drug Enforcement			\$ 754,727

Total Drug Control Fund \$ 754,727

Adequate Facilities/Development Tax FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	42,352	
Total Other General Administration			\$ 42,352

Capital ProjectsOther General Government Projects

Land	\$	89,440	
Total Other General Government Projects			89,440

Total Adequate Facilities/Development Tax Fund 131,792

District Attorney General FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	579	
Total Other General Administration			\$ 579

Administration of JusticeDistrict Attorney General

Part-time Personnel	\$	13,915	
Social Security		863	
Employer Medicare		202	
Other Supplies and Materials		4,740	
Total District Attorney General			19,720

Total District Attorney General Fund 20,299

(Continued)

Exhibit L-9

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

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$ 859,343	
Total Register of Deeds		\$ 859,343

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 442,548	
Total County Trustee's Office		442,548

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 1,858,795	
Total County Clerk's Office		1,858,795

Administration of JusticeCircuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 1,833,609	
Total Circuit Court Clerk		1,833,609

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 15,971	
Constitutional Officers' Operating Expenses	6,801	
Total Chancery Court		22,772

Total Constitutional Officers - Fees Fund		\$ 5,017,067
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 100,458
Assistant(s)	57,596
Secretary(ies)	75,431
Longevity Pay	1,075
Overtime Pay	216
Board and Committee Members Fees	24,900
Social Security	15,539
State Retirement	30,310
Employee and Dependent Insurance	24,322
Employer Medicare	3,686
Communication	4,464
Dues and Memberships	6,880
Janitorial Services	6,780

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,491	
Maintenance and Repair Services - Office Equipment		468	
Postal Charges		782	
Printing, Stationery, and Forms		1,406	
Travel		520	
Drugs and Medical Supplies		402	
Electricity		16,249	
Natural Gas		15,506	
Office Supplies		1,548	
Water and Sewer		4,500	
Building and Contents Insurance		9,782	
Liability Insurance		93,374	
Trustee's Commission		87,532	
Other Charges		5,532	
Office Equipment		623	
Total Administration			\$ 592,372

Highway and Bridge Maintenance

Foremen	\$	240,030	
Equipment Operators		673,090	
Truck Drivers		317,801	
Laborers		21,546	
Longevity Pay		10,000	
Overtime Pay		4,471	
Social Security		73,974	
State Retirement		161,800	
Employee and Dependent Insurance		297,542	
Employer Medicare		17,300	
Engineering Services		6,515	
Other Contracted Services		93,152	
Asphalt		3,290,372	
General Construction Materials		9,467	
Pipe - Metal		25,755	
Road Signs		19,465	
Uniforms		21,004	
Total Highway and Bridge Maintenance			5,283,284

Operation and Maintenance of Equipment

Foremen	\$	42,433
Mechanic(s)		135,744

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Laborers	\$	55,285	
Longevity Pay		1,675	
Overtime Pay		2,114	
Social Security		13,973	
State Retirement		30,629	
Employee and Dependent Insurance		54,243	
Employer Medicare		3,268	
Maintenance and Repair Services - Equipment		64,107	
Other Contracted Services		19,905	
Diesel Fuel		225,961	
Equipment and Machinery Parts		79,749	
Garage Supplies		8,423	
Gasoline		70,000	
Lubricants		6,466	
Tires and Tubes		53,863	
Other Supplies and Materials		10,588	
Total Operation and Maintenance of Equipment			\$ 878,426

Quarry Operations

Foremen	\$	38,595	
Mechanic(s)		28,376	
Equipment Operators		63,202	
Truck Drivers		75,869	
Clerical Personnel		22,634	
Longevity Pay		1,725	
Social Security		13,645	
State Retirement		29,745	
Employee and Dependent Insurance		51,829	
Employer Medicare		3,191	
Communication		583	
Explosive and Drilling Services		3,500	
Electricity		50,089	
Equipment and Machinery Parts		12,322	
Water and Sewer		395	
Building Construction		259	
Total Quarry Operations			395,959

Other Charges

Assistant(s)	\$	51,825
Salary Supplements		10,000

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges (Cont.)

Foremen	\$	38,233	
Equipment Operators		27,901	
Truck Drivers		52,511	
Secretary(ies)		32,935	
Longevity Pay		575	
In-Service Training		4,321	
Social Security		12,238	
State Retirement		27,625	
Employee and Dependent Insurance		48,598	
Employer Medicare		2,862	
Communication		1,441	
Legal Notices, Recording, and Court Costs		41	
Maintenance and Repair Services - Equipment		4,005	
Printing, Stationery, and Forms		141	
Rentals		69	
Travel		3,313	
Diesel Fuel		15,000	
Equipment and Machinery Parts		933	
Gasoline		8,000	
General Construction Materials		1,958	
Lubricants		85	
Office Supplies		504	
Pipe - Metal		1,719	
Tires and Tubes		1,975	
Other Supplies and Materials		3,572	
Total Other Charges			\$ 352,380

Employee Benefits

Unemployment Compensation	\$	6,055	
Other Fringe Benefits		30,259	
Workers' Compensation Insurance		189,600	
Total Employee Benefits			225,914

Capital Outlay

Bridge Construction	\$	44,377	
Highway Equipment		175,918	
State Aid Projects		979,860	
Total Capital Outlay			1,200,155

Total Highway/Public Works Fund \$ 8,928,490

(Continued)

Exhibit L-9

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

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 726,695	
Other Debt Service	17,008	
Total Other General Administration		\$ 743,703

Principal on DebtGeneral Government

Principal on Bonds	\$ 4,159,850	
Principal on Notes	925,000	
Total General Government		5,084,850

Education

Principal on Bonds	\$ 19,430,150	
Total Education		19,430,150

Interest on DebtGeneral Government

Interest on Bonds	\$ 2,794,449	
Interest on Notes	55,500	
Total General Government		2,849,949

Education

Interest on Bonds	\$ 13,490,763	
Total Education		13,490,763

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 33,644	
Other Debt Issuance Charges	26,632	
Total General Government		60,276

Education

Underwriter's Discount	\$ 161,068	
Other Debt Issuance Charges	127,310	
Total Education		288,378

Total General Debt Service Fund		\$ 41,948,069
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(Continued)

Exhibit L-9

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

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Engineering Services	\$	506	
Building Construction		230,835	
Site Development		119,917	
Other Equipment		80,378	
Total General Administration Projects			\$ 431,636

Administration of Justice Projects

Consultants	\$	122,244	
Legal Services		1,549	
Other Equipment		86,954	
Total Administration of Justice Projects			210,747

Public Safety Projects

Architects	\$	238,204	
Consultants		178,909	
Engineering Services		38,967	
Rentals		23,142	
Building Construction		11,355,989	
Food Service Equipment		14,850	
Furniture and Fixtures		1,218,750	
Total Public Safety Projects			13,068,811

Public Health and Welfare Projects

Architects	\$	9,006	
Building Improvements		543,436	
Furniture and Fixtures		6,088	
Total Public Health and Welfare Projects			558,530

Agriculture and Natural Resource Projects

Architects	\$	155,861	
Building Construction		600,300	
Site Development		3,767	
Total Agriculture and Natural Resource Projects			759,928

Highway and Street Capital Projects

Contracts with Government Agencies	\$	2,277,769	
Engineering Services		45,907	
Legal Services		50,895	
Legal Notices, Recording, and Court Costs		2,560	
Postal Charges		450	

(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 and Street Capital Projects (Cont.)

Travel	\$	2,296	
Highway Construction		642,531	
Right-of-Way		<u>551,736</u>	
Total Highway and Street Capital Projects			<u>\$ 3,574,144</u>

Total General Capital Projects Fund \$ 18,603,796

Nursing Home Projects Fund

Capital Projects

Public Health and Welfare Projects

Building Improvements	\$	226	
Site Development		<u>3,926</u>	
Total Public Health and Welfare Projects			<u>\$ 4,152</u>

Total Nursing Home Projects Fund 4,152

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$	<u>35,321,901</u>	
Total Education Capital Projects			<u>\$ 35,321,901</u>

Total Education Capital Projects Fund 35,321,901

Total Governmental Funds - Primary Government \$ 184,903,478

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, 2008

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 78,749,074	
Career Ladder Program	624,967	
Career Ladder Extended Contracts	198,810	
Educational Assistants	3,135,855	
Other Salaries and Wages	941,562	
Social Security	5,003,510	
State Retirement	5,410,849	
Life Insurance	112,815	
Medical Insurance	13,136,649	
Unemployment Compensation	53,155	
Employer Medicare	1,171,256	
Maintenance and Repair Services - Equipment	188	
Contracts for Substitute Teachers - Certified	304,577	
Contracts for Substitute Teachers - Non-certified	1,216,341	
Other Contracted Services	107,964	
Instructional Supplies and Materials	2,154,371	
Textbooks	5,888,166	
Other Supplies and Materials	95,507	
Fee Waivers	75,140	
Other Charges	163,812	
Regular Instruction Equipment	1,509,375	
Total Regular Instruction Program		\$ 120,053,943

Alternative Instruction Program

Teachers	\$ 967,136	
Career Ladder Program	9,000	
Educational Assistants	89,737	
Social Security	63,477	
State Retirement	72,749	
Life Insurance	1,466	
Medical Insurance	174,516	
Employer Medicare	14,845	
Contracts for Substitute Teachers - Certified	3,628	
Contracts for Substitute Teachers - Non-certified	13,179	
Other Contracted Services	5,506	
Instructional Supplies and Materials	23,814	
Other Supplies and Materials	1,386	
Other Equipment	2,901	
Total Alternative Instruction Program		1,443,340

(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

Teachers	\$ 9,535,652	
Career Ladder Program	109,200	
Career Ladder Extended Contracts	9,000	
Educational Assistants	2,371,473	
Speech Pathologist	1,129,747	
Other Salaries and Wages	104,699	
Social Security	790,046	
State Retirement	989,723	
Life Insurance	21,950	
Medical Insurance	2,348,076	
Unemployment Compensation	33,231	
Employer Medicare	184,904	
Maintenance and Repair Services - Equipment	405	
Contracts for Substitute Teachers - Certified	26,241	
Contracts for Substitute Teachers - Non-certified	208,356	
Other Contracted Services	948,557	
Instructional Supplies and Materials	149,684	
Textbooks	101,968	
Other Supplies and Materials	57,534	
Other Charges	13,956	
Special Education Equipment	148,605	
Total Special Education Program		\$ 19,283,007

Vocational Education Program

Teachers	\$ 5,703,514
Career Ladder Program	40,437
Career Ladder Extended Contracts	12,600
Clerical Personnel	78,142
Other Salaries and Wages	10,616
Social Security	350,319
State Retirement	370,797
Life Insurance	7,602
Medical Insurance	862,697
Employer Medicare	81,931
Maintenance and Repair Services - Equipment	51,352
Contracts for Substitute Teachers - Certified	32,331
Contracts for Substitute Teachers - Non-certified	109,785
Other Contracted Services	69,883
Instructional Supplies and Materials	180,282

(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	\$	67,952	
Other Supplies and Materials		41,191	
Other Charges		1,060	
Vocational Instruction Equipment		176,669	
Total Vocational Education Program			\$ 8,249,160

Adult Education Program

Teachers	\$	299,333	
Other Salaries and Wages		27,221	
Social Security		20,066	
State Retirement		12,139	
Life Insurance		187	
Medical Insurance		19,634	
Employer Medicare		4,693	
Other Contracted Services		4,589	
Instructional Supplies and Materials		36,716	
Other Supplies and Materials		7,319	
Other Equipment		34,514	
Total Adult Education Program			466,411

Support ServicesAttendance

Supervisor/Director	\$	73,098	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		2,000	
Social Workers		242,236	
Clerical Personnel		64,803	
Social Security		23,309	
State Retirement		28,560	
Life Insurance		403	
Medical Insurance		59,781	
Employer Medicare		5,451	
Travel		7,413	
Other Contracted Services		44,422	
Other Supplies and Materials		7,912	
Other Charges		1,906	
Attendance Equipment		793	
Total Attendance			568,087

(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	\$	1,383,230	
Other Salaries and Wages		232,609	
Social Security		96,245	
State Retirement		205,261	
Life Insurance		1,993	
Medical Insurance		223,937	
Employer Medicare		22,635	
Travel		20,688	
Other Contracted Services		1,015	
Drugs and Medical Supplies		19,790	
Other Supplies and Materials		16,115	
Other Charges		9,607	
Health Equipment		14,581	
Total Health Services			\$ 2,247,706

Other Student Support

Career Ladder Program	\$	37,598	
Guidance Personnel		3,626,699	
Career Ladder Extended Contracts		4,000	
Social Workers		5,042	
Clerical Personnel		158,607	
Attendants		287,213	
Other Salaries and Wages		384,778	
Social Security		269,280	
State Retirement		302,545	
Life Insurance		5,770	
Medical Insurance		696,182	
Unemployment Compensation		5	
Employer Medicare		62,976	
Contracts with Government Agencies		139,993	
Evaluation and Testing		224,637	
Travel		8,228	
Contracts for Substitute Teachers - Certified		6,912	
Contracts for Substitute Teachers - Non-certified		23,567	
Other Contracted Services		49,441	
Other Supplies and Materials		23,501	
In Service/Staff Development		12,640	
Other Equipment		16,565	
Total Other Student Support			6,346,179

(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	\$	607,584	
Career Ladder Program		92,392	
Career Ladder Extended Contracts		18,400	
Librarians		2,194,188	
Materials Supervisor		35,633	
Instructional Computer Personnel		1,661,826	
Secretary(ies)		63,118	
Clerical Personnel		62,192	
Educational Assistants		434,356	
Other Salaries and Wages		486,384	
Social Security		338,915	
State Retirement		391,522	
Life Insurance		6,978	
Medical Insurance		768,473	
Employer Medicare		79,263	
Travel		43,624	
Contracts for Substitute Teachers - Certified		4,290	
Contracts for Substitute Teachers - Non-certified		27,190	
Other Contracted Services		73,545	
Library Books/Media		179,227	
Other Supplies and Materials		20,763	
In Service/Staff Development		51,436	
Other Equipment		20,678	
Total Regular Instruction Program			\$ 7,661,977

Alternative Instruction Program

Supervisor/Director	\$	162,174
Career Ladder Program		7,947
Guidance Personnel		93,580
Librarians		48,782
Clerical Personnel		45,773
Other Salaries and Wages		116,904
Social Security		28,562
State Retirement		35,254
Life Insurance		592
Medical Insurance		70,124
Employer Medicare		6,680
Library Books/Media		10,126
Other Supplies and Materials		4,935

(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.)

In Service/Staff Development	\$	650	
Other Charges		218	
Other Equipment		4,992	
Total Alternative Instruction Program			\$ 637,293

Special Education Program

Supervisor/Director	\$	153,801	
Career Ladder Program		19,296	
Psychological Personnel		380,871	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		30,336	
In-Service Training		4,057	
Social Security		35,706	
State Retirement		39,382	
Life Insurance		576	
Medical Insurance		61,848	
Employer Medicare		8,350	
Travel		71,225	
Other Contracted Services		28,189	
Other Supplies and Materials		80,145	
In Service/Staff Development		29,528	
Other Charges		4,595	
Other Equipment		9,326	
Total Special Education Program			961,231

Vocational Education Program

Supervisor/Director	\$	82,006	
Social Security		5,052	
State Retirement		5,117	
Life Insurance		58	
Employer Medicare		1,181	
Travel		13,708	
Other Supplies and Materials		2,340	
In Service/Staff Development		2,126	
Total Vocational Education Program			111,588

Adult Programs

Supervisor/Director	\$	82,886	
Clerical Personnel		42,978	

(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.)Adult Programs (Cont.)

Social Security	\$	2,623	
State Retirement		10,721	
Life Insurance		130	
Medical Insurance		15,474	
Employer Medicare		613	
Travel		1,951	
Other Supplies and Materials		4,068	
In Service/Staff Development		2,825	
Other Charges		2,250	
Administration Equipment		1,745	
Total Adult Programs			\$ 168,264

Other Programs

On-Behalf Payments to OPEB	\$	20,088	
Total Other Programs			20,088

Board of Education

Secretary to Board	\$	103,335	
Board and Committee Members Fees		69,345	
Social Security		10,652	
State Retirement		13,297	
Life Insurance		114	
Medical Insurance		592,752	
Employer Medicare		2,491	
Audit Services		46,000	
Dues and Memberships		8,846	
Legal Services		32,787	
Travel		890	
Other Contracted Services		5,574	
Liability Insurance		498,702	
Trustee's Commission		1,609,890	
Workers' Compensation Insurance		1,418,100	
In Service/Staff Development		16,037	
Criminal Investigation of Applicants - TBI		37,132	
Total Board of Education			4,465,944

Director of Schools

County Official/Administrative Officer	\$	131,078	
Other Salaries and Wages		29,138	

(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 (Cont.)

Social Security	\$	7,964	
State Retirement		11,941	
Life Insurance		115	
Medical Insurance		19,187	
Employer Medicare		2,312	
Other Fringe Benefits		4,800	
Communication		172,779	
Dues and Memberships		1,150	
Postal Charges		50,247	
Travel		2,093	
Other Contracted Services		34,278	
In Service/Staff Development		5,539	
Other Charges		29,131	
Administration Equipment		3,223	
Total Director of Schools			\$ 504,975

Office of the Principal

Principals	\$	3,127,951	
Career Ladder Program		127,687	
Accountants/Bookkeepers		567,913	
Career Ladder Extended Contracts		110,000	
Assistant Principals		3,593,373	
Secretary(ies)		891,513	
Clerical Personnel		953,885	
Social Security		564,673	
State Retirement		718,624	
Life Insurance		11,106	
Medical Insurance		1,136,725	
Unemployment Compensation		5,528	
Employer Medicare		132,060	
Communication		622,743	
Dues and Memberships		20,825	
Travel		109	
Contracts for Substitute Teachers - Certified		7,231	
Contracts for Substitute Teachers - Non-certified		23,414	
Other Contracted Services		85,207	
Office Supplies		17,848	
Other Charges		128,256	
Administration Equipment		64,226	
Total Office of the Principal			12,910,897

(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	\$	196,458	
Accountants/Bookkeepers		256,988	
Purchasing Personnel		77,881	
Social Security		31,598	
State Retirement		68,594	
Life Insurance		720	
Medical Insurance		90,572	
Employer Medicare		7,390	
Travel		2,525	
Other Contracted Services		5,956	
Office Supplies		18,245	
Other Supplies and Materials		1,858	
Administration Equipment		14,574	
Total Fiscal Services			\$ 773,359

Human Services/Personnel

Supervisor/Director	\$	95,580	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		94,370	
Other Salaries and Wages		66,960	
Social Security		15,789	
State Retirement		22,638	
Life Insurance		288	
Medical Insurance		38,305	
Employer Medicare		3,693	
Travel		1,485	
Other Contracted Services		5,012	
Other Supplies and Materials		7,787	
In Service/Staff Development		5,671	
Administration Equipment		3,426	
Total Human Services/Personnel			366,004

Operation of Plant

Custodial Personnel	\$	4,449,478	
Social Security		264,530	
State Retirement		536,072	
Life Insurance		9,767	
Medical Insurance		995,752	

(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.)

Unemployment Compensation	\$	9,408	
Employer Medicare		61,867	
Other Contracted Services		573,984	
Custodial Supplies		457,342	
Electricity		6,974,963	
Natural Gas		1,735,157	
Water and Sewer		895,915	
Other Supplies and Materials		15,556	
Building and Contents Insurance		343,510	
Other Charges		99,000	
Plant Operation Equipment		87,461	
Total Operation of Plant			\$ 17,509,762

Maintenance of Plant

Supervisor/Director	\$	151,673	
Secretary(ies)		99,976	
Maintenance Personnel		1,788,346	
Social Security		121,446	
State Retirement		263,362	
Life Insurance		3,033	
Medical Insurance		388,345	
Employer Medicare		28,403	
Laundry Service		16,410	
Maintenance and Repair Services - Buildings		664,183	
Maintenance and Repair Services - Equipment		399,968	
Travel		5,450	
Other Contracted Services		718,667	
Other Supplies and Materials		668,349	
Vehicle and Equipment Insurance		64,725	
Other Charges		13,574	
Maintenance Equipment		137,258	
Total Maintenance of Plant			5,533,168

Transportation

Supervisor/Director	\$	61,361	
Clerical Personnel		83,093	
Other Salaries and Wages		33,282	
Social Security		10,634	
State Retirement		22,946	

(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	\$	288	
Medical Insurance		24,198	
Employer Medicare		2,487	
Contracts with Private Agencies		260,460	
Contracts with Parents		431	
Contracts with Vehicle Owners		9,400,347	
Travel		3,488	
Other Contracted Services		19,845	
Other Supplies and Materials		4,261	
Vehicle and Equipment Insurance		72,453	
Other Charges		23,928	
Administration Equipment		3,650	
Total Transportation			\$ 10,027,152

Central and Other

Supervisor/Director	\$	150,506	
Computer Programmer(s)		811,298	
Clerical Personnel		60,735	
Other Salaries and Wages		87,337	
Social Security		66,838	
State Retirement		143,285	
Life Insurance		1,221	
Medical Insurance		134,413	
Employer Medicare		15,631	
Data Processing Services		40,111	
Maintenance and Repair Services - Equipment		109,377	
Travel		16,607	
Other Contracted Services		50,433	
Data Processing Supplies		21,786	
Other Supplies and Materials		155,240	
In Service/Staff Development		10,198	
Administration Equipment		1,892	
Data Processing Equipment		11,665	
Other Equipment		12,074	
Total Central and Other			1,900,647

Operation of Non-Instructional ServicesCommunity Services

Other Charges	\$	34,868	
Total Community Services			34,868

(Continued)

Exhibit L-10

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

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

Teachers	\$	322,220	
Career Ladder Program		6,999	
Educational Assistants		163,062	
Social Security		28,212	
State Retirement		39,294	
Life Insurance		944	
Medical Insurance		172,228	
Employer Medicare		6,598	
Contracts for Substitute Teachers - Certified		601	
Contracts for Substitute Teachers - Non-certified		7,036	
Instructional Supplies and Materials		4,783	
Other Supplies and Materials		2,071	
In Service/Staff Development		538	
Total Early Childhood Education			\$ 754,586

Capital OutlayRegular Capital Outlay

Other Contracted Services	\$	78,415	
Other Supplies and Materials		20,971	
Site Development		9,000	
Building Purchases		556,965	
Total Regular Capital Outlay			665,351

Principal on DebtEducation

Principal on Bonds	\$	490,000	
Principal on Notes		71,429	
Total Education			561,429

Interest on DebtEducation

Interest on Bonds	\$	128,800	
Total Education			128,800

Other Debt ServiceEducation

Other Debt Service	\$	250	
Total Education			250

Total General Purpose School Fund \$ 224,355,466

(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 FundInstructionRegular Instruction Program

Teachers	\$	980,863	
Educational Assistants		245,822	
Other Salaries and Wages		131,043	
Social Security		81,799	
State Retirement		89,543	
Life Insurance		1,851	
Medical Insurance		193,074	
Employer Medicare		19,117	
Contracts for Substitute Teachers - Non-certified		65,197	
Other Contracted Services		10,727	
Instructional Supplies and Materials		58,056	
Other Supplies and Materials		164,631	
Other Charges		9,158	
Regular Instruction Equipment		96,640	
Total Regular Instruction Program			\$ 2,147,521

Alternative Instruction Program

Other Supplies and Materials	\$	2,077	
Total Alternative Instruction Program			2,077

Special Education Program

Teachers	\$	771,782	
Educational Assistants		1,043,783	
Speech Pathologist		81,389	
Other Salaries and Wages		155,191	
Social Security		118,009	
State Retirement		202,977	
Life Insurance		5,220	
Medical Insurance		524,481	
Employer Medicare		27,659	
Contracts for Substitute Teachers - Non-certified		46,183	
Other Contracted Services		201,253	
Instructional Supplies and Materials		26,324	
Other Supplies and Materials		2,704	
Special Education Equipment		13,236	
Total Special Education Program			3,220,191

Vocational Education Program

Clerical Personnel	\$	56,765	
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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.)

School Federal Projects Fund (Cont.)Instruction (Cont.)Vocational Education Program (Cont.)

Social Security	\$	3,380	
State Retirement		7,565	
Life Insurance		173	
Medical Insurance		9,336	
Employer Medicare		790	
Contracts for Substitute Teachers - Non-certified		249	
Other Contracted Services		5,950	
Instructional Supplies and Materials		63,358	
Other Supplies and Materials		155,151	
Vocational Instruction Equipment		195,982	
Total Vocational Education Program			\$ 498,699

Support ServicesHealth Services

Medical Personnel	\$	43,355	
Other Salaries and Wages		176,411	
Social Security		13,339	
State Retirement		23,864	
Life Insurance		230	
Medical Insurance		24,834	
Employer Medicare		3,120	
Travel		173	
Other Supplies and Materials		54,716	
In Service/Staff Development		286	
Health Equipment		17,396	
Total Health Services			357,724

Other Student Support

Social Workers	\$	365,080	
Attendants		182,690	
Other Salaries and Wages		80,031	
Social Security		37,161	
State Retirement		47,218	
Life Insurance		1,107	
Medical Insurance		126,628	
Employer Medicare		8,691	
Travel		550	
Other Supplies and Materials		69,634	
Total Other Student Support			918,790

(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.)Regular Instruction Program

Supervisor/Director	\$	62,318	
Secretary(ies)		28,989	
Other Salaries and Wages		105,372	
In-Service Training		48,400	
Social Security		15,762	
State Retirement		19,894	
Life Insurance		226	
Medical Insurance		28,688	
Employer Medicare		3,459	
Travel		5,071	
Other Contracted Services		100,612	
Other Supplies and Materials		75,515	
In Service/Staff Development		718,220	
Other Equipment		1,366	
Total Regular Instruction Program			\$ 1,213,892

Alternative Instruction Program

Other Contracted Services	\$	560	
In Service/Staff Development		2,795	
Total Alternative Instruction Program			3,355

Special Education Program

Psychological Personnel	\$	525,748	
Clerical Personnel		27,676	
Other Salaries and Wages		526,592	
Social Security		65,463	
State Retirement		76,163	
Life Insurance		1,175	
Medical Insurance		143,116	
Employer Medicare		15,310	
In Service/Staff Development		50,098	
Total Special Education Program			1,431,341

Vocational Education Program

Travel	\$	31,952	
Other Supplies and Materials		260	
In Service/Staff Development		42,648	
Total Vocational Education Program			74,860

(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.)Transportation

Contracts with Vehicle Owners	\$ 10,375	
Total Transportation		\$ 10,375

Operation of Non-Instructional ServicesEarly Childhood Education

Teachers	\$ 463,257	
Educational Assistants	145,560	
Social Security	36,893	
State Retirement	48,599	
Life Insurance	1,174	
Medical Insurance	77,268	
Employer Medicare	8,628	
Travel	425	
Contracts for Substitute Teachers - Non-certified	18,150	
Other Contracted Services	1,422	
Food Supplies	4,095	
Instructional Supplies and Materials	50,665	
Other Supplies and Materials	18,935	
In Service/Staff Development	19,036	
Total Early Childhood Education		894,107

Total School Federal Projects Fund \$ 10,772,932

Central Cafeteria FundSupport ServicesBoard of Education

Audit Services	\$ 13,945	
Workers' Compensation Insurance	70,000	
Total Board of Education		\$ 83,945

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$ 1,385,461	
Accountants/Bookkeepers	38,376	
Cafeteria Personnel	2,815,298	
Other Salaries and Wages	62,544	
Social Security	257,686	
State Retirement	313,911	
Life Insurance	7,667	

(Continued)

Exhibit L-10

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

Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Medical Insurance	\$	666,089	
Unemployment Compensation		13,257	
Employer Medicare		60,293	
Communication		2,614	
Maintenance and Repair Services - Equipment		85,101	
Transportation - Other than Students		79,557	
Travel		1,850	
Other Contracted Services		159,511	
Food Preparation Supplies		362,061	
Food Supplies		4,815,033	
Office Supplies		15,383	
Uniforms		6,405	
Other Supplies and Materials		97,105	
In Service/Staff Development		34,404	
Food Service Equipment		1,006,805	
Total Food Service			\$ 12,286,411

Total Central Cafeteria Fund \$ 12,370,356

Education Capital Projects FundSupport ServicesBoard of Education

Trustee's Commission	\$	39,478	
Total Board of Education			\$ 39,478

Capital ProjectsEducation Capital Projects

Maintenance and Repair Services - Buildings	\$	1,227,808	
Total Education Capital Projects			1,227,808

Total Education Capital Projects Fund 1,267,286

Other Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	1,023,412	
Engineering Services		180,305	
Legal Services		43,434	
Other Charges		2,129,596	

(Continued)

Exhibit L-10

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

Other Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Education Capital Projects (Cont.)

Building Construction	\$ 17,117,193	
Building Improvements	13,544,127	
Furniture and Fixtures	892,089	
Land	627,604	
Regular Instruction Equipment	2,436,776	
Right-of-Way	16,400	
Site Development	5,858,510	
Other Equipment	68,174	
Other Construction	1,245,446	
Other Capital Outlay	146,477	
Total Education Capital Projects		\$ 45,329,543

Total Other Capital Projects Fund	\$ 45,329,543
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Total Governmental Funds - Rutherford County School Department	\$ 294,095,583
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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, 2008

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 9,159,083	\$ 9,159,083
Trustee's Collections - Prior Years	0	191,969	191,969
Circuit/Clerk and Master Collections - Prior Years	0	74,569	74,569
Interest and Penalty	0	37,039	37,039
Pick-up Taxes	0	30,458	30,458
Payments in-Lieu-of Taxes - Local Utilities	0	146,715	146,715
Local Option Sales Tax	39,081,067	6,958,792	46,039,859
Wheel Tax	0	604,861	604,861
Business Tax	0	220,954	220,954
Interstate Telecommunications Tax	0	3,690	3,690
Marriage Licenses	0	2,909	2,909
Total Cash Receipts	<u>\$ 39,081,067</u>	<u>\$ 17,431,039</u>	<u>\$ 56,512,106</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 38,690,256	\$ 17,165,609	\$ 55,855,865
Trustee's Commission	390,811	270,903	661,714
Total Cash Disbursements	<u>\$ 39,081,067</u>	<u>\$ 17,436,512</u>	<u>\$ 56,517,579</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (5,473)	\$ (5,473)
Cash Balance, July 1, 2007	0	208,945	208,945
Cash Balance, June 30, 2008	<u>\$ 0</u>	<u>\$ 203,472</u>	<u>\$ 203,472</u>

STATISTICAL SECTION

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

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-5a	251-261
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	262-266
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	267-268
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	269-270
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	271-273

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

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Table 1

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRIMARY GOVERNMENT: (Notes 1, 2)										
Governmental Activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 115,910	\$ 149,327	\$ 166,358	\$ 162,068	\$ 146,463	\$ 165,997	\$ 183,690
Restricted for:										
Capital Projects	-	-	-	4,978	16,114	10,606	14,397	29,782	17,761	7,674
Debt Service	-	-	-	29,430	26,657	26,632	31,323	32,053	31,703	30,879
Highways/Public Works	-	-	-	-	-	-	6,034	6,412	6,725	6,924
Solid Waste/Sanitation	-	-	-	-	-	-	4,519	5,084	4,649	4,091
Drug Control	-	-	-	-	-	-	-	-	1,187	1,199
Adequate Facilities/Development Tax	-	-	-	-	-	-	5,827	5,873	5,925	4,340
Computer System - Register	-	-	-	-	-	-	-	-	590	-
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	-	-	-	-	-	-	872	820
Long-term Notes Receivable	-	-	-	-	-	-	-	-	665	871
Other Purposes	-	-	-	6,910	7,590	10,618	2,924	6,468	475	1,187
Unrestricted (2)	-	-	-	(217,979)	(218,611)	(221,776)	(254,549)	(278,388)	(250,973)	(267,988)
Total Governmental Activities Net Assets	\$ -	\$ -	\$ -	\$ (60,751)	\$ (18,923)	\$ (7,562)	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 224,730	\$ 246,569	\$ 261,946	\$ 273,716	\$ 301,332	\$ 331,320	\$ 361,986
Restricted for:										
Capital Projects	-	-	-	37,769	19,815	16,309	38,446	51,723	15,927	14,976
Textbooks	-	-	-	-	-	-	-	3,556	-	-
Advances to Other	-	-	-	-	-	-	-	1,080	1,002	1,569
School Federal Projects	-	-	-	-	-	-	-	-	1,569	384
Central Cafeteria	-	-	-	-	-	-	-	-	-	3,160
Other Purposes	-	-	-	681	819	1,315	1,986	3,098	268	244
Unrestricted	-	-	-	13,049	12,457	17,378	16,968	14,592	19,856	14,475
Total Governmental Activities Net Assets	\$ -	\$ -	\$ -	\$ 276,229	\$ 279,660	\$ 296,948	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Rutherford County Board of Education is not part of the Primary Government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (3) GASB Statement 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 2

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

	Fiscal Year									
	<u>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>	<u>2008</u>
EXPENSES (Note 1)										
Governmental Activities:										
General Government										
Finance	\$ -	\$ -	\$ -	\$ 9,291	\$ 930	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451
Administration of Justice	-	-	-	4,414	5,143	4,863	5,480	5,727	5,874	5,889
Public Safety	-	-	-	4,289	4,609	4,970	4,753	5,331	6,265	4,760
Public Health and Welfare	-	-	-	20,611	23,719	24,925	26,807	28,398	34,122	32,701
Social, Cultural, and Recreational Services	-	-	-	9,802	10,709	10,928	10,792	15,762	17,313	16,622
Agriculture and Natural Resources	-	-	-	1,023	2,538	1,203	1,186	1,352	1,350	1,380
Other Operations	-	-	-	402	346	971	1,439	802	918	724
Highways/Public Works	-	-	-	-	5,118	4,811	6,880	6,104	6,899	6,876
Education (Payments to Component Unit)	-	-	-	13,268	7,369	10,784	13,859	9,750	11,855	14,437
Interest on Long-term Debt	-	-	-	52,058	28,827	40,140	67,167	70,937	23,940	62,793
Other Debt Service	-	-	-	12,480	13,346	13,497	13,123	14,510	16,617	16,447
	-	-	-	-	20	-	1,146	-	-	154
Total Governmental Activities Expenses	\$ -	\$ -	\$ -	\$ 127,638	\$ 102,674	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ -	\$ -	\$ -	\$ 3,389	\$ 3,345	\$ 3,679	\$ 4,226	\$ 5,460	\$ 4,757	\$ 4,206
Finance	-	-	-	4,102	4,351	5,126	5,514	5,273	6,819	6,483
Administration of Justice	-	-	-	2,987	4,299	4,908	5,525	5,271	5,879	6,243
Public Safety	-	-	-	4,883	4,055	3,459	3,874	525	3,904	3,473
Public Health and Welfare	-	-	-	3,792	4,727	5,719	5,616	5,291	7,647	6,866
Social, Cultural, and Recreational Services	-	-	-	9	9	9	8	5	1	1
Agriculture and Natural Resources	-	-	-	3	6	65	126	118	113	-
Other Operations	-	-	-	-	-	68	-	-	-	-
Highways/Public Works	-	-	-	142	143	19	-	-	-	128
Education	-	-	-	-	12,164	18,139	21,634	24,969	28,930	34,080
Operating Grants and Contributions	-	-	-	6,361	7,446	5,120	6,279	11,045	7,002	7,158
Capital Grants and Contributions	-	-	-	10,594	2,271	9,292	2,327	4,873	5,041	5,050
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ -	\$ 36,262	\$ 42,816	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ (91,376)	\$ (59,858)	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ -	\$ -	\$ -	\$ 16,945	\$ 17,933	\$ 22,585	22,520	23,957	21,929	24,852
Property Tax Levied for Debt Services	-	-	-	19,689	20,805	22,621	25,016	27,009	30,523	33,151
Payments in-Lieu-of Taxes	-	-	-	-	-	-	-	-	-	6,188
Local Option Sales Tax	-	-	-	4,328	3,967	3,891	4,007	4,279	4,812	4,767
Hotel/Motel Tax	-	-	-	-	-	-	-	-	-	986
Wheel Tax	-	-	-	-	-	-	-	-	-	5,707
Business Tax	-	-	-	-	-	-	-	-	-	1,385
Litigation Tax	-	-	-	-	-	-	-	-	-	1,062
Development Tax	-	-	-	-	-	-	-	-	-	3,960
Other Local Taxes	-	-	-	11,138	12,154	15,407	16,366	15,953	22,115	1,492
Unrestricted Grants and Contributions	-	-	-	5,106	5,224	5,905	6,011	6,014	1,054	1,073
Investment Earnings	-	-	-	2,377	1,583	1,065	2,501	5,114	8,500	5,671
Gain on Disposal of Capital Assets	-	-	-	-	-	36	2,500	62	-	-
Miscellaneous	-	-	-	32	779	467	325	-	424	130
Total Governmental Activities	\$ -	\$ -	\$ -	\$ 59,615	\$ 62,445	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424
Change in Net Assets	\$ -	\$ -	\$ -	\$ (31,761)	\$ 2,587	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)

Notes:

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

Table 2a

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

	Fiscal Year									
	<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>	<u>2008</u>
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ -	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378
Total Governmental Activities Expenses	\$ -	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$ -	\$ -	\$ -	\$ 315	\$ 241	\$ 244	\$ 258	\$ 218	\$ 215	\$ 6,489
Operating Grants and Contributions	-	-	-	8,953	9,377	13,040	16,650	17,002	18,018	21,131
Capital Grants and Contributions	-	-	-	52,058	14,930	23,511	43,554	46,255	-	36,322
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ -	\$ 61,326	\$ 24,548	\$ 36,795	\$ 60,462	\$ 63,475	\$ 18,233	\$ 63,942
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ -	\$ (89,281)	\$ (133,904)	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ -	\$ -	\$ -	\$ 32,759	\$ 34,645	\$ 41,219	\$ 42,453	\$ 45,473	\$ 49,366	\$ 50,464
Payments in-Lieu-of Taxes	-	-	-	-	-	-	-	-	-	650
Local Option Sales Tax	-	-	-	22,921	24,124	27,946	29,887	32,888	34,922	37,195
Wheel Tax	-	-	-	-	-	-	-	-	-	3,202
Business Tax	-	-	-	-	-	-	-	-	-	1,227
Other Local Taxes	-	-	-	3,054	3,155	3,398	3,709	3,946	4,804	20
Unrestricted Grants and Contributions	-	-	-	69,910	74,819	82,331	93,215	101,632	110,660	132,260
Investment Earnings	-	-	-	463	281	203	460	1,171	1,624	1,396
Gain on Disposal of Capital Assets	-	-	-	-	-	356	-	573	-	514
Miscellaneous	-	-	-	92	311	296	498	-	359	360
Total Governmental Activities	\$ -	\$ -	\$ -	\$ 129,199	\$ 137,335	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288
Change in Net Assets	\$ -	\$ -	\$ -	\$ 39,918	\$ 3,431	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852

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

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

Fiscal Year	Property Tax for General Purposes	Property Tax for Debt Service	Payment in-Lieu-of Taxes	Sales Tax - Primary Government	Hotel/Motel Tax	Wheel Tax	Business Tax	Litigation Tax	Develop. Tax	Other Local Tax - Primary Govt.	Total
1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2000	-	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-	-
2002	16,945	19,689	-	4,328	-	-	-	-	-	11,138	52,100
2003	17,933	20,805	-	3,967	-	-	-	-	-	12,154	54,859
2004	22,585	22,621	-	3,891	-	-	-	-	-	15,407	64,504
2005	22,520	25,015	-	4,007	-	-	-	-	-	16,366	67,908
2006	23,958	27,009	-	4,279	-	-	-	-	-	15,953	71,199
2007	21,929	30,523	-	4,812	-	-	-	-	-	22,115	79,379
2008	24,853	33,151	6,188	4,768	985	5,707	1,385	1,062	3,960	1,492	83,551

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

Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source
Rutherford County Board of Education
Last Ten Fiscal Years (1)
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax for Ruth. Co. Schools	Payment in-Lieu-of Taxes	Sales Tax - Ruth. Co. Schools	Wheel Tax	Business Tax	Other Local Tax - Ruth. Co. Schools	Total
1999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2000	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-
2002	32,759	-	22,921	-	-	3,054	58,734
2003	34,645	-	24,124	-	-	3,155	61,924
2004	41,218	-	27,946	-	-	3,398	72,562
2005	42,453	-	29,887	-	-	3,709	76,049
2006	45,473	-	32,888	-	-	3,946	82,307
2007	49,366	-	34,922	-	-	4,804	89,092
2008	50,464	650	37,195	3,202	1,227	20	92,758

(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)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PRIMARY GOVERNMENT										
General Fund										
Reserved	\$ 636	\$ 843	\$ 958	\$ 1,006	\$ 1,561	\$ 2,247	\$ 2,978	\$ 3,387	\$ 3,794	\$ 2,700
Unreserved	8,967	9,662	11,705	11,958	12,331	16,234	16,936	20,580	19,931	17,025
Total General Fund	<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>	<u>\$ 19,725</u>
All other governmental funds										
Reserved	\$ 1,591	\$ 1,407	\$ 1,120	\$ 837	\$ 724	\$ 757	\$ 501	\$ 508	\$ 836	\$ 1,220
Unreserved, reported in:										
Special revenue funds	8,674	10,988	11,952	10,190	11,031	14,743	18,308	19,805	19,540	17,753
Debt service	21,469	26,004	31,953	31,664	28,975	28,765	30,267	31,183	30,928	30,705
Capital projects funds	5,115	2,601	946	8,456	12,869	6,117	14,382	29,708	17,719	9,084
Total all other governmental funds	<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>\$ 63,438</u>	<u>\$ 81,204</u>	<u>\$ 69,023</u>	<u>\$ 58,762</u>
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 4,424	\$ 6,060	\$ 3,522	\$ 3,045	\$ 4,415	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732
Unreserved	15,093	11,817	8,385	7,484	5,412	6,954	9,875	11,283	12,832	11,396
Total General Purpose School Fund	<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>	<u>\$ 13,128</u>
All other school funds										
Reserved	\$ 22,374	\$ 38,340	\$ 29,704	\$ 28,556	\$ 22,738	\$ 7,535	\$ 5,659	\$ 21,178	\$ 15,802	\$ 23,167
Unreserved, reported in:										
Debt service	-	-	-	-	-	-	-	68	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	3,141
Capital projects funds	2,194	2,991	1,076	9,894	(2,104)	10,089	33,399	31,229	1,127	(7,787)
Total all other governmental funds	<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>	<u>\$ 18,521</u>

Rutherford County, Tennessee
Changes in Fund Balances - Governmental Funds - Primary Government
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 45,173	\$ 49,870	\$ 53,557	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659
Licenses and Permits	1,108	825	713	932	1,099	1,248	1,679	2,040	1,830	1,688
Fines and Forfeitures	979	1,308	1,347	1,546	1,881	2,338	2,638	2,979	2,479	2,875
Charges for Services	9,310	9,366	10,245	11,549	13,453	9,177	9,822	10,349	12,004	12,283
Other Local Revenue	5,609	6,482	7,515	3,348	2,487	1,997	3,613	6,423	9,566	7,069
Fees from County Officials	(*)	(*)	(*)	(*)	(*)	6,029	6,327	7,147	7,730	7,147
State Revenues	8,263	9,227	8,528	8,540	9,729	9,551	8,898	10,695	11,187	11,382
Federal Revenues	406	353	451	648	1,140	1,323	1,805	3,138	1,533	432
Other Govt./Citizens	2,442	233	202	2,926	1,206	545	452	1,004	804	508
Total revenues	\$ 73,290	\$ 77,664	\$ 82,558	\$ 86,227	\$ 90,667	\$ 101,815	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043
Expenditures										
General Government	\$ 3,686	\$ 6,366	\$ 6,020	\$ 8,786	\$ 4,608	\$ 5,168	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492
Finance	3,490	2,442	2,696	4,392	5,022	4,872	5,452	5,953	6,417	6,876
Administration of Justice	3,166	2,526	2,661	4,267	4,566	4,752	4,780	5,258	6,073	6,206
Public Safety	13,874	15,878	17,716	19,927	22,028	24,010	25,910	29,316	32,044	34,455
Public Health/Welfare	7,769	8,280	9,451	9,505	10,528	11,564	11,591	13,614	16,018	16,656
Social, Cultural/Recreational	889	937	1,006	1,023	1,095	1,103	1,086	1,252	1,350	1,381
Agriculture and Natural	297	336	372	386	359	852	1,418	690	735	772
Other Operations	3,295	4,464	4,072	-	5,109	4,805	12,010	9,271	6,878	6,913
Highway and Bridge	5,647	5,222	5,579	5,555	5,831	6,048	6,478	7,000	8,254	8,928
Debt Service:										
Principal	12,811	12,744	13,543	14,069	16,974	16,384	17,719	20,004	24,539	24,515
Interest	8,841	8,314	10,271	12,537	13,105	13,761	14,065	14,769	16,897	16,341
Other Charges	-	-	170	448	-	164	1,146	237	-	349
Capital Projects	9,047	5,436	3,909	53,826	20,469	32,142	46,579	52,523	13,632	54,019
	\$ 72,812	\$ 72,945	\$ 78,066	\$ 134,721	\$ 109,694	\$ 125,625	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903
Excess of revenues over (under) expenditures	\$ 478	\$ 4,719	\$ 4,492	\$ (48,494)	\$ (19,027)	\$ (23,810)	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)

(*) Excess fees are shown as other financing sources

Rutherford County, Tennessee
Changes in Fund Balances - Governmental Funds - Primary Government

Last Ten Fiscal Years (Cont.)
(amounts expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing sources (uses)										
Transfers in	\$ 3,563	4,777	6,248	\$ 10,969	\$ 9,932	\$ 6,166	\$ 6,421	\$ 7,819	\$ 7,287	\$ 6,509
Transfers out	(3,459)	(4,666)	(6,121)	(11,953)	(10,262)	(5,980)	(6,911)	(7,580)	(6,971)	(6,130)
Insurance recovery	-	-	-	-	-	-	-	-	113	-
Bond proceeds	-	43,900	30,850	54,220	22,581	24,995	53,500	64,220	-	42,700
Note proceeds	-	-	2,133	-	-	-	-	-	-	-
Proceeds on refunded bonds	-	-	73,585	-	7,534	-	60,165	-	-	-
Payments to refunded bond escrow agent	-	-	(74,074)	-	(7,534)	-	(64,792)	-	-	-
Premiums on bonds sold	-	-	902	628	158	-	6,501	3,018	-	473
Transfer to component unit	-	(44,150)	(30,885)	-	-	-	-	-	-	-
Transfer from component unit	-	471	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	4,000	-	-	47
TOTAL OTHER SOURCES	\$ 104	\$ 332	\$ 2,638	\$ 53,864	\$ 22,409	\$ 25,181	\$ 58,884	\$ 67,477	\$ 429	\$ 43,599
Net change in fund balances	\$ 582	\$ 5,051	\$ 7,130	\$ 5,370	\$ 3,382	\$ 1,371	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)

Debt Service as a percentage of
noncapital expenditures

34.0%

31.2%

32.3%

33.4%

33.7%

32.4%

30.8%

30.8%

32.8%

31.5%

General Governmental TAX Revenues by Source
Last Ten Fiscal Years (expressed in thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Property Tax and PILOT	\$ 35,013	\$ 37,484	\$ 39,040	\$ 41,186	\$ 43,205	\$ 50,038	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949
Sales Tax	919	1,246	4,230	4,112	4,098	3,895	4,011	4,246	4,770	4,762
Hotel/Motel Tax	455	456	632	543	579	644	645	748	843	986
Wheel Tax	3,841	4,086	3,986	4,261	4,384	4,624	4,897	5,167	5,370	5,707
Litigation Tax	479	529	674	750	873	884	909	965	975	1,062
Business Tax	703	701	709	752	772	870	1,040	1,147	1,236	1,385
Mineral Severance	429	493	310	335	361	453	534	524	690	642
Development Tax	2,754	4,165	3,102	3,890	4,429	7,150	7,702	6,697	6,229	3,960
Bank Excise Tax	221	269	168	241	214	279	406	372	501	307
Wholesale Beer Tax	359	441	698	658	744	761	627	701	800	845
Other Statutory Tax	-	-	8	10	13	9	9	30	29	54
	\$ 45,173	\$ 49,870	\$ 53,557	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659

Rutherford County, Tennessee
Changes in Fund Balances - Governmental Funds - Rutherford County School Department
Last Ten Fiscal Years
(amounts expressed in thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 44,818	\$ 48,495	\$ 56,174	\$ 58,859	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476
Licenses and Permits	6	12	14	13	13	14	14	15	16	15
Charges for Services	221	252	222	156	187	222	223	186	186	6,428
Other Local Revenue	465	1,132	727	813	726	885	1,158	1,924	3,577	6,584
State Revenues	62,724	64,594	67,348	70,377	75,109	82,029	94,000	101,319	112,189	133,203
Federal Revenues	5,684	7,607	7,121	8,423	8,577	12,334	14,246	15,477	15,826	15,593
Other Govt/Citizens	88	43,501	30,813	52,058	14,930	23,497	43,554	46,255	-	35,322
Total revenues	\$ 114,006	\$ 165,593	\$ 162,419	\$ 190,699	\$ 161,718	\$ 191,524	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621
Expenditures										
Education	\$ 112,558	\$ 122,877	\$ 135,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	-	-	-	-	-	-	-	-	-	-
Other Operations	-	-	-	-	939	1,267	-	-	-	-
Instruction	-	-	-	92,812	98,586	106,845	121,188	125,759	140,849	155,364
Support Services	-	-	-	42,725	44,958	51,068	55,884	63,264	67,680	76,848
Operational Services	-	-	-	3,062	2,904	3,950	4,343	5,211	6,298	13,970
Capital Outlay	-	-	-	83	45	69	150	347	150	666
Debt Service	-	-	-	-	-	-	-	300	541	561
Principal	-	-	-	-	-	-	-	27	148	129
Interest	-	-	-	-	-	-	-	-	-	-
Capital Projects	14,569	27,593	43,188	45,726	32,804	26,939	25,681	40,587	40,975	46,557
	\$ 127,127	\$ 150,470	\$ 178,940	\$ 184,408	\$ 180,236	\$ 190,138	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095
Excess of revenues over (under) expenditures	\$ (13,121)	\$ 15,123	\$ (16,521)	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)
Other financing sources (uses)										
Transfers in	\$ 38	50	779	\$ 1,341	\$ 1,020	\$ 1,217	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433
Transfers out	(38)	(50)	(779)	(1,341)	(1,020)	(1,217)	(4,766)	(3,972)	(3,942)	(7,433)
Insurance recovery	-	-	-	-	-	-	-	-	-	1
Bond proceeds	-	-	-	-	-	-	-	4,035	-	-
Note proceeds	-	-	-	-	-	-	-	-	500	-
Premiums on bonds sold	-	-	-	-	-	-	-	55	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,090	\$ 500	\$ 562
Net change in fund balances	\$ (13,121)	\$ 15,123	\$ (16,521)	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)
Debt Service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%

General Governmental TAX Revenues by Source - Rutherford County School Department
Last Ten Fiscal Years (expressed in thousands)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Property Tax & PILOT	\$ 28,259	\$ 30,415	\$ 31,894	\$ 33,107	\$ 34,947	\$ 41,502	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971
Sales Tax	15,923	17,440	21,416	22,697	24,074	27,654	29,689	32,452	35,001	37,056
Wheel Tax	-	-	2,195	2,364	2,436	2,581	2,752	2,900	3,006	3,202
Business Tax	636	640	648	668	691	794	929	1,022	1,164	1,227
Other Statutory Tax	-	-	21	23	28	26	26	26	25	20
	<u>\$ 44,818</u>	<u>\$ 48,495</u>	<u>\$ 56,174</u>	<u>\$ 58,859</u>	<u>\$ 62,176</u>	<u>\$ 72,557</u>	<u>\$ 76,896</u>	<u>\$ 82,346</u>	<u>\$ 89,099</u>	<u>\$ 92,476</u>

Rutherford County, Tennessee
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Equalization Ratio	Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
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%	9,505,372,990	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%
2008	2007	2.44	15,268,248,000	4,336,757,155	1,282,688,603	384,827,843	269,837,543	148,410,649	100%	16,820,774,146	4,869,995,647	28.95%

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

Fiscal Year Ending June 30	Tax Year	Rutherford County	(1) Average Daily Attendance Factor	(2) Net County Rate	Percent of County Tax Rate Collected for				
					Benefit of the City of Murfreesboro	City of Murfreesboro	Town of Smyrna	City of LaVergne	City of Eagleville
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
2008	2007	2.44	0.1586	2.24	8.20%	1.407	0.86	0.50	0.92

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

- (1) Average daily attendance factor is the weighted full-time equivalent determined by the Tennessee Department of Education and is based on the number of students attending county and city school systems. By law, Rutherford County must share locally generated revenue with the City of Murfreesboro for its school system.
- (2) Net county rate is derived by multiplying the portion of the tax rate designated for school purposes by the ADA factor and subtracting that from the total county rate.

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2008

Taxpayer	Type of Business	2007			Percentage of			1998			Percentage of	
		Rank	Assessed Valuation	Tax Liability	2007 Total Taxes Levied (2)	Rank	Assessed Valuation	1998 Tax Liability	1998 Total Taxes Levied (2)	Percentage of Total Taxes Levied (2)		
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 313,079,154	\$ 4,224,396	3.55%	1	\$ 408,046,700	\$ 3,569,935	(1)	5.32%		
Middle Tennessee Electric Public Utility-Electric Company		2	48,359,616	1,179,974	0.99%	4	24,652,428	685,339		1.02%		
Pillsbury Co./General Mills Bakery Goods		3	46,960,229	1,069,564	0.90%	3	27,104,351	753,500		1.12%		
Bridgestone Tire Maker		4	43,504,763	1,061,517	0.89%	2	47,641,267	1,324,427		1.97%		
Southpark, Nashville, LLC Warehousing		5	29,708,680	724,891	0.61%							
BellSouth Public Utility-Telephone Co.		6	23,391,989	570,765	0.48%	5	24,095,052	669,842		1.00%		
HCA Health Services Stone Crest Medical Center		7	20,074,024	489,806	0.41%							
Mid South Building (formerly Osborne-Hessey) Warehousing		8	18,071,960	440,956	0.37%							
Transwestern Stones River Mall		9	16,044,160	391,478	0.33%	10	8,184,280	227,523		0.34%		
Tennex/Mahle Retail		10	19,752,656	481,965	0.40%	9	8,386,848	233,154		0.35%		
State Farm Insurance Regional Office-Insurance Co.						7	12,272,853	341,185		0.51%		
United Cities Gas Public Utilities						8	9,996,060	277,890		0.41%		
Cumberland Swann Pharmaceutical/Health Co.						6	13,088,069	363,848		0.54%		
										8.94%		
										12.58%		

Source: Trustee Tax Rolls, in-Lieu-of Tax Agreements.

- (1) The taxes represent \$849,459 (1998 tax year) and \$1,045,292 (2007 tax year) collected on real and personal property for the transport division. The remaining amount of \$2,720,476 (1998) and \$3,179,104 (2007) 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.

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2008

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent		Total Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
				Tax Collections	Tax Collections				
1998	\$ 64,252,785	\$ 62,134,729	96.70%	\$ 2,056,880	\$ 64,191,609	99.90%	\$ 61,176	0.10%	
1999	68,779,516	65,913,865	95.83%	2,810,192	68,724,057	99.92%	55,459	0.08%	
2000	72,057,084	68,830,952	95.52%	3,156,999	71,987,951	99.90%	69,133	0.10%	
2001	76,232,827	72,780,582	95.47%	3,307,018	76,087,600	99.81%	145,227	0.19%	
2002	79,909,122	76,104,340	95.24%	3,702,803	79,807,143	99.87%	101,979	0.13%	
2003	93,099,927	89,736,798	96.39%	3,226,401	92,963,199	99.85%	136,728	0.15%	
2004	97,889,256	94,864,349	96.91%	2,858,943	97,723,292	99.83%	165,964	0.17%	
2005	105,297,727	101,990,111	96.86%	3,115,357	105,105,469	99.82%	192,258	0.18%	
2006	111,419,529	108,059,865	96.98%	2,582,431	110,642,295	99.30%	777,234	0.70%	
2007 (2)	119,023,978	113,890,715	95.69%	(1)	113,890,714	95.69%	4,154,970	3.49%	

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

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

(2) Current-year collections (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

Fiscal Year				
Ending	Tax			Tax
June 30	Year	Estimated	Assessed	Payments
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
2008	2007	1,787,186,089	516,705,426	4,267,223

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 13 companies in 2007-2008, with Nissan representing approximately 74.5% of the total. Section 7-53-305, Tennessee Code Annotated is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

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

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

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded		Population (1)	Net Bonded Debt per Capita
				Assessed Value	Debt to Assessed Value		
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	228,829	1,344
2008	356,750,000	30,704,855	326,045,145	4,869,995,647	6.69	241,462	1,350

Sources: Table 6, Tennessee Department of Economic and 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 10 years.

Table 12

Rutherford County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
As of June 30, 2008

		% of Estimated Property Value	% of Assessed Property Value
<u>Direct Debt</u>			
General Bonded Debt	\$ 356,750,000	2.12%	7.33%
Less: General Debt Service Funds	<u>(30,704,855)</u>		
Total Direct Debt	\$ 326,045,145	1.94%	6.69%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 192,215,932	1.14%	3.95%
Town of Smyrna	17,054,808	0.10%	0.35%
City of La Vergne	11,535,000	0.07%	0.24%
City of Eagleville	210,000	0.00%	0.00%
County District of Rutherford County (Bonds)	2,775,000	0.02%	0.06%
County District of Rutherford County (Notes)	<u>357,142</u>	0.00%	0.01%
Total Overlapping Debt	<u>224,147,882</u>		
Total Direct and Overlapping Debt	\$ 550,193,027	3.27%	11.30%

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
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	3.7%
2008	241,462	31,300	7,557,760,600	31.2	35,781	4.4%

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

Employer	2008			1999		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. US	5,700	1	4.60%	6,200	1	7.06%
Rutherford County Government and Board of Education	4,223	2	3.41%	2,911	2	3.31%
Middle Tennessee State University	3,000	3	2.42%	1,650	6	1.88%
Bridgestone/Firestone, Inc.	1,800	4	1.45%	1,900	5	2.16%
Ingram Book Company	1,658	5	1.34%	2,500	3	2.85%
Whirlpool Corp.				2,000	4	
State Farm Insurance	1,550	6	1.25%			
City of Murfreesboro				1,268	7	1.44%
Alvin C. York Veterans Administration Medical Center	1,150	7	0.93%	1,260	8	1.43%
Asurion	1,088	8	0.88%			
Murfreesboro Board of Education	1,088	9	0.88%			
Verizon	1,083	10	0.87%			
Middle Tennessee Medical Center				1,100	9	1.25%
Perrigo				1,000	10	1.14%
Total			<u>18.02%</u>			<u>20.13%</u>

Source: Rutherford County Chamber of Commerce

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

Function:	Employees as of June 30,									
	<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>	<u>2008</u>
General Government	52	54	54	57	58	58	58	65	72	76
Finance	77	81	82	84	84	85	85	83	83	86
Justice	59	68	68	73	76	77	78	81	85	85
Public Safety	313	348	352	357	366	387	397	439	469	486
Health and Welfare	137	156	157	159	169	179	186	205	212	218
Agriculture	1	4	4	6	6	7	12	7	8	10
Other	2	3	3	3	3	3	3	3	3	3
Road and Bridge	71	72	71	73	71	71	71	77	77	77
Total	712	786	791	812	833	867	890	960	1009	1041

COMPONENT UNIT:

Education	2,199	2,204	2,354	2,467	2,444	2,597	2,748	2,779	3,098	3,987
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Source: Rutherford County Finance Department and Rutherford County Board of Education.

Rutherford County, Tennessee
Operating Indicators by Function
June 30, 2008

FUNCTION	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Registered Voters	82,766	86,541	89,247	93,415	96,682	105,286	116,705	121,222	123,350	132,477
Building Permits Issued										
Single Family Homes	858	779	642	618	585	566	828	996	811	623
All Other Permits	1,126	1,327	1,777	1,583	1,668	1,588	1,586	2,488	2,471	2,235
Public Safety										
Number of Warrants Served:										
State	7,433	8,742	9,764	10,155	9,518	10,542	10,216	10,799	11,177	12,140
Civil	14,035	14,624	15,964	16,762	16,390	17,638	17,655	17,516	17,499	19,101
Public Health										
Ambulance - Call Volume	12,617	12,613	13,688	14,803	16,432	17,341	16,978	16,993	17,923	19,378
Response Time - avg. mint	8.40	9.00	8.50	8.30	8.10	8.20	8.50	8.00	7.79	7.83
Animal Control										
Requests for Service	N/A	7,662	9,327	12,764	14,765	13,313	10,937	13,953	14,332	16,415
Animals Impounded	N/A	8,312	8,510	8,822	9,739	8,510	7,421	8,511	8,615	9,193
Animals Adopted	N/A	1,335	1,496	1,498	1,385	1,596	1,774	2,104	2,359	2,457
Road and Bridge										
Street Resurfaced (miles)	N/A	N/A	N/A	N/A	N/A	N/A	71.7	62.8	58.9	62.3
Sanitation										
(tons per day)										
Refuse Collected	80.4	83.8	84.1	92.9	97.9	103.1	111.8	110.9	103.9	110.9
Recyclables Collected	N/A	N/A	N/A	N/A	N/A	10.8	12.7	11.2	8.1	7.5

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

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

Rutherford County, Tennessee
Capital Assets by Function
June 30, 2008

FUNCTION	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Highways and Streets										
Number of Streets in System	1,506	1,574	1,650	1,689	1,724	1,759	1,763	1,829	1,914	1,962
Number of Miles	927	931	936	940	942	941	946	942	951	956
Number of Bridges	208	208	161	162	157	157	157	157	163	163
Public Safety										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	131	131	131	131	131	131	131	131	131	131
Dispatch Station			1	1	1	1	1	1	1	1
Special Operations							1	1	1	1
Ambulance Stations	6	7	8	8	8	8	10	10	11	12
Number of Ambulance Units	15	17	14	14	14	17	20	20	22	24
Sanitation/Landfill										
Number of Trucks	6	7	9	10	11	12	13	14	16	16
Health Department Facilities	2	2	2	2	2	2	2	2	2	2

Facilities and Services Not Included in the Primary Government

Education:

Form of Administration										
Number of Employees	2,378	2,477	2,701	2,823	2,893	2,969	3,145	3,264	3,487	3,988
Elementary Schools	19	19	21	21	21	21	21	21	22	23
Middle Schools	3	3	3	3	3	6	7	7	8	8
High Schools	5	5	6	6	6	7	7	7	7	7
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	1	1	1	1	1	2	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, 2008

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, 2008, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated October 31, 2008. Our report was modified to include references 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 the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiencies in internal control over financial reporting: 08.01, 08.02, 08.03, 08.05, and 08.08.

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 material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

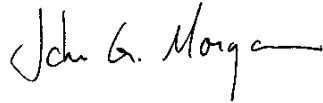
As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 08.04, 08.06, 08.07, and 08.09.

We considered item 08.10 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.

Rutherford County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Rutherford County's responses and, accordingly, we express no opinion on them.

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 black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

John G. Morgan
Comptroller of the Treasury

JGM/sb

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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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, 2008

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, 2008. 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, 2008.

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

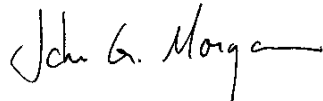
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County as of and for the year ended June 30, 2008, and have issued our report thereon dated October 31, 2008. 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.

Rutherford County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Rutherford County's responses and, accordingly, we express no opinion on them.

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

John G. Morgan
Comptroller of the Treasury

JGM/sb

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Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2008

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:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 806,528 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	1,095,328
National School Lunch Program	10.555	N/A	4,339,479 (3)
Total U.S. Department of Agriculture			<u>\$ 6,241,335</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 28,107
Total U.S. Department of the Interior			<u>\$ 28,107</u>
U.S. Department of Justice:			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 95,185 (4)
Local Law Enforcement Block Grant Program	16.592	N/A	53,366
Bullet Proof Vest Partnership Program	16.607	N/A	9,772
Passed-through State Department of Economic and Community Development:			
Drug Court Discretionary Grant Program	16.585	(2)	70,420 (4)
Violence Against Women Formula Grants	16.588	Z-07-033059	45,491
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Z-06-027524	10,259
Total U.S. Department of Justice			<u>\$ 284,493</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Community Development Block Grants/State's Program	20.601	(2)	\$ 22,952
Total U.S. Department of Transportation			<u>\$ 22,952</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(2)	\$ 176,123
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	2,326,028
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	5,841,339
Special Education - Preschool Grants	84.173	N/A	81,022
Career and Technical Education - Basic Grants to States	84.048	N/A	578,475
Safe & Drug Free Schools and Communities State Grants	84.186	(2)	89,071
Education for Homeless Children and Youth	84.196	(2)	65,000
Twenty-First Century Community Learning Centers	84.287	(2)	61,443

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont):			
Passed-through State Department of Education (Cont):			
State Grants for Innovative Programs	84.298	N/A	\$ 36,474
Education Technology State Grants	84.318	(2)	26,069
English Language Acquisition Grants	84.365	(2)	258,799
Improving Teacher Quality State Grants	84.367	N/A	672,718
Total U.S. Department of Education			<u>\$ 10,212,561</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State			
Help America Vote Act Requirements Payments	90.401	Z-08-20115-00	\$ 1,773
Total U.S. Election Assistance Commission			<u>\$ 1,773</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Labor and Workforce Development:			
Temporary Assistance for Needy Families	93.558	GG-08-21853-00	\$ 12,642
Total U.S. Department of Health and Human Services			<u>\$ 12,642</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)	\$ 282,261
Total Corporation for National and Community Service			<u>\$ 282,261</u>
U.S. Department of Homeland Security:			
Direct Program:			
Emergency Management Performance Grants	97.042	N/A	\$ 28,500
Passed-through State Department of Military:			
Flood Mitigation Grant	97.017	GG-06-12087-00	54,170
Hazard Mitigation Grant	97.039	GG-05-11595-00	560
Pre-Disaster Mitigation	97.047	(5)	54,170
Homeland Security Grant Program	97.067	GG-07-20323-00	26,021
Total U.S. Department of Homeland Security			<u>\$ 163,421</u>
Total Expenditures of Federal Awards			<u>\$ 17,249,545</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)	\$ 54,776
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Juvenile Court Prevention - State Department of Children's Service	N/A	(2)	569,328
Community Early Intervention Services - State Department of Children's Services	N/A	(2)	49,234
Community Enhancement - Tennessee Secretary of State	N/A	(2)	27,500
Safe Schools Act - State Department of Education	N/A	(2)	157,755
Early Childhood Education - State Department of Education	N/A	(2)	487,825
Coordinated School Health - State Department of Education	N/A	(2)	97,487
Smoke Free Grant - State Department of Health	N/A	(2)	15,789
Rural Local Health Services - State Department of Health	N/A	(2)	<u>1,507,787</u>
Total State Grants			<u>\$ 2,976,481</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$5,146,007.

(4) Total for CFDA No. 16.585 is \$165,605.

(5) GG-06-12087-00: \$24,323; GG-06-12088-00: \$29,847.

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Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2008

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, 2007, which have not been corrected.

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
07.02	270	Federal equitable shared funds were not channeled through the county's budgetary process

OTHER FINDING

Finding Number	Page Number	Subject
07.03	271	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, 2008

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 significant deficiencies in internal control. None of these significant deficiencies were considered to be material weaknesses.
3. The audit disclosed two 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 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), and the Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.
8. A \$517,486 threshold was used to distinguish between Type A and Type B federal programs.
9. Rutherford County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the finance director, director of schools, and sheriff are paraphrased in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICE OF COUNTY MAYOR

FINDING 08.01 **OFFICIALS WERE UNABLE TO ACCOUNT FOR LANDFILL FUNDS TOTALING \$26,209.82** (Internal Control – Significant Deficiency Under Government Auditing Standards)

In December 2007, the Rutherford County Finance Office conducted an internal investigation concerning an alleged theft at the county's landfill office. After some preliminary work, the finance office contacted our office and the district attorney general, who assigned an agent from the Tennessee Bureau of Investigation (TBI) to assist in the investigation. The preliminary investigation concluded that receipts totaling \$26,209.82 were not deposited or otherwise accounted for; however, the TBI is continuing the investigative process.

Accounting standards provide that internal controls be designed to safeguard assets. Our audit of the landfill office noted the following internal control deficiencies that are the result of management's lack of oversight, which increases the risks of theft:

- A. All office employees had access to cash by sharing one cash drawer.
- B. Receipts were not reconciled with deposits.
- C. Several receipts did not include all of the required information, such as the customer's name.
- D. Several receipts were manually altered.
- E. Funds were not deposited within three days of collection as required by Section 5-8-207, Tennessee Code Annotated.
- F. Friends of an employee were given after hours access to hunt on the landfill property.

This cash shortage is not reflected in the financial statements of this report because the county is self-insured. Therefore, receipts for the landfill have been understated by \$26,209.82.

RECOMMENDATION

Each employee collecting cash should have their own cash drawer, and all receipts should be deposited intact. Receipts should be reconciled with deposits, and should be filled out completely. Receipts should not be altered. Funds should be deposited within three days of collection as required by state statute. Unauthorized personnel should not be given after hours access to county property.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Procedures in collecting and accounting for landfill receipts were changed to better account for the receipt of funds. Deposits are now made within three days of receipt. Staff at the landfill have been instructed to note on all receipts, explanations for any changes made to the receipt.

FINDING 08.02 **TOOLS VALUED AT LEAST \$5,118.50 WERE STOLEN FROM A LANDFILL SERVICE TRUCK** (Internal Control – Significant Deficiency Under Government Auditing Standards)

On Saturday, August 30, 2008, county employees discovered that various tools were stolen from the landfill service truck parked near the shop building. The driver of the truck advised that he parked the truck, locked the tool boxes, but could not remember whether he left the keys to the truck in the ignition or if he put the keys in the tool box in the shop. The toolbox in the shop is not locked, but the door to the shop is locked at night. There are six employees who have a key to the building. Access to the landfill lot was gained by cutting through a section of fencing. The value of the missing tools that could be tied to a vendor's invoice totaled \$5,118.50; however, other items were missing that could not be tied to a vendor's invoice. Also, the keys to the truck are missing. The Rutherford County Sheriff's Department is investigating the theft.

Accounting standards provide that internal controls be designed to safeguard assets. Our review of this theft noted the following internal control deficiencies that are the result of management's lack of oversight, which increases the risks of theft:

- A. There are no standard operating procedures directing employees how to secure the keys to vehicles left overnight.
- B. The tool box in the shop that is sometimes used to store vehicle keys is not locked.
- C. Six employees have keys to the shop building.

This shortage is not reflected in the financial statements of this report because the county is self-insured.

RECOMMENDATION

Management should establish procedures for the storage of vehicle keys, perform a risk assessment to determine areas susceptible to theft, and develop procedures to mitigate those risks.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

One person at the landfill has been designated as custodian for keys to vehicles, tool boxes, equipment, and gas/diesel pumps. Employees must sign out the keys on the key log. At the close of business, the custodian ensures that all keys have been returned and are locked in the key box. The key box is locked within the facility with the key to the key box stored in a separate location.

FINDING 08.03 **THE BUILDING CODES SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS** (Internal Control – Significant Deficiency Under Government Auditing Standards)

The Building Codes software application did not provide a record of changes to previously issued receipts or permits. Users had the capability to change information on receipts and permits, leaving no evidence of the original information. Sound business practices dictate that proper application controls be implemented. Because the vendor did not design the system with these controls, inappropriate system activity could occur.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the permit application that would provide an audit trail for any changes to receipts or permits. These controls would help to ensure the reliability and integrity of the information maintained by the system.

FINDING 08.04 **THE AMBULANCE SERVICE DID NOT ISSUE RECEIPTS FOR ALL COLLECTIONS** (Noncompliance Under Government Auditing Standards)

The Ambulance Service did not issue receipts for all collections. Instead, the office only issued manual receipts if the customer paid their bill at the office. Receipts were not issued for collections received through the mail. Section 9-2-103, Tennessee Code Annotated, requires official prenumbered receipts for all collections. It should be noted that the office had a software application with the capability of issuing receipts; however, the software could not assign a sequential receipt number to collections. In-lieu-of manually issued prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated.

RECOMMENDATION

Management should issue prenumbered receipts for all collections as required by state statute. Since the office has computer capability, management should contact their software vendor about adding software controls to the application that would assign sequential receipt numbers to collections. These controls would help to ensure the reliability of reports that are generated by the system.

OFFICE OF DIRECTOR OF FINANCE

FINDING 08.05 **THE ACCOUNTING SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Prior to posting in the general ledger, automated financial transactions could be changed, and an audit trail of these changes would not be maintained. Sound business practices dictate that proper application controls be implemented. Without an audit trail of system activity, errors and improper changes could occur and go undetected. Although the software vendor had previously removed the client's ability to change financial transactions without leaving an audit trail, it was restored without the official's knowledge. When this was brought to the official's attention, the vendor was contacted and this capability was again removed.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 08.06 **ROOF REPAIRS WERE NOT COMPETITIVELY BID**
(Material Noncompliance Under Government Auditing Standards)

The School Department bid and contracted for roof repairs effective for the period October 1, 2004, through September 30, 2005. In-lieu-of soliciting a new bid for these services when the contract period expired, the School Department continued to purchase these services from the vendor under the terms and conditions of the expired bid. Section 49-2-203, Tennessee Code Annotated, requires all purchases exceeding \$10,000 to be based on competitive bids solicited through public advertisement. School Department personnel advised that this deficiency resulted from oversight due to the volume of bids processed and management not realizing that these bids had expired. The failure to solicit competitive bids for roof repairs could result in the School Department paying more than the most competitive price. It should be noted that competitive bids were solicited when auditors advised management of this situation.

RECOMMENDATION

Management should solicit competitive bids on services as prior bid contract periods expire.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Once the school board became aware of this issue, we went out for another bid. We also modified the approval process for work performed on the basis of similar competitively-bid contracts so that the purchasing department would also approve the work request before the work starts in order to make certain that the contract is still applicable. We do not dispute this finding at all but want to mention that in regard to this particular contract, we feel the school board saved money.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 08.07 **THE OFFICE DID NOT SOLICIT COMPETITIVE BIDS FOR A TRUCK** (Noncompliance Under Government Auditing Standards)

Competitive bids were not solicited for the purchase of a truck (\$44,700). The Highway Department purchased a vehicle that was previously on state contract 18 days after the contract expired. The Uniform Road Law, Section 54-7-113, Tennessee Code Annotated, requires competitive bids on purchases exceeding \$10,000. The failure to solicit competitive bids could result in the Highway Department paying more than the most competitive price.

RECOMMENDATION

Management should solicit competitive bids on purchases exceeding \$10,000. If purchasing from the state contract, officials should verify the current status of the state contract information prior to making the purchase.

OFFICE OF JUVENILE COURT CLERK

FINDING 08.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF JUVENILE COURT CLERK** (Internal Control – Significant Deficiency Under Governmental Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Office of Juvenile Court Clerk. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance to provide reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of managements' decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

OFFICE OF SHERIFF

FINDING 08.09 **FEDERAL EQUITABLE SHARED FUNDS WERE NOT CHANNELED THROUGH THE COUNTY'S BUDGETARY PROCESS**

(Material 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. During the year under examination, the sheriff expended \$40,261 and had a balance in this account of \$10,931 on June 30, 2008. Section 5-9-401, Tennessee Code Annotated (TCA), requires that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This finding exists because of the failure of management to correct the finding noted in prior audit reports.

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.

MANAGEMENT'S RESPONSE – SHERIFF

In September 1996, Detective Don Davenport was assigned to the Middle Tennessee Drug Enforcement Agency (DEA) Task Force. As a member of this Task Force, the Rutherford County Sheriff's Office receives shares of forfeiture funds that the Task Force seizes and are awarded by the U.S. District Court. These funds fall under the control of the Department of Justice Asset Forfeiture Program. An annual report is sent to the Department of Justice each year, and these funds are subject to audit by the Department of Justice.

In September 1996, former Lieutenant Chuck Thomas, Sergeant Kerry Nelson, and Chief Deputy of Administration Susan Gammon met with Paul Long who was the Rutherford County Finance Director at that time. It was discussed how we should set up the account. Mr. Long stated it could be done one of two ways. He, as the county, could administer the

account or the Rutherford County Sheriff's Office could do it. Lieutenant Thomas contacted the Nashville DEA Office and was advised that the Sheriff's Office should administer the account and not the county. An account was then set up and has been in use since this time with approval of the Department of Justice.

In August 2006, Sheriff Truman Jones was notified by the Division of County Audit that we could not administer this account and that it would have to be transferred to the Rutherford County Government. Major Chuck Thomas contacted Caroline Dingess, U.S. Department of Justice, who administers the asset forfeiture program for Tennessee. Ms. Dingess stated that the account was fine the way it was and that the funds were subject to be audited by the Department of Justice and not the Tennessee Division of Audit. This was backed by the Nashville DEA Office.

In October 2006, the Review of Audit Findings and Recommendations was released. Major Thomas again contacted Caroline Dingess and informed her of the findings. She referred Major Thomas to the Department of Justice Attorneys for Asset Forfeiture. Major Thomas spoke with Justice Attorney Erin Pearl who was the duty attorney. She confirmed what Ms. Dingess had instructed and stated she would have the lead attorney contact Major Thomas. Major Thomas was then contacted by Department of Justice Attorney Nancy Ryder. Ms. Ryder was informed of the findings and TCA, Code 5-9-401. Ms. Ryder was familiar with the TCA code and stated that the program did not fall under this code. She stated the these funds are not considered county funds and are to be administered by the Rutherford County Sheriff's Office as an agreement between the Department of Justice and the Sheriff's Office. She stated that the funds could only be received by the Sheriff's Office, via direct deposit, and not the county. Funds would not be sent to Rutherford County. She stated that if the account was transferred, no further monies would be sent. She referred the Federal Equitable Sharing Agreement signed by both Sheriff Truman Jones and County Mayor Nancy Allen, which is valid through September 30, 2008. Number 5 of the agreement, Internal Controls, sets forth how to administer the account. She also stated that these funds were subject to audit by the Department of Justice and not the State of Tennessee.

REBUTTAL

Number 5 of the Federal Equitable Sharing Agreement referred to above states "The parties agree to account separately for federal equitable sharing funds received from the Department of Justice and the Department of the Treasury. Funds from state and local forfeitures and other sources must not be commingled with federal equitable sharing funds. The recipient agency shall establish a separate revenue account or accounting code for state, local, Department of Justice, and Department of the Treasury forfeiture funds. Interest income generated must be accounted for in the appropriate federal forfeiture fund account." The issue is to maintain a separate identity, depositing the forfeited funds with the county in the General Fund or a special revenue fund in separate revenue accounts for accounting purposes satisfies Number 5 of the agreement. Furthermore, in A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies published by the U.S. Department of Justice in Appendix C, a sample bookkeeping procedure, item No. 1, states "Establish a separate revenue account through your Department of Finance for the proceeds from the disposition of federal sharing proceeds. This account should also receive any interest income generated by the funds. This account

will be solely for the use of federal sharing proceeds. No other funds may be included in this account.” Therefore, these guidelines permit the Finance Department to account for the funds, which contradicts the above statements that only the Sheriff’s Department can account for the funds.

Section 8-4-109, TCA, provides that “The comptroller of the treasury is hereby authorized to audit any books and records of any governmental entity created under and by virtue of the statutes of the state of Tennessee which handles public funds.” The Federal Equitable Sharing Agreement states in item No. 7 that “The Department of Justice and the Department of the Treasury reserve the right to conduct periodic random audits.” Therefore, while the Department of Justice and the Department of the Treasury may audit the federal forfeited funds, the Comptroller of the Treasury will audit the funds as required by state statute.

In A Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies published by the U.S. Department of Justice in Appendix C, item No. 8, “In some jurisdictions, approval for expenditures must also be obtained from the governing body, such as a town council or city manager’s office.” Therefore, since the Rutherford County Commission is required to appropriate all expenditures of the Sheriff’s Department as required by Section 5-9-401, TCA, and also as authorized by the Department of Justice manual, the federal forfeitures must be maintained in a fund administered by the Finance Office.

Finally, during the audit for the year ended June 30, 2006, we contacted the Criminal Division of the U.S. Department of Justice/FSA, and they referenced the Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies noting that the county could not budget anticipated receipts, funds must be used to supplement not supplant resources, and shared funds may not be used for any purpose that would constitute an improper use of state or local law enforcement funds. Furthermore, they stated that it is to be determined on the state and local level how the money should be maintained, so long as the money is not used to supplant the budget and is not anticipated for future expenses. Therefore, the county should maintain the forfeited funds in the General Fund or a special revenue fund and budget the forfeited funds as received to supplement local resources for allowable expenditures.

OTHER FINDING AND RECOMMENDATION

FINDING 08.10 **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. Sound business practice dictates that establishing a central system of purchasing would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

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.

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RUTHERFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2008

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