
COMPREHENSIVE ANNUAL FINANCIAL REPORT RUTHERFORD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

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

JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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Auditor 4

PATTY VARGO, CFE
STEPHANIE PFLUM, CFE
KELLEY McNEAL, CPA, CGFM
State Auditors

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

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

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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, 2009

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2009.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Ambulance Service did not issue receipts for all collections.

OFFICE OF DIRECTOR OF FINANCE

- ◆ The Self-Insurance Fund had a net assets deficit at June 30, 2009.

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.

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INTRODUCTORY SECTION

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

LETTER OF TRANSMITTAL

October 23, 2009

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, 2009, 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. 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, 2009, 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, 2009, 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 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Rutherford County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Located in the "Heart of Tennessee" with 615 square miles of land area, Rutherford County is the geographic center of the state. 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 still 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 45 percent during the past ten years.

Our largest manufacturing employers include Nissan USA, Ingram Book Co., Bridgestone/Firestone, and General Mills. 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 regional veteran's facility with 510 hospital beds and 166 nursing home beds, the south central regional office for State Farm Insurance, and numerous other companies including a call center for Verizon Wireless.

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. In September 2008, the new Embassy Suites – Hotel and Conference Center opened in Murfreesboro, Tennessee. It is one of the largest facilities of its kind in the area. The 10-story, 283 suite hotel and conference center offers 80,000 gross square feet of meeting and event space. Its 28,800 square-foot ballroom is the third largest in the greater Nashville market. The center is strategically located near State Route 840 in the southeast quadrant of Interstate 24 and Medical Center Parkway and is adjacent to the new lifestyle center, "The Avenue Murfreesboro," which features nearly one million square feet of restaurant, home furnishing, and fashion shopping in an open air setting. These facilities are part of the "Gateway". The Gateway is part of a broader plan to develop about 800 acres up to Interstate 24 and a new interchange into office buildings, more retail shopping, and housing similar to that found in neighboring Williamson County. Government and business leaders are banking on the development to entice more businesses to bring their base of operations to the county and provide higher-paying jobs to the citizens.

Similar to the nation and the State of Tennessee, Rutherford County's unemployment rate has risen over the course of the fiscal year and our economy has slowed. As of June 2009, Rutherford County had a labor force of 133,000 with 118,250 employed resulting in an 11.1 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2009, Rutherford County's unemployment rate was the same as the state's average and above the national average of 9.7 percent. These rates are considerably higher than the June 2008 rates, which were reported as 6.2 percent for the county, 6.8 percent for the state, and 5.7 percent for the country.

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.

Currently, two middle schools designed for 1,000 students each are under construction in the southeast quadrant of the county and are projected to open in August 2010. An existing middle school located in Murfreesboro will be converted to a magnet high school, and it should be opened August 2010. Even with these two additional school buildings, the Board of Education projects it will need an additional elementary school, high school, and significant additions to existing schools within the next five years. These projects are estimated to require new funding totaling approximately \$87 million within the next four years.

Planned general capital projects within the next ten years include road improvements, criminal justice center, parking garage, and law enforcement building. It is estimated that the county will need capital investments of more than \$65 million over the next five to ten years in these areas.

Another major initiative started during the fiscal year was the county's development of a comprehensive plan for land use in the county. In the spring of 2009, the county hired national consulting firm Parson Brinckerhoff to help craft the plan. The finalized document will guide the county in updating an outdated zoning resolution that dates back some 25 years as well as help the Planning Commission improve subdivision regulations that were last modified 20 years ago. This process is expected to take 24 months to complete.

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 \$12.8 million. This represents 17.8 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. The new policy requires the finance director to determine or estimate the principal and interest requirements of the county and to 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 Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. 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 14 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, 2008

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



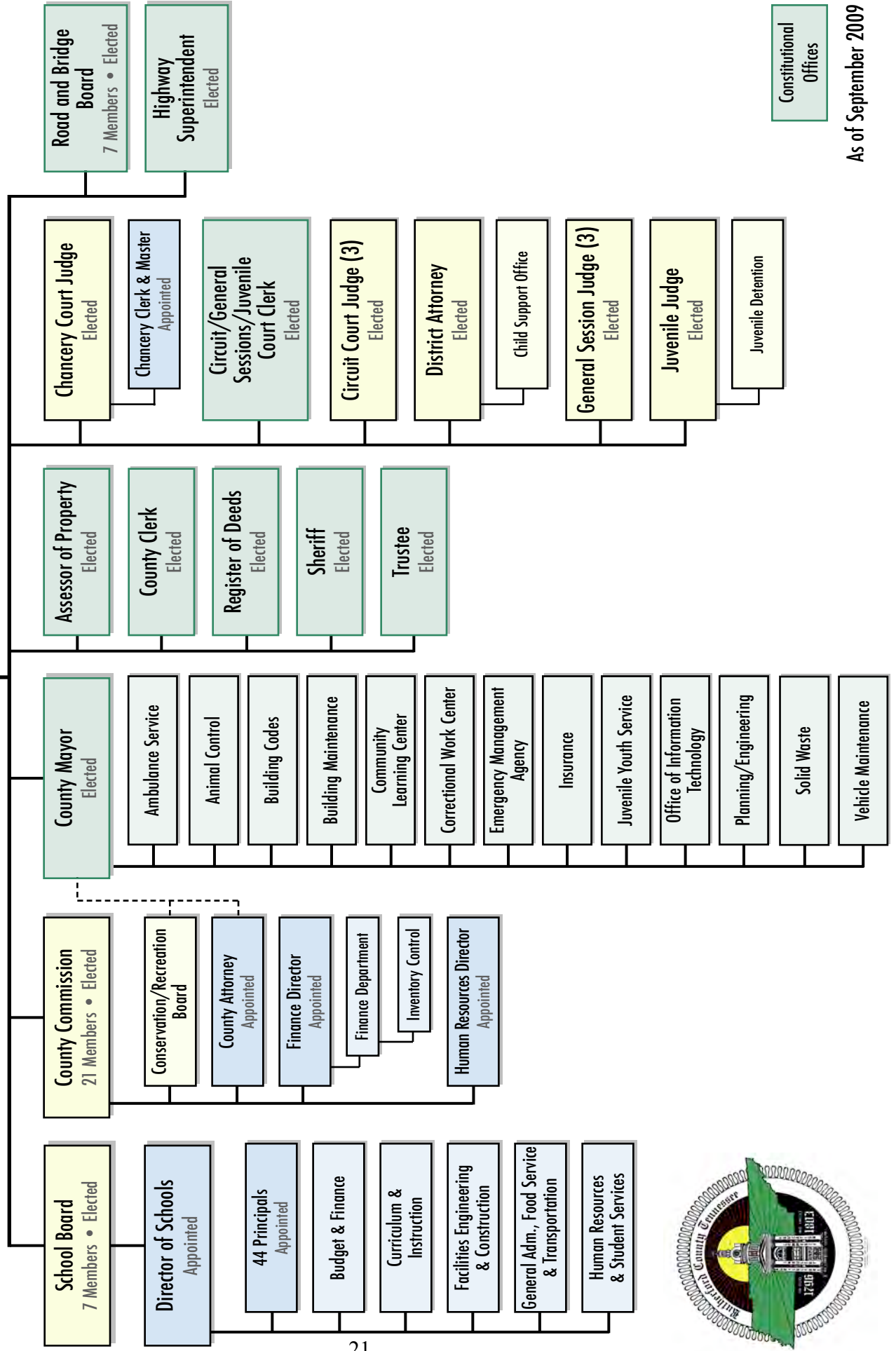
President

Executive Director

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RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

As of September 2009

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Rutherford County Officials

June 30, 2009

Officials

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

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

Rutherford County Officials (Cont.)

Board of Education

Mark Byrnes, Chairman
Wayne Blair
Terry Hodge
Donald Jernigan

Dorris Jernigan, Sr.
Grant Kelley
Rick Wise

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 37243-1402
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

October 23, 2009

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, 2009, 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 .8 percent and 2.6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; and the discretely presented Rutherford County Emergency Communications District, which represent one percent and .46 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2009, 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, 2009, 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. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

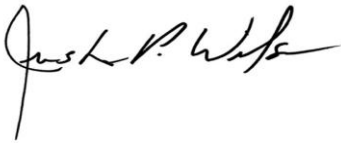
In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2009, on our consideration of Rutherford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 42 and the budgetary comparison, pension, and other postemployment benefits information on pages 119 through 125 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2009**

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 Rutherford County, Tennessee, government for the fiscal year ended June 30, 2009. 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 \$76,400 (net assets). Of this amount, \$344,854 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 \$50,916. Also, the prior-period adjustment related to recording the landfill's estimated postclosure costs increased net assets by \$829.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$69,504, a decrease of \$8,983 in comparison with the prior year. Most of this total amount, \$63,577, 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 \$12,794, or 17.8 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, increased by \$49,655 (13.92%) 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 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, General Debt Service, and Education Capital Projects funds, 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 \$76,400 at the close of the fiscal year. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Rutherford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Rutherford County Government. As of June 30, 2009, Rutherford County had outstanding debt totaling \$344,854 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	
	2008	2009
Assets:		
Current and other assets	\$ 179,857	\$ 179,698
Capital assets	242,931	256,670
Total Assets	<u>\$ 422,788</u>	<u>\$ 436,368</u>
Liabilities:		
Long-term liabilities outstanding	\$ (349,822)	\$ (407,223)
Other Liabilities	(99,279)	(105,545)
Total Liabilities	<u>\$ (449,101)</u>	<u>\$ (512,768)</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 183,690	\$ 195,662
Restricted	57,985	53,738
Unrestricted	<u>(267,988)</u>	<u>(325,800)</u>
Total Net Assets	<u><u>\$ (26,313)</u></u>	<u><u>\$ (76,400)</u></u>

By far the largest portion of Rutherford County's net assets (\$195,662) 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, (\$53,738) 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

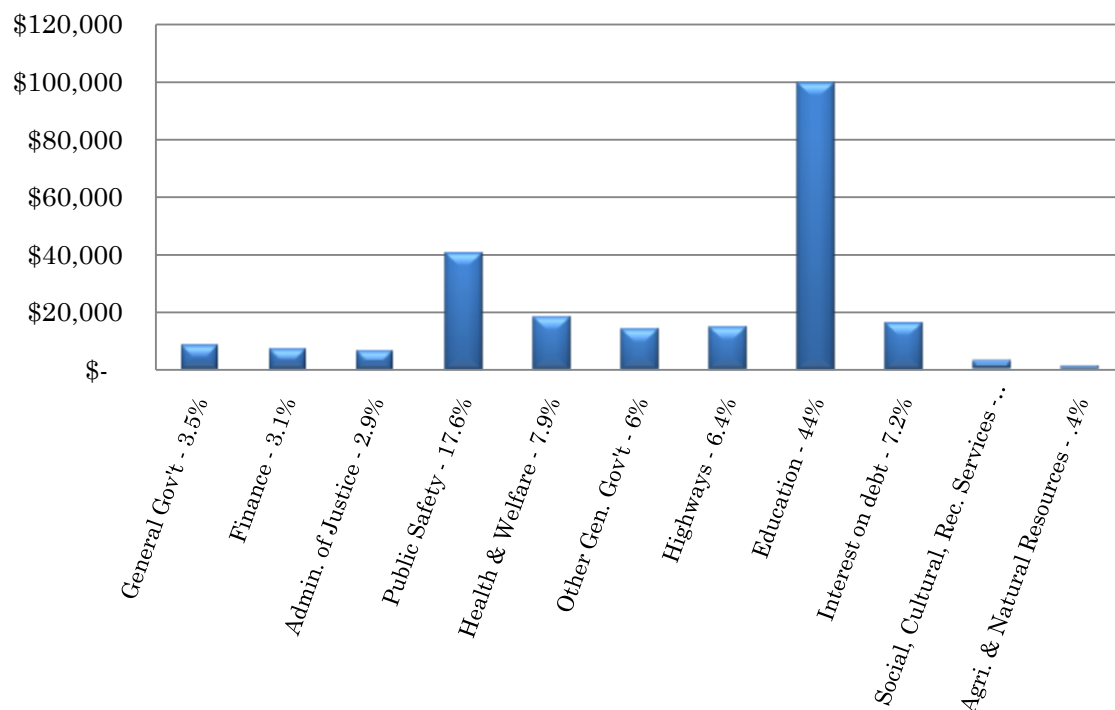
Governmental activities. Governmental activities decreased Rutherford County Government's net assets by \$50,916. Key elements of this decrease are as follows:

	Governmental Activities	
	2008	2009
Revenues:		
Program revenues:		
Charges for services	\$ 61,480	\$ 63,219
Operating grants and contributions	7,158	6,950
Capital grants and contributions	5,050	13,745
General revenues:		
Property taxes	58,003	65,499
Payment in-lieu-of taxes	6,188	6,526
Local option sales taxes	4,767	2,037
Hotel/Motel tax	986	932
Wheel tax	5,707	5,701
Business tax	1,385	1,269
Litigation tax	1,062	1,863
Development tax	3,960	2,579
Mineral severance tax	0	360
Wholesale beer tax	0	861
Interstate communication tax	0	2
Other local tax	1,492	0
Grants and contributions not restricted to specific programs	1,073	892
Unrestricted investment earnings	5,671	2,603
Other	130	265
Total Revenues	\$ 164,112	\$ 175,303
Expenses:		
General government	\$ 9,451	\$ 7,962
Finance	5,889	6,989
Administration of justice	4,760	6,496
Public safety	32,701	39,703
Public health and welfare	16,621	17,927
Social, cultural, and recreation services	1,381	2,458

	Governmental Activities (Cont.)	
	2008	2009
Expenses (Cont.)		
Agriculture and natural resources	\$ 724	\$ 865
Other operations	6,876	13,522
Highways	14,438	14,529
Education	62,793	99,547
Interest on long-term debt	16,447	16,221
Other debt service	154	0
Total Expenses	\$ 101,432	\$ 144,684
Increase (Decrease) in net assets	\$ (8,123)	\$ (50,916)
Net assets, July 1	(14,424)	(26,313)
Prior-period Adjustment	(3,766)	829
Net Assets, June 30	\$ (26,313)	\$ (76,400)

Governmental Program Expenses

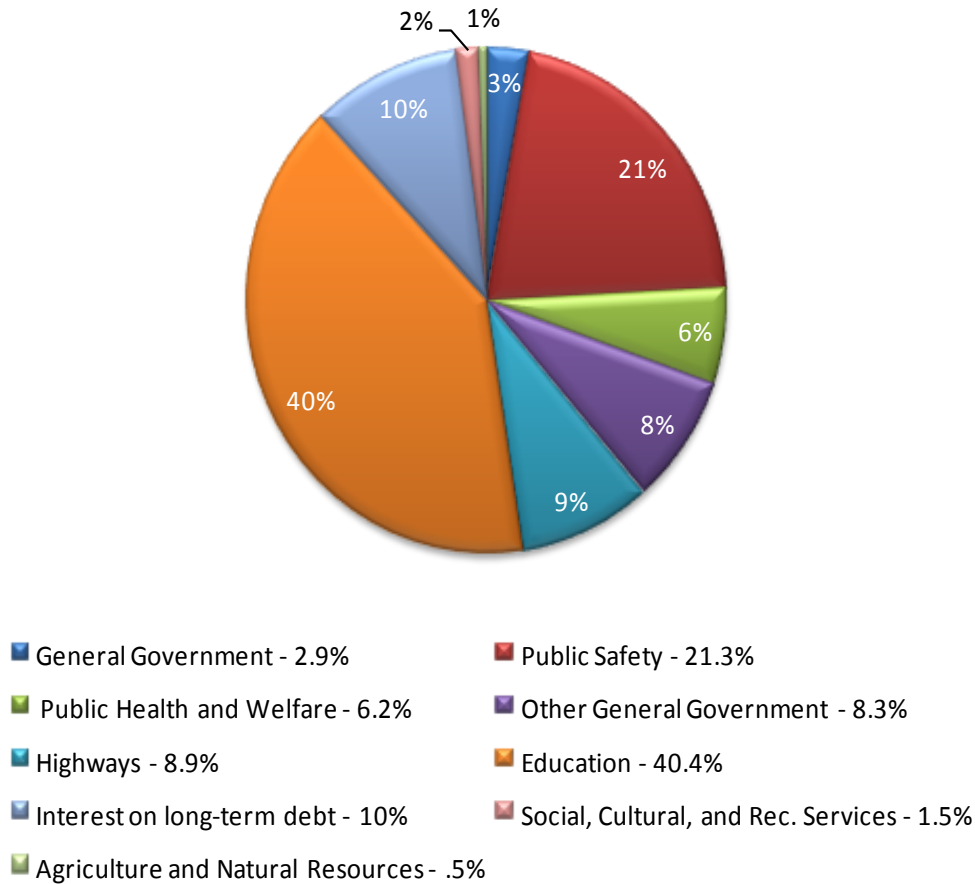
Education expenses of \$99,547 and Public Safety expenses of \$39,703 are the largest expenses of Rutherford County, the primary government, consisting of 44 percent and 17.6 percent of total expenses, respectively. Of these amounts, \$39,344 was recovered by charges for services, \$699 from operating grants/contributions, and \$5,686 from capital grants/contributions. For additional details, see illustrations on the following pages. Note that 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

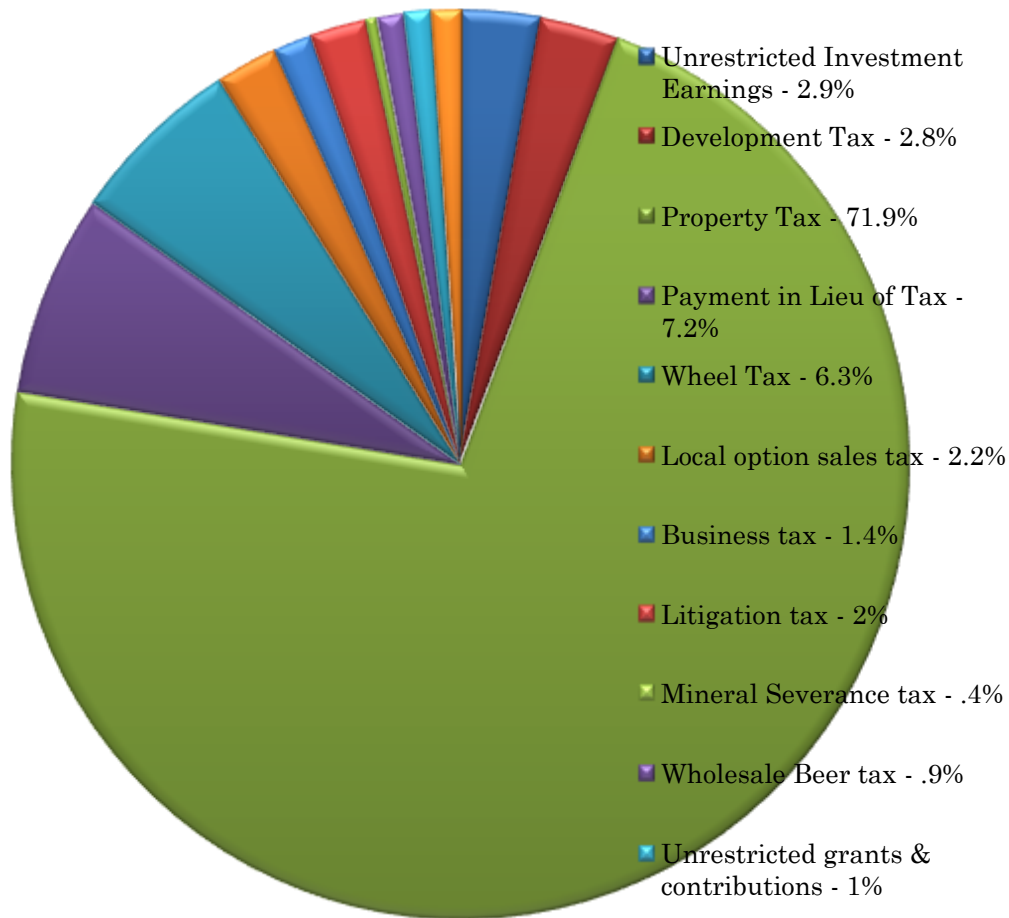


Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues.

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'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's governmental funds reported combined ending fund balances of \$69,504, a decrease of \$8,983 in comparison with the prior year. Most of this total amount (\$63,577) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been

committed (1) to liquidate contracts and purchase orders of the prior period (\$2,933) or (2) for a variety of other restricted purposes (\$2,994).

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unreserved fund balance was \$12,794 while total fund balance reached \$15,777. 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 17.8 percent of total General Fund expenditures, while total fund balance represents 21.95 percent of that same amount. The balance in the General Fund decreased by \$3,948 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 \$5,828.

The General Debt Service Fund has a total fund balance of \$32,182. The increase in fund balance during the current year in the General Debt Service Fund totaled \$1,477. This resulted from a delay in borrowing for school and general construction projects. The county had anticipated going to the market in early fall and budgeted potential interest payments to be paid during the spring of 2009. However, with the uncertainty of available credit, the county delayed the borrowing until May 2009.

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 tables:

Net Change in Budget - Amended over (under) Original

	2008	2009
General Government	\$ 0	\$ 229
Finance	0	29
Administration of Justice	57	469
Public Safety	446	505
Public Health and Welfare	314	301
Social, Cultural, and Recreational	16	0
Agriculture	0	0
Other Operations	269	536
Total Increase in Appropriations	\$ 1,102	\$ 2,069

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

	2008	2009
General Government	\$ 734	\$ 682
Finance	314	257
Administration of Justice	275	217
Public Safety	1,577	1,737
Public Health and Welfare	880	858
Social, Cultural, and Recreational	33	21
Agriculture	65	123
Other Operations	278	284
Total Results	\$ 4,156	\$ 4,179

The increase in Administration of Justice was related to a state contract that is used to provide youth probationary services (\$468). At the time the 2008-2009 budget was prepared, the county received notice from the state that it would not be funding the contract. After the fiscal year began, the state changed its position.

Public Safety had significant increases to its original budget in three areas: 1) Sheriff's Department - \$124; 2) Workhouse - \$111; and 3) Disaster Relief - \$152. The sheriff's additional appropriation was related to increases in prices for motor vehicles and communication equipment; increases in utilities for the workhouse; and increases in Disaster Relief because the county secured a homeland security grant during the fiscal year that was not anticipated during the budget process.

The increase in Public Health resulted from additional staffing needs in the ambulance service department since they had several employees on family medical leave. The increase in General Government was needed to defray or to off-set an increase in utility costs.

The largest increase to the original budget was noted in Other Operations. This increase was primarily in the miscellaneous function and was directly related to the number of lawsuits filed and judgments made against the county during the fiscal year.

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, 2009, totals \$256,670 (net of accumulated depreciation). This investment in capital assets includes land, intangibles-right of ways, buildings and improvements, other capital assets (includes equipment), other intangibles, and infrastructure (roads, highways, and bridges). The increase in Rutherford County

Government's investment in capital assets for the current fiscal year totaled \$13,739, which represented a 5.66 percent increase over the prior year.

	Governmental Activities	
	2008	2009
Land	\$ 72,409	\$ 33,584
Intangibles (Right of Way)	0	44,173
Buildings and improvements	49,250	73,449
Infrastructure	86,677	87,779
Intangibles (other)	0	1,546
Other capital assets	9,731	7,218
Construction in progress	24,864	8,921
Total	<u>\$ 242,931</u>	<u>\$ 256,670</u>

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

Long-term debt. At the end of the current fiscal year, Rutherford County Government had total debt outstanding of \$406,405. 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	
	2008	2009	2008	2009	2008	2009
Notes	\$ -	\$ 28,502	\$ -	\$ 2,498	\$ -	\$ 31,000
Bonds	296,139	316,352	60,611	59,053	356,750	375,405
Total	<u>\$ 296,139</u>	<u>\$ 344,854</u>	<u>\$ 60,611</u>	<u>\$ 61,551</u>	<u>\$ 356,750</u>	<u>\$ 406,405</u>

Rutherford County's total debt increased by \$49,655 (13.92%) during the current fiscal year primarily because the county issued \$72,325 in long-term debt between the fall of 2008 and the spring of 2009 for both school purposes (\$67,865) and general government purposes (\$4,460).

Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. In November 2008, the county issued \$10 million in capital outlay notes; this issue was not rated. In May 2009, the county obtained ratings from Moody's and Standard and Poor's for the issuance of \$21 million in general capital outlay notes, series 2009 and \$41.325 million of general obligation bonds, series 2009. Rutherford County Government maintained an "Aa2" from Moody's for the bond issue and received a rating of MIG 1 for the capital outlay notes. Standard and Poor's assigned a rating of SP-1+ for the

capital outlay notes and maintained the county's rating of AA+ for the general obligation bonds.

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

On June 26, 2009, Rutherford County adopted a budget for the fiscal year ending June 30, 2010. Many factors were considered when adopting this budget: increasing unemployment rate, limited interest earnings, and a slow down in the housing market, which affects several revenue items including sales tax, excess fees from the register of deeds, development tax, and building related permit fees.

At the end of the 2008-2009 fiscal year, unreserved fund balance in the General Fund decreased to \$12,794. Rutherford County Government has appropriated \$847 of this amount for spending in the 2009-2010 fiscal year. Unreserved fund balance in the General Fund is estimated to be 18 percent of appropriation at year-end, which is in compliance with Rutherford County's fund balance policy.

Unreserved fund balance in the General Debt Service Fund increased to \$32,182, primarily due to the county's delay in issuing debt. Projected unreserved fund balance in the General Debt Service Fund as of June 30, 2010, is expected to be 77.5 percent of budgeted debt service expenditures.

Fund	2008 Rate	Change	2009 Rate
General	\$.53	\$.0425	\$.5725
Highway/Public Works	.01	-----	.0100
Ambulance Service	.00	.0975	.0975
General Purpose School	1.230	.0350	1.2650
Education Capital Projects	.05	-----	.0500
General Debt Service	.74	-----	.7400
Total County Property Tax	\$ 2.56	\$.1750	\$ 2.7350

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.

BASIC FINANCIAL STATEMENTS

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Exhibit A

Rutherford County, Tennessee
Statement of Net Assets
June 30, 2009

		Component Units		
	Primary Government Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,222,851	\$ 1,310,220	\$ 2,868,651	\$ 3,938,909
Equity in Pooled Cash and Investments	98,008,942	76,068,278	0	0
Inventories	0	297,682	28,948	0
Investments	403,731	0	0	0
Accounts Receivable	10,536,486	109,696	965,358	52,877
Allowance for Uncollectibles	(5,906,122)	0	(75,000)	0
Property Taxes Receivable	73,335,707	61,788,830	0	0
Allowance for Uncollectible Property Taxes	(4,054,428)	(3,412,784)	0	0
Accrued Interest Receivable	0	0	34,981	7,602
Due from Other Governments	2,318,728	7,669,154	0	207,654
Due from Component Units	81,857	0	0	0
Prepaid Items	33,673	0	15,959	26,857
Notes Receivable - Long-term	1,445,197	0	0	0
Allowance for Doubtful Notes Receivable	(863,625)	0	0	0
Deferred Charges - Debt Issuance Costs	2,134,932	26,512	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	33,583,538	8,505,440	0	17,500
Intangible Assets (Right-of-Ways)	44,173,062	0	0	0
Construction in Progress	8,921,378	27,682,548	108,845	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	73,448,760	343,013,159	145,697	944,950
Infrastructure	87,778,732	0	0	0
Intangible Assets	1,546,486	429,403	0	0
Other Capital Assets	7,217,843	6,082,765	264,782	484,038
Total Assets	<u>\$ 436,367,728</u>	<u>\$ 529,570,903</u>	<u>\$ 4,358,221</u>	<u>\$ 5,680,387</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 765,246	\$ 2,455,097	\$ 138,019	\$ 764
Accrued Payroll	531,559	16,782,715	221,394	0
Accrued Interest Payable	3,374,877	37,000	0	0
Contracts Payable	531,050	0	0	0
Retainage Payable	27,950	0	0	0
Payroll Deductions Payable	547	1,025	267,143	0
Due to Primary Government	0	80,186	0	0
Deferred Revenue - Current Property Taxes	67,430,253	56,688,957	0	0
Other Current Liabilities	387,826	0	43,671	11,923
Noncurrent Liabilities:				
Due Within One Year	32,495,249	632,345	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	407,222,979	18,288,260	372,883	12,446
Total Liabilities	<u>\$ 512,767,536</u>	<u>\$ 94,965,585</u>	<u>\$ 1,043,110</u>	<u>\$ 25,133</u>

(Continued)

Exhibit A

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

		Component Units		
	Primary	Rutherford	Community	
	Government	County	Care of	Emergency
	Governmental	School	Rutherford	Communications
	Activities	Department	County, Inc.	District
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 195,661,862	\$ 383,158,753	\$ 0	\$ 0
Invested in Capital Assets	0	0	519,324	1,446,488
Restricted for:				
Capital Projects	2,071,200	46,794,704	0	0
Debt Service	32,066,972	0	0	0
Highway/Public Works	6,823,162	0	0	0
Solid Waste/Sanitation	4,166,014	0	0	0
Industrial/Economic Development	581,572	0	0	0
Drug Control	1,138,409	0	0	0
Adequate Facilities/Development Tax	4,269,071	0	0	0
District Attorney General	210,046	0	0	0
School Federal Projects	0	394,313	0	0
Central Cafeteria	0	4,198,297	0	0
Alcohol and Drug Treatment	138,550	0	0	0
Jail, Workhouse, or Courthouse	1,412,158	0	0	0
Victims Assistance Programs	168,790	0	0	0
Computer System - Register	646,550	0	0	0
Driver Education	0	260,220	0	0
Other Purposes	46,211	25,162	0	0
Unrestricted	(325,800,375)	(226,131)	2,795,787	4,208,766
Total Net Assets	\$ (76,399,808)	\$ 434,605,318	\$ 3,315,111	\$ 5,655,254

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, 2009

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units			
						Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District	
Primary Government:									
General Government	\$ 7,961,745	\$ 3,294,597	\$ 206,581	\$ 0	\$ (4,460,567)	\$ 0	\$ 0	\$ 0	0
Finance	6,988,751	6,695,014	103,038	0	(190,699)	0	0	0	0
Administration of Justice	6,496,454	5,722,608	618,582	0	(155,264)	0	0	0	0
Public Safety	39,702,942	5,221,981	699,065	639,750	(33,142,146)	0	0	0	0
Public Health and Welfare	17,926,804	7,899,978	2,016,229	0	(8,010,597)	0	0	0	0
Social, Cultural, and Recreational Services	2,457,677	58,179	114,500	0	(2,284,998)	0	0	0	0
Agriculture and Natural Resources	864,605	18,507	0	0	(846,098)	0	0	0	0
Other Operations	13,522,526	82,143	0	0	(13,440,383)	0	0	0	0
Highways/Public Works	14,529,429	104,499	3,192,467	8,059,199	(3,173,264)	0	0	0	0
Education	99,547,273	34,121,823	0	5,046,250	(60,379,200)	0	0	0	0
Interest on Long-term Debt	16,221,063	0	0	0	(16,221,063)	0	0	0	0
Total Primary Government	\$ 226,219,269	\$ 63,219,329	\$ 6,950,462	\$ 13,745,199	\$ (142,304,279)	\$ 0	\$ 0	\$ 0	0
Component Units:									
Rutherford County School Department	\$ 298,614,288	\$ 7,353,420	\$ 20,248,822	\$ 71,724,082	\$ 0	\$ (199,287,964)	\$ 0	\$ 0	0
Community Care of Rutherford County, Inc.	9,144,039	8,870,695	0	0	0	0	(273,344)	0	0
Emergency Communications District	1,332,382	1,440,385	0	0	0	0	0	108,003	0
Total Component Units	\$ 309,090,709	\$ 17,664,500	\$ 20,248,822	\$ 71,724,082	\$ 0	\$ (199,287,964)	\$ (273,344)	\$ 108,003	0

(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	Component Units			
				Primary Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 27,427,666	\$ 55,512,068	\$ 0	0
Property Taxes Levied for Debt Service				38,071,763	0	0	0
Payments in-Lieu-of Taxes				6,525,560	733,806	0	0
Local Option Sales Taxes				2,037,222	36,185,265	0	0
Hotel/Motel Tax				931,999	0	0	0
Wheel Tax				5,700,552	3,214,626	0	0
Business Tax				1,269,075	1,077,339	0	0
Litigation Tax				1,863,038	0	0	0
Adequate Facilities/Development Tax				2,579,250	0	0	0
Mineral Severance Tax				359,410	0	0	0
Wholesale Beer Tax				861,053	0	0	0
Interstate Telecommunications Tax				1,991	18,710	0	0
Grants and Contributions Not Restricted to Specific Programs				892,376	139,098,150	29,053	71,612
Unrestricted Investment Earnings				2,602,834	731,051	84,428	69,060
Gain (Loss) on Disposal of Capital Assets				0	0	0	0
Miscellaneous				264,507	142,847	0	0
Total General Revenues				\$ 91,388,296	\$ 236,713,862	\$ 113,481	\$ 140,672
Change in Net Assets				\$ (50,915,983)	\$ 37,425,898	\$ (159,863)	\$ 248,675
Net Assets, July 1, 2008				(26,312,835)	396,794,128	3,474,974	5,406,579
Prior-period Adjustment				829,010	385,292	0	0
Net Assets, June 30, 2009				\$ (76,399,808)	\$ 434,605,318	\$ 3,315,111	\$ 5,655,254

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, 2009

	Major Funds		Nonmajor Funds	Total
	General	General Debt Service	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 1,540	\$ 0	\$ 1,087,731	\$ 1,089,271
Equity in Pooled Cash and Investments	14,661,883	31,835,482	20,169,322	66,666,687
Investments	0	0	403,731	403,731
Accounts Receivable	10,146,187	105,237	164,490	10,415,914
Allowance for Uncollectibles	(5,906,122)	0	0	(5,906,122)
Due from Other Governments	1,228,084	45,736	1,044,908	2,318,728
Due from Other Funds	364,745	6,375	14,555	385,675
Due from Component Units	1,671	0	0	1,671
Property Taxes Receivable	31,694,621	41,084,755	556,331	73,335,707
Allowance for Uncollectible Property Taxes	(1,738,616)	(2,284,935)	(30,877)	(4,054,428)
Prepaid Items	33,673	0	0	33,673
Notes Receivable - Long-term	0	0	1,445,197	1,445,197
Allowance for Doubtful Notes Receivable	0	0	(863,625)	(863,625)
Total Assets	\$ 50,487,666	\$ 70,792,650	\$ 23,991,763	\$ 145,272,079
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 359,258	\$ 0	\$ 184,345	\$ 543,603
Accrued Payroll	505,673	0	25,886	531,559
Payroll Deductions Payable	547	0	0	547
Contracts Payable	0	0	531,050	531,050
Retainage Payable	0	0	27,950	27,950
Due to Other Funds	0	0	368,741	368,741
Due to Litigants, Heirs, and Others	0	0	323,749	323,749
Other Current Liabilities	10,000	0	0	10,000
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	54,077	0	0	54,077
Deferred Revenue - Current Property Taxes	29,190,033	37,730,350	509,870	67,430,253
Deferred Revenue - Delinquent Property Taxes	630,433	880,174	13,031	1,523,638
Other Deferred Revenues	3,960,713	0	462,294	4,423,007
Total Liabilities	\$ 34,710,734	\$ 38,610,524	\$ 2,446,916	\$ 75,768,174
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 570,763	\$ 0	\$ 2,362,193	\$ 2,932,956
Reserved for Alcohol and Drug Treatment	138,550	0	0	138,550
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	1,412,158	0	0	1,412,158
Reserved for Sexual Offender Registration	5,085	0	0	5,085
Reserved for Victims Assistance Programs	168,790	0	0	168,790
Reserved for Computer System - Register	646,550	0	0	646,550
Reserved for Automation Purposes - Chancery Court	7,453	0	0	7,453
Reserved for Long-term Notes Receivable	0	0	581,572	581,572
Reserved for Prepaid Items	33,673	0	0	33,673
Unreserved, Reported In:				
General Fund	12,793,910	0	0	12,793,910

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total
	General	Debt Service	Other Govern- mental Funds	Govern- mental Funds
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>				
<u>Fund Balances (Cont.)</u>				
Unreserved, Reported In (Cont.):				
Special Revenue Funds	\$ 0	\$ 0	\$ 17,580,779	\$ 17,580,779
Debt Service Funds	0	32,182,126	0	32,182,126
Capital Projects Funds	0	0	1,020,303	1,020,303
Total Fund Balances	<u>\$ 15,776,932</u>	<u>\$ 32,182,126</u>	<u>\$ 21,544,847</u>	<u>\$ 69,503,905</u>
Total Liabilities and Fund Balances	<u>\$ 50,487,666</u>	<u>\$ 70,792,650</u>	<u>\$ 23,991,763</u>	<u>\$ 145,272,079</u>

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, 2009

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)		\$	69,503,905
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	33,583,538	
Add: intangible assets - right-of-ways		44,173,062	
Add: construction in progress		8,921,378	
Add: buildings and improvements net of accumulated depreciation		73,448,760	
Add: infrastructure net of accumulated depreciation		87,778,732	
Add: intangible assets net of accumulated depreciation		1,546,486	
Add: other capital assets net of accumulated depreciation		<u>7,217,843</u>	256,669,799
(2) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee health benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.			
Add: internal service funds net assets	\$	1,076,502	
Add: internal service funds net assets reduced by:			
Primary Government OPEB liabilities		3,307,354	
School Department OPEB liabilities		15,309,004	
Community Care of Rutherford County OPEB liabilities		372,883	
Rutherford County Emergency Communication OPEB liabilities		12,446	
Smyrna-Rutherford County Airport OPEB liabilities		<u>45,035</u>	20,123,224
(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	\$	(375,405,000)	
Less: notes payable		(31,000,000)	
Add: deferred amount on refunding		2,379,549	
Add: deferred charges - debt issuance costs		2,134,932	
Less: compensated absences payable		(4,083,833)	
Less: other postemployment benefits liability		(3,307,354)	
Less: landfill closure/postclosure care costs		(4,525,391)	
Less: accrued interest on notes and bonds		(3,374,877)	
Less: other deferred revenue - premium on debt		<u>(11,461,407)</u>	(428,643,381)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>5,946,645</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>(76,399,808)</u></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, 2009

	Major Funds			Nonmajor Funds	
	General	Debt Service	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 40,792,211	\$ 39,338,393	\$ 0	\$ 7,957,800	\$ 88,088,404
Licenses and Permits	1,262,524	0	0	0	1,262,524
Fines, Forfeitures, and Penalties	2,070,023	0	0	653,870	2,723,893
Charges for Current Services	5,465,547	0	0	6,532,792	11,998,339
Other Local Revenues	2,206,031	764,343	0	617,252	3,587,626
Fees Received from County Officials	6,558,949	0	0	0	6,558,949
State of Tennessee	6,945,150	0	0	3,573,078	10,518,228
Federal Government	601,910	0	0	0	601,910
Other Governments and Citizens Groups	304,692	0	0	3,254,113	3,558,805
Total Revenues	\$ 66,207,037	\$ 40,102,736	\$ 0	\$ 22,588,905	\$ 128,898,678
<u>Expenditures</u>					
Current:					
General Government	\$ 5,659,088	\$ 779,573	\$ 0	\$ 894,506	\$ 7,333,167
Finance	4,603,099	0	0	2,364,686	6,967,785
Administration of Justice	4,484,921	0	0	1,825,644	6,310,565
Public Safety	35,244,126	0	0	716,612	35,960,738
Public Health and Welfare	12,972,043	0	0	2,870,718	15,842,761
Social, Cultural, and Recreational Services	1,418,470	0	0	0	1,418,470
Agriculture and Natural Resources	755,460	0	0	0	755,460
Other Operations	6,753,556	0	0	334,571	7,088,127
Highways	0	0	0	7,687,642	7,687,642
Debt Service:					
Principal on Debt	0	22,670,000	0	0	22,670,000
Interest on Debt	0	16,440,891	0	0	16,440,891
Other Debt Service	0	432,009	0	0	432,009
Capital Projects	0	0	70,724,082	14,478,104	85,202,186
Total Expenditures	\$ 71,890,763	\$ 40,322,473	\$ 70,724,082	\$ 31,172,483	\$ 214,109,801
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,683,726)	\$ (219,737)	\$ (70,724,082)	\$ (8,583,578)	\$ (85,211,123)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 325,508	\$ 38,942,871	\$ 2,056,621	\$ 41,325,000
Notes Issued	0	81,500	28,373,389	2,545,111	31,000,000
Premiums on Debt Issued	0	0	3,407,822	0	3,407,822
Insurance Recovery	55,525	0	0	45,255	100,780
Transfers In	1,793,819	1,290,000	0	154,434	3,238,253
Transfers Out	(113,778)	0	0	(2,729,719)	(2,843,497)
Total Other Financing Sources (Uses)	\$ 1,735,566	\$ 1,697,008	\$ 70,724,082	\$ 2,071,702	\$ 76,228,358
Net Change in Fund Balances	\$ (3,948,160)	\$ 1,477,271	\$ 0	\$ (6,511,876)	\$ (8,982,765)
Fund Balance, July 1, 2008	19,725,092	30,704,855	0	28,056,723	78,486,670
Fund Balance, June 30, 2009	\$ 15,776,932	\$ 32,182,126	\$ 0	\$ 21,544,847	\$ 69,503,905

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, 2009

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (8,982,765)

- (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	\$ 10,513,541	
Less: current year depreciation expense	<u>(6,603,493)</u>	3,910,048

- (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	\$ 10,601,130	
Less: loss on disposal of capital assets	<u>(2,250,989)</u>	8,350,141

- (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, 2009	\$ 5,946,645	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(5,722,278)</u>	224,367

- (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	\$ (41,325,000)	
Less: note proceeds	(31,000,000)	
Less: change in premium on debt issuances	(2,567,890)	
Add: change in deferred debt issuance costs	191,002	
Add: principal payments on bonds	22,670,000	
Less: change in deferred amount on refunding	<u>(365,783)</u>	(52,397,671)

- (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	\$ (13,314)	
Change in compensated absences payable	(316,002)	
Change in other postemployment benefits liability	(3,307,354)	
Change in landfill closure/postclosure care costs (net of prior-period adjustment)	<u>(34,484)</u>	(3,671,154)

(Continued)

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 (Cont.)

- (6) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee health benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.

Less: change in internal service funds net assets	\$ (17,395,671)	
Add: change in nets assets affected by:		
Primary Government OPEB liabilities	3,307,354	
School Department OPEB liabilities	15,309,004	
Community Care of Rutherford County OPEB liabilities	372,883	
Rutherford County Emergency Communications OPEB liabilities	12,446	
Smyrna-Rutherford County Airport OPEB liabilities	45,035	\$ 1,651,051
		<u>\$ (50,915,983)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (50,915,983)</u>

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

Exhibit D-1

Rutherford County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2009

Governmental
Activities -
Internal
Service
Funds

ASSETS

Current Assets:

Cash	\$ 1,133,580
Equity in Pooled Cash and Investments	31,342,255
Accounts Receivable	120,572
Due from Other Governments	80,186
Total Assets	<u>\$ 32,676,593</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 221,643
Claims and Judgments Payable	12,314,792
Due to Other Funds	16,934
Other Postemployment Benefits Liabilities	19,046,722
Total Liabilities	<u>\$ 31,600,091</u>

NET ASSETS

Unrestricted	<u>\$ 1,076,502</u>
Total Net Assets	<u><u>\$ 1,076,502</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, 2009

	Governmental Activities - Internal Service Funds
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 41,608,503
Other Employee Benefits Charges/Contributions	969,428
Other Local Revenues:	
Retirees' Insurance Payments	1,595,664
Cobra Insurance Payments	95,702
State of Tennessee:	
On-Behalf Contributions for OPEB	82,225
Federal Government:	
On-Behalf Contributions for OPEB	104,502
Total Operating Revenues	<u>\$ 44,456,024</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 3,000,741
Disability Insurance	205,051
Communications	958
Consultants	69,564
Contracts with Private Agencies	1,780,478
Drug and Medical Supplies	21,557
Excess Risk Insurance	111,856
Premiums on Corporate Surety Bonds	7,500
Medical Claims	34,354,937
Workers' Compensation Insurance	18,830
Liability Claims	1,978,196
Other Self-Insured Claims	743,714
Other Postemployment Benefits Claims	19,046,722
Other Fringe Benefits	360,177
Other Contracted Services	3,250
Total Operating Expenses	<u>\$ 61,703,531</u>
Operating Income (Loss)	<u>\$ (17,247,507)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Damages Recovered from Individuals	\$ 7,500
Insurance Recovery	237,189
Miscellaneous Refunds	1,903
Total Nonoperating Revenues (Expenses)	<u>\$ 246,592</u>
Income (Loss) Before Transfers	\$ (17,000,915)
Transfers Out	<u>(394,756)</u>
Change in Net Assets	\$ (17,395,671)
Net Assets, July 1, 2008	<u>18,472,173</u>
Net Assets, June 30, 2009	<u><u>\$ 1,076,502</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, 2009

	Governmental Activities - Internal Service Funds
<hr/>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts for Self-Insurance Premiums	\$ 44,458,517
Payments to Suppliers	(5,497,163)
Claims Paid	(35,972,709)
Insurance Recovery	237,189
Damages Recovered from Individuals	7,500
Other Receipts	1,903
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,235,237</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>	
Transfers to Other Funds	\$ (394,756)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (394,756)</u>
Net Increase (Decrease) in Cash	\$ 2,840,481
Cash, July 1, 2008	<u>29,635,354</u>
Cash, June 30, 2009	<u><u>\$ 32,475,835</u></u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>	
<u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>	
Operating Income (Loss)	\$ (17,247,507)
Insurance Recovery	237,189
Damages Recovered from Individuals	7,500
Miscellaneous Refunds	1,903
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	76,059
(Increase) Decrease in Due from Other Governments	7,012
(Increase) Decrease in Due from Other Funds	(392)
(Increase) Decrease in Due from Component Units	(80,186)
Increase (Decrease) in Accounts Payable	219,821
Increase (Decrease) in Due to Other Funds	14,008
Increase (Decrease) in Claims and Judgments Payable	953,108
Increase (Decrease) in Other Postemployment Benefits Liabilities	<u>19,046,722</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,235,237</u>
<u>RECONCILIATION OF CASH WITH STATEMENT OF NET ASSETS</u>	
Cash per Net Assets	\$ 1,133,580
Equity in Pooled Cash and Investments per Net Assets	<u>31,342,255</u>
Cash, June 30, 2009	<u><u>\$ 32,475,835</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, 2009

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,500,699
Equity in Pooled Cash and Investments	233,061
Investments	500,763
Due from Other Governments	8,553,637
Taxes Receivable	11,265,373
Allowance for Uncollectible Taxes	<u>(623,625)</u>
Total Assets	<u><u>\$ 26,429,908</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 19,404,485
Due to Joint Ventures	23,961
Due to Litigants, Heirs, and Others	<u>7,001,462</u>
Total Liabilities	<u><u>\$ 26,429,908</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, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Rutherford County School Department operates the public school system in the county, and the voters of Rutherford County elect its board. The School Department is fiscally dependent on the county because it may not issue debt 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 the Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net 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 \$70,724,082 were contributed by the county to the School Department during the year ended June 30, 2009.

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 General Debt Service Fund for payments to be made early in the following year.

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

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

Rutherford County reports the following major governmental funds:

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

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

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

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; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Rutherford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net 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 for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

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 (\$54,077). Claims and judgments payable totaling \$12,314,792 are discussed in Note V.A. – Risk Management. Other postemployment benefits payable totaling \$19,046,722 are discussed in Note V.H. – Other Postemployment Benefits.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department totaling \$297,682 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 \$33,673 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), and intangibles (e.g., easements, computer software, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (infrastructure \$50,000 and intangible \$25,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, infrastructure, and intangible assets of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Other Capital Assets	6 - 20
Infrastructure:	
Roads	75
Bridges	50
Intangibles	2 - 15

5. 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, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

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 \$53,738,705 of restricted net assets for the primary government, of which \$4,269,071 is restricted by enabling legislation.

As of June 30, 2009, Rutherford County had \$344,854,493 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, 2009:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Animal shelter	\$ 85,231
Agriculture extension	47,232
Adequate Facilities/Development Tax:	
General debt service	975,000
Highway/Public Works:	
Storm water easement	1,005,166
General Capital Projects:	
Beasley Road connector	403,731

8. Prior-period Adjustment

Closure/postclosure care costs were restated \$649,459 in the government-wide financial statements due to a change in estimates.

Capital assets were restated for the primary government (\$1,478,469) and the discretely presented School Department (\$385,292) in the government-wide financial statements due to a change in the capital assets policy.

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 and the Constitutional Officers – Fees funds (special revenue funds), which are not budgeted, and the primary government's 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. Net Assets Deficit

The Self-Insurance Fund (internal service fund) had a deficit in unrestricted net assets of \$239,648 at June 30, 2009. This deficit resulted from estimated and actual claims exceeding available revenues. Funding for these future expenditures is expected to be received from the General Fund.

C. Prior-Year Cash Shortage and Theft of Tools

The Landfill Department had a cash shortage of \$26,209.82 at June 30, 2008. The stop loss insurance company paid \$16,109.82 on the cash shortage in December 2008. The county does not expect to recover the balance, since the investigation did not reveal any suspects.

The Landfill Department experienced a theft of tools valued at \$5,118.50 as of June 30, 2008. The police investigation did not discover any suspects; therefore, the county does not expect to recover these assets.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Instruction – Alternative Instruction (\$118) and Support Services – Vocational Education Program (\$225) major appropriations categories (the legal level of control) of the School Federal Projects Fund. Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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; deposit accounts at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, 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>\$ 101,506,097</u>
Nonpooled:		
Primary Government:		
General Capital Projects Fund:		
State Treasurer's Investment Pool	Daily	\$ 403,731
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	Daily	<u>500,763</u>
Total Nonpooled		<u>\$ 904,494</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Rutherford County has an investment policy that further limits its investment choices. The policy limits the trustee's investments to collateralized certificates of deposit, U.S. Treasury Bills and Notes, the State Treasurer's Investment Pool, collateralized cash management accounts, and shared certificates of deposit. As of June 30, 2009, Rutherford County's investment in the State Treasurer's Investment Pool was unrated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Rutherford County places limits on the amount the county may invest in one issuer. The policy allows the trustee to invest up to 70 percent of the portfolio in collateralized certificates of deposit, up to 100 percent of the portfolio in either U.S. Treasury Bills and Notes or the State Treasurer's Investment Pool, up to 30 percent of the portfolio in collateralized cash management accounts, and up to 50 percent of the portfolio in shared certificates of deposit.

B. Notes Receivable

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 \$863,625 from Wherry Housing on June 30, 2009.

The Industrial/Economic Development Fund had another long-term note receivable of \$581,572 on June 30, 2009, from financing projects for the Smyrna-Rutherford County Airport (Joint Venture).

C. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 28,469,737	\$ 5,113,801	\$ 0	\$ 33,583,538
Intangible Assets (Right-of-ways)	43,938,912	234,150	0	44,173,062
Construction in Progress	24,864,219	5,871,854	(21,814,695)	8,921,378
Total Capital Assets Not Depreciated	<u>\$ 97,272,868</u>	<u>\$ 11,219,805</u>	<u>\$ (21,814,695)</u>	<u>\$ 86,677,978</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 69,290,038	\$ 26,927,776	\$ (1,025,770)	\$ 95,192,044
Infrastructure	117,517,034	3,057,128	(498,968)	120,075,194
Intangible Assets	0	2,357,048	0	2,357,048
Other Capital Assets	28,648,345	1,331,398	(2,652,164)	27,327,579
Total Capital Assets Depreciated	<u>\$ 215,455,417</u>	<u>\$ 33,673,350</u>	<u>\$ (4,176,902)</u>	<u>\$ 244,951,865</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,039,491	\$ 2,109,277	\$ (405,484)	\$ 21,743,284
Infrastructure	30,840,058	1,620,634	(164,230)	32,296,462
Intangible Assets	0	810,562	0	810,562
Other Capital Assets	18,917,595	2,284,326	(1,092,185)	20,109,736
Total Accumulated Depreciation	<u>\$ 69,797,144</u>	<u>\$ 6,824,799</u>	<u>\$ (1,661,899)</u>	<u>\$ 74,960,044</u>
Total Capital Assets Depreciated, Net	<u>\$ 145,658,273</u>	<u>\$ 26,848,551</u>	<u>\$ (2,515,003)</u>	<u>\$ 169,991,821</u>

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Governmental Activities				
Capital Assets, Net	\$ 242,931,141	\$ 38,068,356	\$ (24,329,698)	\$ 256,669,799

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

Governmental Activities:

General Government	\$ 648,590
Finance	754,809
Administration of Justice	19,723
Public Safety	1,892,360
Public Health and Welfare	1,224,161
Agriculture and Natural Resources	80,589
Other Operations	9,621
Highways	<u>1,973,640</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,603,493</u>

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

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	\$ 8,505,900	\$ 0	\$ (460)	\$ 8,505,440
Construction in Progress	<u>41,763,747</u>	<u>23,669,759</u>	<u>(37,750,958)</u>	<u>27,682,548</u>
Total Capital Assets Not Depreciated	<u>\$ 50,269,647</u>	<u>\$ 23,669,759</u>	<u>\$ (37,751,418)</u>	<u>\$ 36,187,988</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 379,580,813	\$ 41,999,990	\$ (196,710)	\$ 421,384,093
Intangible Assets	0	590,820	0	590,820
Other Capital Assets	<u>12,938,676</u>	<u>2,240,994</u>	<u>(837,118)</u>	<u>14,342,552</u>
Total Capital Assets Depreciated	<u>\$ 392,519,489</u>	<u>\$ 44,831,804</u>	<u>\$ (1,033,828)</u>	<u>\$ 436,317,465</u>

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Less Accumulated Depreciation For: Buildings and Improvements	\$ 70,154,734	\$ 8,295,024	\$ (78,824)	\$ 78,370,934
Intangible Assets	0	161,417	0	161,417
Other Capital Assets	7,511,580	1,154,024	(405,817)	8,259,787
Total Accumulated Depreciation	\$ 77,666,314	\$ 9,610,465	\$ (484,641)	\$ 86,792,138
Total Capital Assets Depreciated, Net	\$ 314,853,175	\$ 35,221,339	\$ (549,187)	\$ 349,525,327
Governmental Activities Capital Assets, Net	\$ 365,122,822	\$ 58,891,098	\$ (38,300,605)	\$ 385,713,315

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

Governmental Activities:

Instruction	\$ 53,120
Support Services	9,097,150
Operation of Non-Instructional Services	<u>351,898</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,502,168</u>

D. Construction Commitments

At June 30, 2009, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$36,351,849 in the Other Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Internal Service	\$ 16,934
General	Nonmajor governmental	347,811
General Debt Service	Nonmajor governmental	6,375
Nonmajor governmental	Nonmajor governmental	14,555
School Department:		
General Purpose School	Nonmajor governmental	62,642
Nonmajor governmental	General Purpose School	2,048

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary government:	Component unit:	
General	Community Care of Rutherford Co., Inc.	\$ 1,671
Internal Service	General Purpose School	80,186

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 113,778
Nonmajor governmental funds	1,399,063	1,290,000	40,656
Internal service funds	394,756	0	0
Total	\$ 1,793,819	\$ 1,290,000	\$ 154,434

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In		
	General Purpose School Fund	Other Capital Projects Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 1,649,821	\$ 91,743
Nonmajor governmental funds	94,440	0	0
Total	<u>\$ 94,440</u>	<u>\$ 1,649,821</u>	<u>\$ 91,743</u>

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

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. During the year, general obligation bonds (\$41,325,000) and capital outlay notes (\$31,000,000) were issued. Rutherford County plans to use \$4,460,438 for road and building construction projects with the remainder to be used for school building construction after sharing proceeds with the Murfreesboro City School District.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 25 years for bonds and up to three 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, 2009, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2009, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	2.5 to 5.58 %	\$ 368,610,067	\$ 255,379,750
General Obligation Bonds - Refunding	3 to 5	141,064,934	120,025,250
Capital Outlay Notes	1.98 to 2.7	31,000,000	31,000,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2009, including interest payments, are as follows:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	\$ 22,375,000	\$ 16,837,633	\$ 39,212,633
2011	21,935,000	16,181,454	38,116,454
2012	24,010,000	15,183,254	39,193,254
2013	25,325,000	14,084,579	39,409,579
2014	25,515,000	12,904,979	38,419,979
2015-2019	117,285,000	47,075,577	164,360,577
2020-2024	86,625,000	22,452,805	109,077,805
2025-2029	48,885,000	6,407,882	55,292,882
2030	3,450,000	155,250	3,605,250
Total	<u>\$ 375,405,000</u>	<u>\$ 151,283,413</u>	<u>\$ 526,688,413</u>

Year Ending June 30	Notes		
	Principal	Interest	Totals
2010	\$ 0	\$ 977,000	\$ 977,000
2011	10,000,000	1,110,000	11,110,000
2012	21,000,000	840,000	21,840,000
Total	<u>\$ 31,000,000</u>	<u>\$ 2,927,000</u>	<u>\$ 33,927,000</u>

There is \$32,182,126 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$2,062, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$2,233, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2008	\$ 356,750,000	\$ 0
Additions	41,325,000	31,000,000
Deductions	(22,670,000)	0
Balance, June 30, 2009	<u>\$ 375,405,000</u>	<u>\$ 31,000,000</u>
Balance Due Within One Year	<u>\$ 22,375,000</u>	<u>\$ 0</u>

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2008	\$ 3,767,831	\$ 3,841,448
Additions	442,380	755,523
Deductions	(126,378)	(71,580)
Balance, June 30, 2009	<u>\$ 4,083,833</u>	<u>\$ 4,525,391</u>
Balance Due Within One Year	<u>\$ 122,515</u>	<u>\$ 91,500</u>

	Claims and Judgments	Other Postemployment
Balance, July 1, 2008	\$ 11,361,683	\$ 0
Additions	37,076,847	3,457,175
Deductions	(36,123,738)	(149,821)
Balance, June 30, 2009	<u>\$ 12,314,792</u>	<u>\$ 3,307,354</u>
Balance Due Within One Year	<u>\$ 9,906,234</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 430,636,370
Less: Due Within One Year	(32,495,249)
Add: Unamortized Premium on Debt	11,461,407
Less: Deferred Amount on Refunding	<u>(2,379,549)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 407,222,979</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, \$12,314,792 of claims and judgments is included in the above amounts. Compensated absences will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

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, 2009, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2001 School Facilities	\$ 17,885,000
2001 School Facilities and Public Improvement	15,250,000

Discretely Presented Rutherford County School Department

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to eight years for bonds and up to seven years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2009, will be retired from the General Purpose School Fund.

General obligation bonds and notes outstanding as of June 30, 2009, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
Capital Outlay Notes	0 %	\$ 500,000	\$ 285,713
General Obligation Bonds	3.7 to 4	4,035,000	2,265,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2009, including interest payments, are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Totals
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	\$ 285,713	\$ 0	\$ 285,713

Year Ending June 30	Bonds		
	Principal	Interest	Totals
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	\$ 2,265,000	\$ 224,000	\$ 2,489,000

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Rutherford County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2008	\$ 2,775,000	\$ 357,142
Additions	0	0
Deductions	(510,000)	(71,429)
Balance, June 30, 2009	\$ 2,265,000	\$ 285,713
Balance Due Within One Year	\$ 530,000	\$ 71,429

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	\$ 962,723	\$ 0
Additions	1,615,566	16,140,884
Deductions	(1,547,762)	(831,880)
Balance, June 30, 2009	<u>\$ 1,030,527</u>	<u>\$ 15,309,004</u>
Balance Due Within One Year	<u>\$ 30,916</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 18,890,244
Less: Due Within One Year	(632,345)
Add: Unamortized Premium on Debt	<u>30,361</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 18,288,260</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 will fund a scholarship for the valedictorian of the senior class at Eagleville High School. During the year ended June 30, 2009, interest earned and expended totaled \$907 with no resulting effect on net assets.

H. 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, 2009, was as follows:

	Balance 7-1-08	Issued	Paid	Balance 6-30-09
Bond Anticipation Notes	\$ 0	\$ 440,000	\$ (440,000)	\$ 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.

On January 1, 2009, Rutherford County and the discretely presented School Department decided to establish an on-the-job injury program for risks associated with workplace injury. The on-the-job injury program is accounted for in the Workers' Compensation Fund (internal service fund) where assets are set aside for claims settlements. Qualified individuals shall receive two thirds of salary average over the past 52 weeks provided there is medical documentation from a county-designated physician stating that it is medically necessary for the qualified individual to remain off work, or to undergo therapy in relation to an on-the-job injury. Benefits (not including long-term disability benefits) shall not extend beyond one calendar year from the date of injury or illness.

All full-time employees of the primary government, the Smyrna-Rutherford County Airport (Joint Venture), and the discretely presented component units (School Department, Emergency Communications District, and Community Care of Rutherford County, Inc.) are eligible to participate in the Employee Insurance – Health Fund. All full-time employees of the primary government and the discretely presented School Department component unit are eligible to participate in the Workers' Compensation Fund. Premium

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

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 885,862	\$ 823,620	\$ (805,881)	\$ 903,601
2008-09	903,601	1,978,196	1,686,307	1,195,490

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	\$ 6,053,229	\$ 27,599,677	\$ (26,019,823)	\$ 7,633,083
2008-09	7,633,083	34,354,937	(32,865,718)	9,122,302

Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
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Workers' Compensation Program

2007-08	\$ 2,715,000	\$ 1,287,457	\$ (1,177,457)	\$ 2,825,000
2008-09	2,825,000	356,979	(1,456,979)	1,725,000

Workers' Compensation Fund (Cont.)

		Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
<u>On-the-Job Injury Program</u>					
2008-09	\$	0	\$ 386,735	\$ (114,735)	\$ 272,000

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, Statement No. 51, Accounting and Financial Reporting for Intangible Assets, and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Rutherford County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Rutherford County could have pollution remediation liabilities in subsequent years.

Rutherford County early implemented GASB Statement No. 51, which requires intangible assets to be recorded as capital assets and amortized over their estimated useful lives. Intangible assets such as easements, water rights, timber rights, patents, trademarks, and computer software lack physical substance, have a nonfinancial nature, and have an initial useful life extending beyond a single reporting to record intangible assets on the financial statements. With certain exceptions, Rutherford County will

retroactively report intangible assets valued at \$25,000 and above that are acquired or internally generated after June 30, 1980.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Rutherford County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Rutherford County could have endowment investments in subsequent years.

C. Contingent Liabilities

A lawsuit has been 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.

D. Change in Administration

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

E. Landfill Closure/Postclosure Care Costs

Rutherford County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Rutherford County closed its sanitary landfill in 2000. The \$4,525,391 reported as postclosure care liability at June 30, 2009, represents amounts based on what it would cost to perform all postclosure care in 2009. 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 \$1,032,148 to the operations of the libraries during the year ended June 30, 2009.

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

The Smyrna-Rutherford County Airport is operated through a joint operations agreement between Rutherford County and the Town of Smyrna, Tennessee. The agreement created a joint board of directors to manage the airport. The board comprises five members, two of whom are appointed by the Rutherford County Commission, two by the City of Smyrna, and one jointly appointed by Rutherford County and the City of Smyrna. Rutherford County has control over budgeting and financing the joint venture only to the extent of its representation by its board members.

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

The Rutherford County Chamber of Commerce Economic Development Council has been designated as the Joint Economic and Community Development Board for Rutherford County, the City of Murfreesboro, the Town of Smyrna, the City of LaVergne, and the Town of Eagleville. This

designation was authorized by an interlocal agreement between the governments, as provided by Section 6-58-115(j), Tennessee Code Annotated (TCA). The purpose of this board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. If funding through the Rutherford County Chamber of Commerce is inadequate, the funding formula established by the Comprehensive Growth Plan, Section 6-58-101, et seq., TCA, shall be followed. Rutherford County has control over budgeting and financing the board through the county mayor or designee to the board. Separate financial statements are not prepared for the board; however, financial information may be obtained through the Rutherford County Chamber of Commerce.

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

Administrative Offices:

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

Smyrna-Rutherford County Airport
660 Fitzhugh Boulevard
Smyrna, TN 37167

G. Retirement Commitments

Employees

Plan Description

Employees of Rutherford County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in

Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Rutherford County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

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, 2009, was 12.79 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Rutherford County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Rutherford County's annual pension cost of \$8,933,343 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Rutherford County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight 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
6-30-09	\$8,933,343	100%	\$0
6-30-08	8,474,582	100	0
6-30-07	7,813,151	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 \$61 million, and the ratio of the UAAL to the covered payroll was 28.28 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents 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 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 www.tn.gov/treasury/tcrs.

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, 2009, was 6.42 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, 2009, 2008, and 2007, were \$8,933,343, \$7,367,136, and \$6,656,128, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

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

An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining either: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years. An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children. The State of Tennessee contributed \$82,225 to Rutherford County's Medicare Plan.

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

The following changes will apply to employees hired after February 12, 2009: an employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: age 60 with 20 years of service and active coverage for 15 continuous years, or any age with 30 years of service and active coverage for 15 continuous years. In addition, no prescription drug coverage will be provided post age 65, and (3) the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage.

Employee Insurance - Health OPEB Liabilities	\$	19,046,722
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Less:

Rutherford County School Department	(15,309,004)
Community Care of Rutherford County	(372,883)
Emergency Communications District	(12,446)
Smyrna-Rutherford County Airport	(45,035)

Primary Government

Net OPEB obligation, 6-30-09	\$	3,307,354
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Annual OPEB Cost and Net
OPEB Obligation

	Primary Government	School Department
ARC	\$ 3,457,175	\$ 16,140,884
Interest on the NPO	0	0
Adjustment to the ARC	0	0
Annual OPEB cost	\$ 3,457,175	\$ 16,140,884
Amount of contribution	(149,821)	(831,880)
Increase/decrease in NPO	\$ 3,307,354	\$ 15,309,004
Net OPEB obligation, 7-1-08	0	0
Net OPEB obligation, 6-30-09	\$ 3,307,354	\$ 15,309,004

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Primary Government	\$ 3,457,175	4.33 %	\$ 3,307,354
6-30-09	School Department	16,140,884	5.15	15,309,004

* Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Primary Government	School Department
Actuarial valuation date	1-1-08	1-1-08
Actuarial accrued liability (AAL)	\$ 24,085,724	\$ 114,085,342
Actuarial value of plan assets	\$ 0	\$ 0

<u>Funded Status and Funding Progress (Cont.)</u>	<u>Primary Government</u>	<u>School Department</u>
Unfunded actuarial accrued liability (UAAL)	\$ 24,085,724	\$ 114,085,342
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 40,998,137	\$ 156,926,612
UAAL as a % of covered payroll	59%	73%

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

Actuarial Methods and Assumptions

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

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a five percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent for 2008, grading down to 5.5 percent for 2015 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

I. Termination Benefits

In March 2009, the discretely presented Rutherford County School Department offered a one-time voluntary retirement incentive for certified and classified employees who will have 25 years of verified Tennessee Consolidated Retirement Service (TCRS), and 15 consecutive years with the Rutherford County Board of Education. The incentive for certified employees includes cash payments from \$12,500 to \$22,500 based on years in TCRS and level of education. The incentive for classified employees includes cash payments equal to 25 percent of base pay up to a maximum of \$12,500 with 25-29 years, and 30 percent of base pay up to a maximum of \$15,000 with 30 plus years. A total of 37 employees accepted the School Department's

offer. The cost of the cash payments, reported in the government-wide statement of assets by function was \$653,127. The effects to the School Department's actuarial accrued liability for pension benefits for current, terminated, and retired employees could not be determined.

J. 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.

K. 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 No. 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 Statement No. 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, 2009, 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 nursing home employees are recorded within the period earned.

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

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make

estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

B. Cash and Certificates of Deposit

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United States; certificates of deposit at Tennessee state chartered or federally chartered banks and savings and loan associations; Federal Loan Bank bonds; Federal Home Loan Bank notes and bonds; Federal National Mortgage Association notes and debentures; banks or cooperative debentures; or any of its other agencies; or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law.

During the year ended June 30, 2009, 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, 2009, the carrying amount of cash was \$1,668,652, and the bank balance was \$1,866,367. At June 30, 2009, 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 \$890,358 as of June 30, 2009, were comprised of:

Resident service fees	\$ 965,358
Less: allowance for uncollectibles	<u>(75,000)</u>
Net resident service fees	<u>\$ 890,358</u>

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

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Description	Balance 7-1-08	Additions	Balance 6-30-09
Capital assets not depreciated:			
Construction in progress	\$ 83,542	\$ 25,303	\$ 108,845
Capital assets being depreciated:			
Land improvements	\$ 3,883	\$ 0	\$ 3,883
Buildings and improvements	143,130	57,334	200,464
Transportation equipment	51,460	0	51,460
Furniture, fixtures, and equipment	505,046	39,498	544,544
Total	\$ 703,519	\$ 96,832	\$ 800,351
Accumulated depreciation:			
Land improvements	\$ 2,907	\$ 66	\$ 2,973
Buildings and improvements	44,745	10,932	55,677
Transportation equipment	50,585	750	51,335
Furniture, fixtures, and equipment	240,554	39,333	279,887
Total	\$ 338,791	\$ 51,081	\$ 389,872
Net capital assets	\$ 448,270	\$ 71,054	\$ 519,324

E. Resident Funds Held in Trust

At June 30, 2009, the nursing home had a fiduciary responsibility for funds totaling \$43,671 on behalf of residents. Of this amount, \$9,125 was held in a

separate interest-bearing cash account, \$23,190 was held in an interest-bearing escrow account, \$100 was held as cash on hand as resident trust petty cash, and \$11,256 was due from the facility's operating cash account as of June 30, 2009.

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

F. Lease Commitment

On 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, 2009, the nursing home incurred and paid group health and life insurance premiums totaling \$916,212.

G. Litigation

The nursing home was a party to six lawsuits at June 30, 2009. Four legal firms are separately defending the nursing home in these matters. In all but two cases, the nursing home's attorney indicated that any loss, in those cases, would not exceed existing insurance coverage. In two other cases involving assessed fines of \$711,850 and \$1,500, by the Tennessee Department of Health, the nursing home's attorney was unable to provide an evaluation of the likelihood of a favorable or unfavorable outcome. In the absence of a measurable determination of loss, no contingent liability for litigation was recorded.

H. 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	34.05 %
Medicare	31.83
Private	18.49
Insurance	15.63

Approximately 82.36 percent of net resident revenue is derived from third-party payers.

I. 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.

J. 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 Note V.G. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information regarding the retirement plan can also be found in Note V.G. The nursing home's payroll for employees covered by TCRS for the year ended June 30, 2009, was \$3,574,500. Contributions to the plan by the nursing home for the year ended June 30, 2009, totaled \$493,071.

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 Note V.G.

K. Postemployment Benefits

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

Plan Description – In addition to the benefits described in Note VI.J., the nursing home is included under Rutherford County's postretirement health insurance plan. Rutherford County's plan is an agent multiple-employer defined benefit other postemployment benefits (OPEB) plan. Benefits are established and amended by an insurance committee established by the County Commission.

An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: age 55 with 15 years of service and active coverage for five continuous years, age 62 with ten years of service and active coverage for five continuous years, or any age with 30 years of services and active coverage for five continuous years. An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination. In addition, the retiree must have had active coverage for a continuous five-year period, and must have filed and qualified for Medicare disability coverage.

If the retiree is eligible for health insurance coverage, health coverage is also provided for the retiree's spouse and/or dependent children. In the event of the retiree's death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive. Currently, there are eight retirees from the nursing home receiving benefits. The number of active participants of the plan as of January 1, 2008, the effective date of the bi-annual OPEB valuation, for the nursing home is 123 employees.

Funding Policy – Eligible retirees and dependents are required to share in the cost of health insurance coverage. Retirees under the age of 65 are

required to contribute 50 percent of the active employee premium. Currently, retirees age 65 and over are required to contribute amounts determined by Rutherford County. Effective May 1, 2009, current retirees and actives age 65 and over as of December 31, 2009, and actives that have completed 30 years of services as of December 31, 2009, will be required to contribute 25 percent of the adequate premiums for themselves and 50 percent of the adequate premiums for their spouses. Effective January 1, 2010, all other retirees, upon turning age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure will be phased in over four years (2010 – 2013) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, and 50 percent in 2013 and thereafter.

For employees hired after February 12, 2009, the following applies: an employee who retires from Rutherford County become eligible for retiree health coverage upon the earlier of attaining age 60 with 20 years of service and active coverage for 15 continuous years or any age with 30 years of service and active coverage for 15 continuous years. In addition, no prescription drug coverage will be provided post age 65, and (3) the county contribution will be limited to the lesser of \$300 per month or the actual cost of coverage.

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

Annual required contributions (ARC) and OPEB Cost	\$ 390,126
Interest on the NPO	0
Annual OPEB cost	\$ 390,126
Amount of annual contribution (at 4.42%)	(17,243)
Increase/decrease in NPO	\$ 372,883
Net OPEB obligation, June 1, 2008	0
Net OPEB obligation, June 30, 2009	\$ 372,883

Funded Status and Funding Progress – The funding status and funding progress of the plan as of June 30, 2009, for Community Care of Rutherford County, Inc., is as follows:

Actuarial valuation date	1-1-08
Actuarial accrued liability (AAL)	\$ 2,209,729
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,209,729
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,390,309
UAAL as a % of covered payroll	50%

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

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

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a five percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent for 2008, grading down to 5.5 percent for 2008 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

L. 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 Statement No. 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 Statement No. 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, 2009, 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, 2009, 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 prepaid costs are charged to operations over the period of coverage. For the year ended June 30, 2009, prepaid insurance and service contract costs were \$26,857.

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 benefits has been accrued under the vesting method. The estimated amount calculated for compensated absences was recorded as a liability at June 30, 2009, and is \$11,923.

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, 2009, 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, 2009, 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, 2009, the carrying amount of cash deposits was \$2,379,810, and the bank balance was \$2,410,172. All bank accounts earn a variable rate of interest. At June 30, 2009, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate	Carrying Amount	Bank Balance
SunTrust Bank checking	.4%	\$ 1,590,105	\$ 1,620,467
SunTrust Bank cash investment	.4	<u>789,705</u>	<u>789,705</u>
Total		<u>\$ 2,379,810</u>	<u>\$ 2,410,172</u>

Certificates of Deposit – At June 30, 2009, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-09	3.75 %	\$ 100,000
First Bank	2-2-10	2.00	100,000
Pinnacle National Bank	1-13-10	2.20	100,000
SunTrust Bank	11-16-09	3.92	129,922
First Tennessee Bank	1-7-10	1.60	111,457
First Nat'l Bank of Murfreesboro	4-13-10	1.95	100,000
U.S. Bank	12-20-09	0.95	100,000
F&M Bank	10-24-09	3.46	100,010
Bank of America	2-18-10	2.98	100,008
Regions Bank	3-23-10	3.92	100,000
Regions Bank	10-26-09	4.16	100,124
MidSouth Bank	8-15-09	1.98	101,565
Green Bank	9-15-09	2.23	116,013
Wilson Bank & Trust	10-19-09	2.75	100,000
Community First Bank	9-20-09	3.44	<u>100,000</u>
Total			<u><u>\$ 1,559,099</u></u>

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

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

C. Accounts Receivable

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

The following are receivables from the telephone companies at June 30, 2009:

AT&T	\$ 39,281
NUVOX Communications	4,040
Others	<u>9,556</u>
Total	<u>\$ 52,877</u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-08	Additions	Balance 6-30-09
Depreciable Assets			
Buildings and Improvements	\$ 1,143,645	\$ 22,449	\$ 1,166,094
Communications Equipment	688,366	14,445	702,811
Furniture and Fixtures	44,776	1,199	45,975
Office Equipment	33,856	1,856	35,712
Vehicle	61,938	0	61,938
Other Capital Assets	214,600	37,830	252,430
Total	<u>\$ 2,187,181</u>	<u>\$ 77,779</u>	<u>\$ 2,264,960</u>

Less: Accumulated Depreciation

Buildings and Improvements	\$ (192,116)	\$ (29,028)	\$ (221,144)
Communications Equipment	(358,672)	(94,537)	(453,209)
Furniture and Fixtures	(30,774)	(3,821)	(34,595)

	Balance			Balance	
Depreciable Assets	7-1-08		Additions	6-30-09	
<u>Less: Accumulated Depreciation (Cont.)</u>					
Office Equipment	\$	(21,225)	\$	(3,533)	\$ (24,758)
Vehicle		(33,810)		(5,626)	(39,436)
Other Capital Assets		(36,191)		(26,639)	(62,830)
Total	\$	(672,788)	\$	(163,184)	\$ (835,972)
<u>Non-depreciable Assets</u>					
Land	\$	17,500	\$	0	\$ 17,500
Total	\$	17,500	\$	0	\$ 17,500
Total Capital Assets	\$	1,531,893	\$	(85,405)	\$ 1,446,488

E. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, consisted of an addition of the postemployment benefits obligation totaling \$12,446 due to the adoption of GASB Statement No. 45 during the year ended June 30, 2009.

F. Retirement Plan

Plan Description – Employees of Rutherford County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, 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 the Rutherford County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit

improvements are not applicable to a political subdivision unless approved by the chief governing body. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

Funding Policy – The Rutherford County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

Rutherford County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 8.97 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, 2009, Rutherford County Emergency Communications District's annual pension cost of \$18,071 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, 2007, 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, 2007, was 13 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
6-30-09	\$ 18,071	100 %	\$ 0
6-30-08	16,467	100	0
6-30-07	15,508	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 \$.31 million, and the actuarial value of assets was \$.25 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.06 million. The covered payroll (annual payroll of active employees covered by the plan) was zero, and the ratio of the UAAL to the covered payroll was 33.51 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents 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 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.

G. Risk Management

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

H. Postemployment Benefits

From an accrual accounting perspective, the cost of other postemployment benefits (OPEB), like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the district recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides

information useful in assessing potential demands on the district's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years commencing with the 2009 liability.

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

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

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

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children.

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

The following changes will apply to employees hired after February 12, 2009: an employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining age 60 with 20 years of service and active coverage for 15 continuous years or any age with 30 years of

service and active coverage for 15 continuous years. In addition, no prescription drug coverage will be provided post age 65, and (3) the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage.

The components of the annual OPEB cost and the net OPEB obligation are as follows for the Rutherford County Emergency Communications District:

ARC	\$	12,446
Interest on the NPO		0
Adjustment to the ARC		0
Annual OPEB cost	\$	12,446
Amount of contribution		0
Increase/decrease in NPO	\$	12,446
Net OPEB obligation, 7-1-08		0
Net OPEB obligation, 6-30-09	\$	12,446

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

Actuarial valuation date	1-1-08
Actuarial accrued liability (AAL)	\$ 75,534
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 75,534
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 201,458
UAAL as a % of covered payroll	37%

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

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 40,792,211	\$ 0	0	\$ 40,792,211	\$ 39,489,482	\$ 40,695,209	\$ 97,002
Licenses and Permits	1,262,524	0	0	1,262,524	1,740,400	1,269,385	(6,861)
Fines, Forfeitures, and Penalties	2,070,023	0	0	2,070,023	1,963,390	2,111,540	(41,517)
Charges for Current Services	5,465,547	0	0	5,465,547	6,072,661	5,419,023	46,524
Other Local Revenues	2,206,031	0	0	2,206,031	1,698,296	2,080,206	125,825
Fees Received from County Officials	6,558,949	0	0	6,558,949	7,356,500	6,596,500	(37,551)
State of Tennessee	6,945,150	0	0	6,945,150	6,529,757	7,033,189	(88,039)
Federal Government	601,910	0	0	601,910	451,453	638,710	(36,800)
Other Governments and Citizens Groups	304,692	0	0	304,692	290,000	357,606	(52,914)
Total Revenues	\$ 66,207,037	\$ 0	0	\$ 66,207,037	\$ 65,591,939	\$ 66,201,368	\$ 5,669

Expenditures							
General Government							
County Commission	\$ 180,394	\$ 0	0	\$ 180,394	\$ 203,470	\$ 203,470	\$ 23,076
Board of Equalization	9,232	0	0	9,232	20,580	20,580	11,348
County Mayor/Executive	347,335	(4,270)	3,355	346,420	355,621	355,886	9,466
Personnel Office	186,641	(300)	644	186,985	192,952	193,088	6,103
County Attorney	256,949	0	122	257,071	263,548	263,753	6,682
Election Commission	859,351	(2,400)	544	857,495	862,789	912,903	55,408
Register of Deeds	90,390	(127)	0	90,263	112,556	112,556	22,293
Planning	750,277	(5,100)	4,637	749,814	826,506	832,630	82,816
Codes Compliance	48,545	0	0	48,545	48,800	48,834	289
Geographical Information Systems	564,915	(115,063)	202,027	651,879	961,507	961,718	309,839
County Buildings	1,619,548	(77,638)	32,146	1,574,056	1,522,095	1,692,451	118,395
Other General Administration	232,732	0	1,350	234,082	239,100	239,289	5,207

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>General Government (Cont.)</u>							
Preservation of Records	\$ 118,479	\$ (694)	5,926	\$ 123,711	\$ 126,066	\$ 126,114	\$ 2,403
Risk Management	394,300	(100)	600	394,800	422,186	423,620	28,820
<u>Finance</u>							
Accounting and Budgeting	855,671	(160)	0	855,511	886,719	888,582	33,071
Property Assessor's Office	1,646,908	(68,051)	9,884	1,588,741	1,693,423	1,693,482	104,741
Reappraisal Program	497,539	0	1,375	498,914	539,844	541,141	42,227
County Trustee's Office	60,476	0	0	60,476	66,600	83,600	23,124
County Clerk's Office	151,750	0	285	152,035	178,100	178,100	26,065
Data Processing	1,390,755	(13,319)	36,915	1,414,351	1,433,182	1,441,973	27,622
<u>Administration of Justice</u>							
Circuit Court	396,778	0	250	397,028	460,558	460,558	63,530
Circuit Court Judge	228,123	(414)	5	227,714	234,928	235,254	7,540
General Sessions Court	1,195,002	(3,068)	0	1,191,934	1,224,860	1,225,689	33,755
Drug Court	427,824	(2,000)	8	425,832	447,401	447,718	21,886
Chancery Court	765,444	0	0	765,444	801,671	803,114	37,670
Juvenile Court	433,743	0	0	433,743	455,685	453,309	19,566
District Attorney General	64,626	0	0	64,626	66,288	66,343	1,717
Probation Services	844,496	0	300	844,796	379,732	847,724	2,928
Victims Assistance Programs	128,885	0	0	128,885	157,581	157,673	28,788
<u>Public Safety</u>							
Sheriff's Department	16,564,412	(265,859)	124,876	16,423,429	17,177,201	17,301,278	877,849
Special Patrols	40,645	0	0	40,645	85,301	85,301	44,656
Traffic Control	14,686	0	0	14,686	10,000	20,000	5,314
Administration of the Sexual Offender Registry	5,555	0	285	5,840	0	8,100	2,260

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Jail	\$ 12,398,186	\$ (91,059)	63,690	\$ 12,370,817	\$ 12,540,795	\$ 12,621,597	\$ 250,780
Workhouse	2,997,715	(26,202)	2,865	2,974,378	3,090,823	3,202,179	227,801
Juvenile Services	1,707,304	(7,282)	1,158	1,701,180	1,738,847	1,757,000	55,820
Rescue Squad	90,000	0	0	90,000	90,000	90,000	0
Disaster Relief	657,241	(110,376)	10,771	557,636	610,035	762,208	204,572
Inspection and Regulation	768,382	(2,607)	1,233	767,008	833,996	834,560	67,552
<u>Public Health and Welfare</u>							
Local Health Center	596,991	(4,704)	4,725	597,012	644,413	651,240	54,228
Rabies and Animal Control	1,056,085	(13,594)	15,292	1,057,783	1,163,367	1,190,107	132,324
Ambulance/Emergency Medical Services	9,594,378	(77,073)	19,670	9,536,975	9,695,219	9,983,401	446,426
Nursing Home	0	0	14,140	14,140	15,000	15,000	860
Dental Health Program	8,678	(48)	232	8,862	14,400	14,400	5,538
Other Local Health Services	1,484,725	0	0	1,484,725	1,722,072	1,688,972	204,247
General Welfare Assistance	43,000	0	0	43,000	43,000	43,000	0
Sanitation Management	25,601	0	0	25,601	23,101	25,601	0
Other Public Health and Welfare	162,585	0	0	162,585	167,018	177,018	14,433
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	32,000	0	0	32,000	32,000	32,000	0
Senior Citizens Assistance	1,500	0	0	1,500	1,500	1,500	0
Libraries	1,032,148	0	0	1,032,148	1,032,148	1,032,148	0
Parks and Fair Boards	352,822	(783)	0	352,039	372,805	372,805	20,766
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	578,944	0	0	578,944	629,680	629,853	50,909
Soil Conservation	83,151	0	0	83,151	113,552	113,593	30,442

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Storm Water Management	\$ 93,365 \$	(1,689) \$	581 \$	92,257 \$	134,029 \$	134,085 \$	41,828
Other Operations							
Tourism	321,687	0	0	321,687	325,600	325,600	3,913
Other Charges	218,361	(5,933)	872	213,300	268,410	278,530	65,230
Employee Benefits	594,827	0	0	594,827	660,000	602,059	7,232
Payments to Cities	1,912,119	0	0	1,912,119	1,920,994	1,924,629	12,510
Miscellaneous	3,706,562	(29,688)	10,000	3,686,874	3,302,423	3,882,108	195,234
Total Expenditures	\$ 71,890,763 \$	(929,601) \$	570,763 \$	71,531,925 \$	73,642,077 \$	75,711,024 \$	4,179,099
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (5,683,726) \$	929,601 \$	(570,763) \$	(5,324,888) \$	(8,050,138) \$	(9,509,656) \$	4,184,768
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 55,525 \$	0 \$	0 \$	55,525 \$	0 \$	64,937 \$	(9,412)
Transfers In	1,793,819	0	0	1,793,819	2,257,021	1,953,245	(159,426)
Transfers Out	(113,778)	0	0	(113,778)	(35,000)	(113,778)	0
Total Other Financing Sources (Uses)	\$ 1,735,566 \$	0 \$	0 \$	1,735,566 \$	2,222,021 \$	1,904,404 \$	(168,838)
Net Change in Fund Balance	\$ (3,948,160) \$	929,601 \$	(570,763) \$	(3,589,322) \$	(5,828,117) \$	(7,605,252) \$	4,015,930
Fund Balance, July 1, 2008	19,725,092	(929,601)	0	18,795,491	16,744,551	16,744,551	2,050,940
Fund Balance, June 30, 2009	\$ 15,776,932 \$	0 \$	(570,763) \$	15,206,169 \$	10,916,434 \$	9,139,299 \$	6,066,870

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, 2009

(Dollar amounts in thousands)

	Fiscal Year Ended	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)
Primary Government, Discretely Presented Rutherford County School Department, and Discretely Presented Community Care of Rutherford County, Inc.	6-30-09	7-1-07	\$ 102,362	\$ 119,537	\$ 17,175	85.63 %	\$ 60,733	28.28 %
	6-30-08	7-1-07	102,362	119,537	17,175	85.63	60,733	28.28
Discretely Presented Rutherford County Emergency Communications District	6-30-09	7-1-07	257	319	62	80.56	185	33.51
	6-30-08	7-1-07	257	319	62	80.56	185	33.51

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 2007-08 year; therefore, data is only presented for two years.

Exhibit F-3

Rutherford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
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, 2009

(Dollar amounts in thousands)

Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	1-1-08	\$ 0	\$ 24,086	\$ 24,086	0 %	\$ 40,998	59 %
6-30-09	1-1-08	0	114,085	114,085	0	15,927	73
6-30-09	1-1-08	0	2,210	2,210	0	4,390	50
6-30-09	1-1-08	0	75	75	0	201	37

* Data only available for one year.

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

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.

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

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

Exhibit G-1

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds				
	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control	Adequate Facilities/ Development Tax	District Attorney General
<u>ASSETS</u>					
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	3,849,712	240,874	1,156,817	4,607,663	209,384
Investments	0	0	0	0	0
Accounts Receivable	97,076	0	0	12,750	0
Due from Other Governments	248,256	0	632	2,801	748
Due from Other Funds	14,555	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0
Notes Receivable - Long-term	0	1,445,197	0	0	0
Allowance for Doubtful Notes Receivable	0	(863,625)	0	0	0
Total Assets	<u>\$ 4,209,999</u>	<u>\$ 822,446</u>	<u>\$ 1,157,449</u>	<u>\$ 4,623,214</u>	<u>\$ 210,132</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 21,078	\$ 0	\$ 16,101	\$ 0	\$ 6
Accrued Payroll	22,867	0	2,939	0	80
Contracts Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Due to Other Funds	40	0	0	354,143	0
Due to Litigants, Heirs, and Others	0	0	0	0	0
Deferred Revenue - Current Property Taxes	0	0	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	0
Other Deferred Revenues	92,990	0	0	0	0
Total Liabilities	<u>\$ 136,975</u>	<u>\$ 0</u>	<u>\$ 19,040</u>	<u>\$ 354,143</u>	<u>\$ 86</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 14,048	\$ 0	\$ 60,111	\$ 0	\$ 0
Reserved for Long-term Notes Receivable	0	581,572	0	0	0
Unreserved	4,058,976	240,874	1,078,298	4,269,071	210,046
Total Fund Balances	<u>\$ 4,073,024</u>	<u>\$ 822,446</u>	<u>\$ 1,138,409</u>	<u>\$ 4,269,071</u>	<u>\$ 210,046</u>
Total Liabilities and Fund Balances	<u>\$ 4,209,999</u>	<u>\$ 822,446</u>	<u>\$ 1,157,449</u>	<u>\$ 4,623,214</u>	<u>\$ 210,132</u>

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)			Capital Projects Fund	Total Nonmajor Governmental Funds
	Constitu - tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	
<u>ASSETS</u>					
Cash	\$ 1,087,331	\$ 0	\$ 1,087,731	\$ 0	\$ 1,087,731
Equity in Pooled Cash and Investments	0	6,668,963	16,733,413	3,435,909	20,169,322
Investments	0	0	0	403,731	403,731
Accounts Receivable	4,405	19,029	133,260	31,230	164,490
Due from Other Governments	0	424,164	676,601	368,307	1,044,908
Due from Other Funds	0	0	14,555	0	14,555
Property Taxes Receivable	0	556,331	556,331	0	556,331
Allowance for Uncollectible Property Taxes	0	(30,877)	(30,877)	0	(30,877)
Notes Receivable - Long-term	0	0	1,445,197	0	1,445,197
Allowance for Doubtful Notes Receivable	0	0	(863,625)	0	(863,625)
Total Assets	\$ 1,091,736	\$ 7,637,610	\$ 19,752,586	\$ 4,239,177	\$ 23,991,763
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 113,627	\$ 150,812	\$ 33,533	\$ 184,345
Accrued Payroll	0	0	25,886	0	25,886
Contracts Payable	0	0	0	531,050	531,050
Retainage Payable	0	0	0	27,950	27,950
Due to Other Funds	0	14,558	368,741	0	368,741
Due to Litigants, Heirs, and Others	323,749	0	323,749	0	323,749
Deferred Revenue - Current Property Taxes	0	509,870	509,870	0	509,870
Deferred Revenue - Delinquent Property Taxes	0	13,031	13,031	0	13,031
Other Deferred Revenues	0	30,997	123,987	338,307	462,294
Total Liabilities	\$ 323,749	\$ 682,083	\$ 1,516,076	\$ 930,840	\$ 2,446,916
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 74,159	\$ 2,288,034	\$ 2,362,193
Reserved for Long-term Notes Receivable	0	0	581,572	0	581,572
Unreserved	767,987	6,955,527	17,580,779	1,020,303	18,601,082
Total Fund Balances	\$ 767,987	\$ 6,955,527	\$ 18,236,510	\$ 3,308,337	\$ 21,544,847
Total Liabilities and Fund Balances	\$ 1,091,736	\$ 7,637,610	\$ 19,752,586	\$ 4,239,177	\$ 23,991,763

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	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	\$ 1,227,414	\$ 0	\$ 12,382	\$ 2,579,250	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	595,953	0	57,917	0	0
Charges for Current Services	1,507,104	0	0	0	0	0	5,025,688
Other Local Revenues	68,339	171,362	18,991	76,437	0	0	0
State of Tennessee	255,840	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	0	0
Total Revenues	\$ 3,058,697	\$ 171,362	\$ 627,326	\$ 2,655,687	\$ 57,917	\$ 5,025,688	
Expenditures							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 27,408	\$ 602	\$ 866,496	
Finance	0	0	0	0	0	2,364,686	
Administration of Justice	0	0	0	0	54,363	1,771,281	
Public Safety	0	0	716,612	0	0	0	0
Public Health and Welfare	2,870,718	0	0	0	0	0	0
Other Operations	114,549	220,022	0	0	0	0	0
Highways	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 2,985,267	\$ 220,022	\$ 716,612	\$ 27,408	\$ 54,965	\$ 5,002,463	
Excess (Deficiency) of Revenues Over Expenditures	\$ 73,430	\$ (48,660)	\$ (89,286)	\$ 2,628,279	\$ 2,952	\$ 23,225	
Other Financing Sources (Uses)							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Notes Issued	0	0	0	0	0	0	0
Insurance Recovery	16,110	0	28,438	0	0	0	0
Transfers In	0	0	0	656	0	0	0
Transfers Out	0	0	0	(2,700,213)	0	0	0
Total Other Financing Sources (Uses)	\$ 16,110	\$ 0	\$ 28,438	\$ (2,699,557)	\$ 0	\$ 0	0
Net Change in Fund Balances	\$ 89,540	\$ (48,660)	\$ (60,848)	\$ (71,278)	\$ 2,952	\$ 23,225	
Fund Balance, July 1, 2008	3,983,484	871,106	1,199,257	4,340,349	207,094	744,762	
Fund Balance, June 30, 2009	\$ 4,073,024	\$ 822,446	\$ 1,138,409	\$ 4,269,071	\$ 210,046	\$ 767,987	

(Continued)

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

	Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	(Cont.)		Community Development/ Industrial Park			Total	
	Highway / Public Works	Total	General Capital Projects				
<u>Revenues</u>							
Local Taxes	\$ 4,138,754	\$ 7,957,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,957,800
Fines, Forfeitures, and Penalties	0	653,870	0	0	0	0	653,870
Charges for Current Services	0	6,532,792	0	0	0	0	6,532,792
Other Local Revenues	241,145	576,274	40,978	0	40,978	0	617,252
State of Tennessee	3,202,738	3,458,578	114,500	0	114,500	0	3,573,078
Other Governments and Citizens Groups	0	0	3,254,113	0	3,254,113	0	3,254,113
Total Revenues	\$ 7,582,637	\$ 19,179,314	\$ 3,409,591	\$ 0	\$ 3,409,591	\$ 0	\$ 22,588,905
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 894,506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 894,506
Finance	0	2,364,686	0	0	0	0	2,364,686
Administration of Justice	0	1,825,644	0	0	0	0	1,825,644
Public Safety	0	716,612	0	0	0	0	716,612
Public Health and Welfare	0	2,870,718	0	0	0	0	2,870,718
Other Operations	0	334,571	0	0	0	0	334,571
Highways	7,687,642	7,687,642	0	0	0	0	7,687,642
Capital Projects	0	0	14,478,104	0	14,478,104	0	14,478,104
Total Expenditures	\$ 7,687,642	\$ 16,694,379	\$ 14,478,104	\$ 0	\$ 14,478,104	\$ 0	\$ 31,172,483
Excess (Deficiency) of Revenues Over Expenditures	\$ (105,005)	\$ 2,484,935	\$ (11,068,513)	\$ 0	\$ (11,068,513)	\$ 0	\$ (8,583,578)
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 2,056,621	\$ 0	\$ 2,056,621	\$ 0	\$ 2,056,621
Notes Issued	0	0	2,545,111	0	2,545,111	0	2,545,111
Insurance Recovery	707	45,255	0	0	0	0	45,255
Transfers In	0	656	153,778	0	153,778	0	154,434
Transfers Out	0	(2,700,213)	(656)	(28,850)	(29,506)	(28,850)	(2,729,719)
Total Other Financing Sources (Uses)	\$ 707	\$ (2,654,302)	\$ 4,754,854	\$ (28,850)	\$ 4,726,004	\$ (28,850)	\$ 2,071,702
Net Change in Fund Balances	\$ (104,298)	\$ (169,367)	\$ (6,313,659)	\$ (28,850)	\$ (6,342,509)	\$ (28,850)	\$ (6,511,876)
Fund Balance, July 1, 2008	7,059,825	18,405,877	9,621,996	28,850	9,650,846	28,850	28,056,723
Fund Balance, June 30, 2009	\$ 6,955,527	\$ 18,236,510	\$ 3,308,337	\$ 0	\$ 3,308,337	\$ 0	\$ 21,544,847

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	\$ 1,227,414	\$ 0	\$ 0	\$ 1,227,414	\$ 1,185,000	\$ 1,245,000	\$ (17,586)
Charges for Current Services	1,507,104	0	0	1,507,104	1,105,000	1,415,000	92,104
Other Local Revenues	68,339	0	0	68,339	88,000	73,100	(4,761)
State of Tennessee	255,840	0	0	255,840	301,500	321,500	(65,660)
Total Revenues	\$ 3,058,697	\$ 0	\$ 0	\$ 3,058,697	\$ 2,679,500	\$ 3,054,600	\$ 4,097
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	\$ 132,264	(430)	0	131,834	134,389	134,473	2,639
Convenience Centers	1,630,565	(3,265)	10,855	1,638,155	1,914,178	1,868,774	230,619
Other Waste Collection	364,268	(500)	0	363,768	297,000	367,250	3,482
Landfill Operation and Maintenance	672,041	(14,281)	2,945	660,705	738,929	843,749	183,044
Postclosure Care Costs	71,580	0	248	71,828	94,000	94,000	22,172
Other Operations							
Employee Benefits	64,920	0	0	64,920	48,000	73,000	8,080
Miscellaneous	49,629	0	0	49,629	47,980	51,700	2,071
Total Expenditures	\$ 2,985,267	\$ (18,476)	\$ 14,048	\$ 2,980,839	\$ 3,274,476	\$ 3,432,946	\$ 452,107
Excess (Deficiency) of Revenues Over Expenditures	\$ 73,430	\$ 18,476	\$ (14,048)	\$ 77,858	\$ (594,976)	\$ (378,346)	\$ 456,204
Other Financing Sources (Uses)							
Insurance Recovery	\$ 16,110	0	0	16,110	0	16,110	0
Total Other Financing Sources (Uses)	\$ 16,110	\$ 0	\$ 0	\$ 16,110	\$ 0	\$ 16,110	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 89,540	\$ 18,476	\$ (14,048)	\$ 93,968	\$ (594,976)	\$ (362,236)	\$ 456,204
	3,983,484	(18,476)	0	3,965,008	3,965,008	3,965,008	0
Fund Balance, June 30, 2009	\$ 4,073,024	\$ 0	\$ (14,048)	\$ 4,058,976	\$ 3,370,032	\$ 3,602,772	\$ 456,204

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 171,362	\$ 121,258	\$ 121,258	\$ 50,104
Total Revenues	\$ 171,362	\$ 121,258	\$ 121,258	\$ 50,104
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 202,992	\$ 202,993	\$ 202,993	\$ 1
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 220,022	\$ 220,023	\$ 220,023	\$ 1
Excess (Deficiency) of Revenues Over Expenditures	\$ (48,660)	\$ (98,765)	\$ (98,765)	\$ 50,105
Net Change in Fund Balance	\$ (48,660)	\$ (98,765)	\$ (98,765)	\$ 50,105
Fund Balance, July 1, 2008	871,106	246,636	246,636	624,470
Fund Balance, June 30, 2009	\$ 822,446	\$ 147,871	\$ 147,871	\$ 674,575

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 12,382	\$ 0	\$ 0	\$ 12,382	\$ 0	\$ 13,000	\$ (618)
Fines, Forfeitures, and Penalties	595,953	0	0	595,953	720,000	563,000	32,953
Other Local Revenues	18,991	0	0	18,991	18,500	20,500	(1,509)
Total Revenues	\$ 627,326	\$ 0	\$ 0	\$ 627,326	\$ 738,500	\$ 596,500	\$ 30,826
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 716,612	\$ (10,401)	\$ 60,111	\$ 766,322	\$ 915,588	\$ 952,226	\$ 185,904
Total Expenditures	\$ 716,612	\$ (10,401)	\$ 60,111	\$ 766,322	\$ 915,588	\$ 952,226	\$ 185,904
Excess (Deficiency) of Revenues Over Expenditures	\$ (89,286)	\$ 10,401	\$ (60,111)	\$ (138,996)	\$ (177,088)	\$ (355,726)	\$ 216,730
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,438	\$ 0	\$ 0	\$ 28,438	\$ 0	\$ 28,438	\$ 0
Total Other Financing Sources (Uses)	\$ 28,438	\$ 0	\$ 0	\$ 28,438	\$ 0	\$ 28,438	\$ 0
Net Change in Fund Balance	\$ (60,848)	\$ 10,401	\$ (60,111)	\$ (110,558)	\$ (177,088)	\$ (327,288)	\$ 216,730
Fund Balance, July 1, 2008	1,199,257	(10,401)	0	1,188,856	1,188,856	1,188,856	0
Fund Balance, June 30, 2009	\$ 1,138,409	\$ 0	\$ (60,111)	\$ 1,078,298	\$ 1,011,768	\$ 861,568	\$ 216,730

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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,579,250	\$ 3,500,000	\$ 2,622,000	\$ (42,750)
Other Local Revenues	76,437	92,500	78,000	(1,563)
Total Revenues	<u>\$ 2,655,687</u>	<u>\$ 3,592,500</u>	<u>\$ 2,700,000</u>	<u>\$ (44,313)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 27,408	\$ 35,925	\$ 35,925	\$ 8,517
Total Expenditures	<u>\$ 27,408</u>	<u>\$ 35,925</u>	<u>\$ 35,925</u>	<u>\$ 8,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,628,279</u>	<u>\$ 3,556,575</u>	<u>\$ 2,664,075</u>	<u>\$ (35,796)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 656	\$ 0	\$ 656	\$ 0
Transfers Out	(2,700,213)	(3,584,835)	(3,624,835)	924,622
Total Other Financing Sources (Uses)	<u>\$ (2,699,557)</u>	<u>\$ (3,584,835)</u>	<u>\$ (3,624,179)</u>	<u>\$ 924,622</u>
Net Change in Fund Balance	\$ (71,278)	\$ (28,260)	\$ (960,104)	\$ 888,826
Fund Balance, July 1, 2008	<u>4,340,349</u>	<u>4,340,349</u>	<u>4,340,349</u>	<u>0</u>
Fund Balance, June 30, 2009	<u>\$ 4,269,071</u>	<u>\$ 4,312,089</u>	<u>\$ 3,380,245</u>	<u>\$ 888,826</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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,138,754	\$ 4,467,041	\$ 4,130,452	\$ 8,302
Other Local Revenues	241,145	130,200	203,200	37,945
State of Tennessee	3,202,738	3,702,500	3,256,771	(54,033)
Total Revenues	<u>\$ 7,582,637</u>	<u>\$ 8,299,741</u>	<u>\$ 7,590,423</u>	<u>\$ (7,786)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 583,442	\$ 699,425	\$ 704,395	\$ 120,953
Highway and Bridge Maintenance	5,269,233	5,603,621	5,628,251	359,018
Operation and Maintenance of Equipment	784,543	1,266,020	1,266,330	481,787
Quarry Operations	325,771	458,303	458,513	132,742
Other Charges	390,499	502,578	502,818	112,319
Employee Benefits	184,462	199,160	199,160	14,698
Capital Outlay	149,692	934,860	911,610	761,918
Total Expenditures	<u>\$ 7,687,642</u>	<u>\$ 9,663,967</u>	<u>\$ 9,671,077</u>	<u>\$ 1,983,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (105,005)</u>	<u>\$ (1,364,226)</u>	<u>\$ (2,080,654)</u>	<u>\$ 1,975,649</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 707	\$ 0	\$ 707	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 707</u>	<u>\$ 0</u>	<u>\$ 707</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (104,298)	\$ (1,364,226)	\$ (2,079,947)	\$ 1,975,649
Fund Balance, July 1, 2008	<u>7,059,825</u>	<u>6,173,253</u>	<u>6,173,253</u>	<u>886,572</u>
Fund Balance, June 30, 2009	<u>\$ 6,955,527</u>	<u>\$ 4,809,027</u>	<u>\$ 4,093,306</u>	<u>\$ 2,862,221</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, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 39,338,393	\$ 38,424,296	\$ 39,265,512	\$ 72,881
Other Local Revenues	764,343	874,950	665,088	99,255
Total Revenues	<u>\$ 40,102,736</u>	<u>\$ 39,299,246</u>	<u>\$ 39,930,600</u>	<u>\$ 172,136</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 779,573	\$ 1,060,700	\$ 1,060,400	\$ 280,827
<u>Principal on Debt</u>				
General Government	3,523,155	3,523,155	3,523,155	0
Education	19,146,845	19,146,845	19,146,845	0
<u>Interest on Debt</u>				
General Government	2,822,424	2,807,800	2,822,425	1
Education	13,618,467	14,535,592	14,520,967	902,500
<u>Other Debt Service</u>				
General Government	23,083	0	23,083	0
Education	408,926	112,459	521,385	112,459
Total Expenditures	<u>\$ 40,322,473</u>	<u>\$ 41,186,551</u>	<u>\$ 41,618,260</u>	<u>\$ 1,295,787</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (219,737)</u>	<u>\$ (1,887,305)</u>	<u>\$ (1,687,660)</u>	<u>\$ 1,467,923</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 325,508	0	\$ 325,509	\$ (1)
Notes Issued	81,500	0	81,500	0
Transfers In	1,290,000	1,750,000	1,311,000	(21,000)
Total Other Financing Sources (Uses)	<u>\$ 1,697,008</u>	<u>\$ 1,750,000</u>	<u>\$ 1,718,009</u>	<u>\$ (21,001)</u>
Net Change in Fund Balance	\$ 1,477,271	\$ (137,305)	\$ 30,349	\$ 1,446,922
Fund Balance, July 1, 2008	<u>30,704,855</u>	<u>30,718,425</u>	<u>30,718,425</u>	<u>(13,570)</u>
Fund Balance, June 30, 2009	<u>\$ 32,182,126</u>	<u>\$ 30,581,120</u>	<u>\$ 30,748,774</u>	<u>\$ 1,433,352</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 and on-the-job injury programs.

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Exhibit I-1

Rutherford County, Tennessee
Combining Statement of Net Assets
Proprietary Funds
June 30, 2009

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>ASSETS</u>				
Cash	\$ 283,488	\$ 800,000	\$ 50,092	\$ 1,133,580
Equity in Pooled Cash and Investments	736,194	27,775,342	2,830,719	31,342,255
Accounts Receivable	0	119,642	930	120,572
Due from Other Governments	80,186	0	0	80,186
Total Assets	<u>\$ 1,099,868</u>	<u>\$ 28,694,984</u>	<u>\$ 2,881,741</u>	<u>\$ 32,676,593</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 144,026	\$ 77,617	\$ 0	\$ 221,643
Claims and Judgments Payable	1,195,490	9,122,302	1,997,000	12,314,792
Due to Other Funds	0	8,467	8,467	16,934
Other Postemployment Benefits Liabilities	0	19,046,722	0	19,046,722
Total Liabilities	<u>\$ 1,339,516</u>	<u>\$ 28,255,108</u>	<u>\$ 2,005,467</u>	<u>\$ 31,600,091</u>
<u>NET ASSETS</u>				
Unrestricted	\$ (239,648)	\$ 439,876	\$ 876,274	\$ 1,076,502
Total Net Assets	<u>\$ (239,648)</u>	<u>\$ 439,876</u>	<u>\$ 876,274</u>	<u>\$ 1,076,502</u>

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,354,574	\$ 38,482,435	\$ 1,771,494	\$ 41,608,503
Other Employee Benefit Charges/Contributions	0	969,428	0	969,428
Other Local Revenues:				
Retirees' Insurance Payments	0	1,595,664	0	1,595,664
Cobra Insurance Payments	0	95,702	0	95,702
State of Tennessee:				
On-Behalf Contributions for OPEB	0	82,225	0	82,225
Federal Government:				
On-Behalf Contributions for OPEB	0	104,502	0	104,502
Total Operating Revenues	<u>\$ 1,354,574</u>	<u>\$ 41,329,956</u>	<u>\$ 1,771,494</u>	<u>\$ 44,456,024</u>
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 45,200	\$ 2,912,481	\$ 43,060	\$ 3,000,741
Disability Insurance	0	0	205,051	205,051
Communications	0	958	0	958
Consultants	0	69,564	0	69,564
Contracts with Private Agencies	0	1,780,478	0	1,780,478
Drug and Medical Supplies	0	21,557	0	21,557
Excess Risk Insurance	0	0	111,856	111,856
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Medical Claims	0	34,354,937	0	34,354,937
Workers' Compensation Insurance	0	0	18,830	18,830
Liability Claims	1,978,196	0	0	1,978,196
Other Self-Insured Claims	0	0	743,714	743,714
Other Postemployment Benefits Liabilities	0	19,046,722	0	19,046,722
Other Fringe Benefits	0	360,177	0	360,177
Other Contracted Services	0	0	3,250	3,250
Total Operating Expenses	<u>\$ 2,023,396</u>	<u>\$ 58,546,874</u>	<u>\$ 1,133,261</u>	<u>\$ 61,703,531</u>
Operating Income (Loss)	<u>\$ (668,822)</u>	<u>\$ (17,216,918)</u>	<u>\$ 638,233</u>	<u>\$ (17,247,507)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Damages Recovered from Individuals	\$ 7,500	0	0	7,500
Insurance Recovery	237,189	0	0	237,189
Miscellaneous Refunds	0	0	1,903	1,903
Total Nonoperating Revenues (Expenses)	<u>\$ 244,689</u>	<u>\$ 0</u>	<u>\$ 1,903</u>	<u>\$ 246,592</u>
Income (Loss) Before Transfers	\$ (424,133)	\$ (17,216,918)	\$ 640,136	\$ (17,000,915)
Transfers Out	0	(197,378)	(197,378)	(394,756)
Change in Net Assets	\$ (424,133)	\$ (17,414,296)	\$ 442,758	\$ (17,395,671)
Net Assets, July 1, 2008	184,485	17,854,172	433,516	18,472,173
Net Assets, June 30, 2009	<u>\$ (239,648)</u>	<u>\$ 439,876</u>	<u>\$ 876,274</u>	<u>\$ 1,076,502</u>

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for Self-Insurance Premiums
 Payments to Suppliers
 Claims Paid
 Insurance Recovery
 Damages Recovered from Individuals
 Other Receipts
 Net Cash Provided By (Used In) Operating Activities

149 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers to Other Funds
 Net Cash Provided By (Used In) Noncapital Financing Activities
 Net Increase (Decrease) in Cash
 Cash, July 1, 2008
 Cash, June 30, 2009

Internal Service Funds				
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
\$	1,279,534	\$ 41,408,419	\$ 1,770,564	\$ 44,458,517
	(45,200)	(5,062,416)	(389,547)	(5,497,163)
	(1,542,281)	(32,865,718)	(1,564,710)	(35,972,709)
	237,189	0	0	237,189
	7,500	0	0	7,500
	0	0	1,903	1,903
\$	(63,258)	\$ 3,480,285	\$ (181,790)	\$ 3,235,237
\$	0	\$ (197,378)	\$ (197,378)	\$ (394,756)
\$	0	\$ (197,378)	\$ (197,378)	\$ (394,756)
\$	(63,258)	\$ 3,282,907	\$ (379,168)	\$ 2,840,481
	1,082,940	25,292,435	3,259,979	29,635,354
\$	1,019,682	\$ 28,575,342	\$ 2,880,811	\$ 32,475,835

(Continued)

Exhibit I-3

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

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u> <u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
Operating Income (Loss)	\$ (668,822)	\$ (17,216,918)	\$ 638,233	\$ (17,247,507)
Insurance Recovery	237,189	0	0	237,189
Damages Recovered from Individuals	7,500	0	0	7,500
Miscellaneous Refunds	0	0	1,903	1,903
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	5,146	71,451	(538)	76,059
(Increase) Decrease in Due from Other Governments	0	7,012	0	7,012
(Increase) Decrease in Due from Other Funds	0	0	(392)	(392)
(Increase) Decrease in Due from Component Units	(80,186)	0	0	(80,186)
Increase (Decrease) in Accounts Payable	144,026	75,795	0	219,821
Increase (Decrease) in Due to Other Funds	0	7,004	7,004	14,008
Increase (Decrease) in Claims and Judgments Payable	291,889	1,489,219	(828,000)	953,108
Increase (Decrease) in Other Postemployment Benefits Liabilities	0	19,046,722		19,046,722
Net Cash Provided By (Used In) Operating Activities	\$ (63,258)	\$ 3,480,285	\$ (181,790)	\$ 3,235,237
<u>RECONCILIATION OF CASH WITH STATEMENT OF NET ASSETS</u>				
Cash per Net Assets	\$ 283,488	\$ 800,000	\$ 50,092	\$ 1,133,580
Equity in Pooled Cash and Investments per Net Assets	736,194	27,775,342	2,830,719	31,342,255
Cash, June 30, 2009	\$ 1,019,682	\$ 28,575,342	\$ 2,880,811	\$ 32,475,835

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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Rutherford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

Exhibit J-1

ASSETS

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

LIABILITIES

Due to Other Taxing Units
 Due to Joint Ventures
 Due to Litigants, Heirs, and Others
 Total Liabilities

Agency Funds					
Cities - Sales Tax	City			Constitu- tional Officers - Agency	Total
	School ADA - Murfreesboro	Joint Venture			
\$ 0 \$	0 \$	0 \$	0 \$	6,500,699 \$	6,500,699
0	209,100	23,961		0	233,061
0	0	0		500,763	500,763
7,429,556	1,124,081	0		0	8,553,637
0	11,265,373	0		0	11,265,373
0	(623,625)	0		0	(623,625)
\$ 7,429,556 \$	11,974,929 \$	23,961 \$		7,001,462 \$	26,429,908
\$ 7,429,556 \$	11,974,929 \$	0 \$		0 \$	19,404,485
0	0	23,961		0	23,961
0	0	0		7,001,462	7,001,462
\$ 7,429,556 \$	11,974,929 \$	23,961 \$		7,001,462 \$	26,429,908

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 40,728,271	\$ 40,728,271	\$ 0
Due from Other Governments	7,829,937	7,429,556	7,829,937	7,429,556
Total Assets	\$ 7,829,937	\$ 48,157,827	\$ 48,558,208	\$ 7,429,556
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,829,937	\$ 48,157,827	\$ 48,558,208	\$ 7,429,556
Total Liabilities	\$ 7,829,937	\$ 48,157,827	\$ 48,558,208	\$ 7,429,556
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 203,472	\$ 17,689,429	\$ 17,683,801	\$ 209,100
Due from Other Governments	1,301,877	1,124,081	1,301,877	1,124,081
Taxes Receivable	10,685,304	11,265,373	10,685,304	11,265,373
Allowance for Uncollectible Taxes	(560,466)	(623,625)	(560,466)	(623,625)
Total Assets	\$ 11,630,187	\$ 29,455,258	\$ 29,110,516	\$ 11,974,929
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,630,187	\$ 29,455,258	\$ 29,110,516	\$ 11,974,929
Total Liabilities	\$ 11,630,187	\$ 29,455,258	\$ 29,110,516	\$ 11,974,929
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 24,383	\$ 0	\$ 422	\$ 23,961
Total Assets	\$ 24,383	\$ 0	\$ 422	\$ 23,961
<u>Liabilities</u>				
Due to Joint Ventures	\$ 24,383	\$ 0	\$ 422	\$ 23,961
Total Liabilities	\$ 24,383	\$ 0	\$ 422	\$ 23,961
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 5,421,495	\$ 57,536,238	\$ 56,457,034	\$ 6,500,699
Investments	1,308,799	500,763	1,308,799	500,763
Total Assets	\$ 6,730,294	\$ 58,037,001	\$ 57,765,833	\$ 7,001,462
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,730,294	\$ 58,037,001	\$ 57,765,833	\$ 7,001,462
Total Liabilities	\$ 6,730,294	\$ 58,037,001	\$ 57,765,833	\$ 7,001,462

(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	\$ 5,421,495	\$ 57,536,238	\$ 56,457,034	\$ 6,500,699
Equity in Pooled Cash and Investments	227,855	58,417,700	58,412,494	233,061
Investments	1,308,799	500,763	1,308,799	500,763
Due from Other Governments	9,131,814	8,553,637	9,131,814	8,553,637
Taxes Receivable	10,685,304	11,265,373	10,685,304	11,265,373
Allowance for Uncollectible Taxes	(560,466)	(623,625)	(560,466)	(623,625)
Total Assets	<u>\$ 26,214,801</u>	<u>\$ 135,650,086</u>	<u>\$ 135,434,979</u>	<u>\$ 26,429,908</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 19,460,124	\$ 77,613,085	\$ 77,668,724	\$ 19,404,485
Due to Joint Ventures	24,383	0	422	23,961
Due to Litigants, Heirs, and Others	6,730,294	58,037,001	57,765,833	7,001,462
Total Liabilities	<u>\$ 26,214,801</u>	<u>\$ 135,650,086</u>	<u>\$ 135,434,979</u>	<u>\$ 26,429,908</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, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Total Governmental Activities
Instruction	\$ 177,209,929	\$ 193,754	\$ 11,591,837	\$ 0	\$ (165,424,338)
Support Services	107,541,095	230,006	1,210,069	0	(106,101,020)
Operation of Non-Instructional Services	13,763,189	6,929,660	7,446,916	71,724,082	72,337,469
Interest on Long-term Debt	99,825	0	0	0	(99,825)
Other Debt Service	250	0	0	0	(250)
Total Governmental Activities	\$ 298,614,288	\$ 7,353,420	\$ 20,248,822	\$ 71,724,082	\$ (199,287,964)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 55,512,068
Payments in-lieu-of Taxes					733,806
Local Option Sales Taxes					36,185,265
Wheel Tax					3,214,626
Business Tax					1,077,339
Other Local Taxes					18,710
Grants and Contributions Not Restricted for Specific Programs					139,098,150
Interest Income					731,051
Miscellaneous					142,847
Total General Revenues					\$ 236,713,862
Change in Net Assets					\$ 37,425,898
Net Assets, July 1, 2008					396,794,128
					385,292
Net Assets, June 30, 2009					\$ 434,605,318

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2009

	Major Funds		Nonmajor Funds	Total
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 7,368	\$ 0	\$ 1,302,852	\$ 1,310,220
Equity in Pooled Cash and Investments	26,735,539	45,492,742	3,839,997	76,068,278
Inventories	0	0	297,682	297,682
Accounts Receivable	105,237	0	4,459	109,696
Due from Other Governments	6,616,027	0	1,053,127	7,669,154
Due from Other Funds	62,642	0	2,048	64,690
Property Taxes Receivable	59,436,928	0	2,351,902	61,788,830
Allowance for Uncollectible Property Taxes	(3,282,250)	0	(130,534)	(3,412,784)
Total Assets	\$ 89,681,491	\$ 45,492,742	\$ 8,721,533	\$ 143,895,766
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 2,374,398	\$ 0	\$ 80,699	\$ 2,455,097
Accrued Payroll	16,309,659	0	473,056	16,782,715
Payroll Deductions Payable	1,025	0	0	1,025
Due to Other Funds	2,048	0	62,642	64,690
Due to Primary Government	80,186	0	0	80,186
Deferred Revenue - Current Property Taxes	54,533,483	0	2,155,474	56,688,957
Deferred Revenue - Delinquent Property Taxes	1,355,224	0	55,090	1,410,314
Other Deferred Revenues	2,861,506	0	0	2,861,506
Total Liabilities	\$ 77,517,529	\$ 0	\$ 2,826,961	\$ 80,344,490
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 930,312	\$ 36,351,849	\$ 967,462	\$ 38,249,623
Reserved for Vocational Projects	0	0	388	388
Reserved for Driver Education	260,220	0	0	260,220
Reserved for Career Ladder Program	25,162	0	0	25,162
Reserved for Title I Grants to Local Education Agencies	0	0	30,802	30,802
Reserved for Special Education - Grants to States	0	0	15,938	15,938
Other Federal Reserves	0	0	24	24
Unreserved, Reported In:				
General Fund	10,948,268	0	0	10,948,268
Special Revenue Funds	0	0	3,972,015	3,972,015
Capital Projects Funds	0	9,140,893	907,943	10,048,836
Total Fund Balances	\$ 12,163,962	\$ 45,492,742	\$ 5,894,572	\$ 63,551,276
Total Liabilities and Fund Balances	\$ 89,681,491	\$ 45,492,742	\$ 8,721,533	\$ 143,895,766

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, 2009

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)		\$ 63,551,276
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 8,505,440	
Add: construction in progress	27,682,548	
Add: buildings and improvements net of accumulated depreciation	343,013,159	
Add: intangible assets net of accumulated depreciation	429,403	
Add: other capital assets net of accumulated depreciation	<u>6,082,765</u>	385,713,315
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,271,820
(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.		26,512
(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.		(37,000)
(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	\$ (2,265,000)	
Less: notes payable	(285,713)	
Less: compensated absences payable	(1,030,527)	
Less: other postemployment benefits liability	(15,309,004)	
Less: unamortized debt premiums	<u>(30,361)</u>	<u>(18,920,605)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 434,605,318</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, 2009

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 94,444,824	\$ 0	\$ 2,199,092	\$ 96,643,916
Licenses and Permits	10,922	0	0	10,922
Charges for Current Services	181,496	0	6,929,660	7,111,156
Other Local Revenues	1,177,389	0	77,400	1,254,789
State of Tennessee	140,085,954	0	347,558	140,433,512
Federal Government	1,146,505	0	16,637,400	17,783,905
Other Governments and Citizens Groups	0	71,724,082	0	71,724,082
Total Revenues	\$ 237,047,090	\$ 71,724,082	\$ 26,191,110	\$ 334,962,282
<u>Expenditures</u>				
Current:				
Instruction	\$ 155,608,916	\$ 0	\$ 6,298,972	\$ 161,907,888
Support Services	78,257,736	0	4,273,573	82,531,309
Operation of Non-Instructional Services	1,768,640	0	12,319,948	14,088,588
Capital Outlay	38,165	0	0	38,165
Debt Service:				
Principal on Debt	581,429	0	0	581,429
Interest on Debt	109,200	0	0	109,200
Other Debt Service	250	0	0	250
Capital Projects	0	42,121,270	1,681,803	43,803,073
Total Expenditures	\$ 236,364,336	\$ 42,121,270	\$ 24,574,296	\$ 303,059,902
Excess (Deficiency) of Revenues Over Expenditures	\$ 682,754	\$ 29,602,812	\$ 1,616,814	\$ 31,902,380
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 94,440	\$ 1,649,821	\$ 91,743	\$ 1,836,004
Transfers Out	(1,741,564)	0	(94,440)	(1,836,004)
Total Other Financing Sources (Uses)	\$ (1,647,124)	\$ 1,649,821	\$ (2,697)	\$ 0
Net Change in Fund Balances	\$ (964,370)	\$ 31,252,633	\$ 1,614,117	\$ 31,902,380
Fund Balance, July 1, 2008	13,128,332	14,240,109	4,280,455	31,648,896
Fund Balance, June 30, 2009	\$ 12,163,962	\$ 45,492,742	\$ 5,894,572	\$ 63,551,276

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, 2009

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)		\$ 31,902,380
(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	\$ 30,257,016	
Less: current year depreciation expense	<u>(9,502,168)</u>	20,754,848
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(549,647)
(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, 2008	\$ (4,167,499)	
Add: deferred delinquent property taxes and other deferred June 30, 2009	<u>4,271,820</u>	104,321
(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>510,000</u>	581,429
(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	\$ 8,500	
Change in other postemployment benefits liability	(15,309,004)	
Change in compensated absences payable	<u>(67,804)</u>	(15,368,308)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 37,425,898</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2009

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,302,852	\$ 1,302,852	\$ 0	\$ 1,302,852
Equity in Pooled Cash and Investments	5,637	2,543,618	2,549,255	1,290,742	3,839,997
Inventories	0	297,682	297,682	0	297,682
Accounts Receivable	2,970	1,073	4,043	416	4,459
Due from Other Governments	988,039	65,088	1,053,127	0	1,053,127
Due from Other Funds	2,048	0	2,048	0	2,048
Property Taxes Receivable	0	0	0	2,351,902	2,351,902
Allowance for Uncollectible Property Taxes	0	0	0	(130,534)	(130,534)
Total Assets	\$ 998,694	\$ 4,210,313	\$ 5,209,007	\$ 3,512,526	\$ 8,721,533
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 79,802	\$ 897	\$ 80,699	\$ 0	\$ 80,699
Accrued Payroll	462,429	10,627	473,056	0	473,056
Due to Other Funds	62,150	492	62,642	0	62,642
Deferred Revenue - Current Property Taxes	0	0	0	2,155,474	2,155,474
Deferred Revenue - Delinquent Property Taxes	0	0	0	55,090	55,090
Total Liabilities	\$ 604,381	\$ 12,016	\$ 616,397	\$ 2,210,564	\$ 2,826,961
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 347,161	\$ 226,282	\$ 573,443	\$ 394,019	\$ 967,462
Reserved for Vocational Projects	388	0	388	0	388
Reserved for Title I Grants to Local Education Agencies	30,802	0	30,802	0	30,802
Reserved for Special Education - Grants to States	15,938	0	15,938	0	15,938
Other Federal Reserves	24	0	24	0	24
Unreserved	0	3,972,015	3,972,015	907,943	4,879,958
Total Fund Balances	\$ 394,313	\$ 4,198,297	\$ 4,592,610	\$ 1,301,962	\$ 5,894,572
Total Liabilities and Fund Balances	\$ 998,694	\$ 4,210,313	\$ 5,209,007	\$ 3,512,526	\$ 8,721,533

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, 2009

	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	\$ 2,199,092	\$	2,199,092
Charges for Current Services	0	6,929,660	6,929,660	0		6,929,660
Other Local Revenues	0	77,400	77,400	0		77,400
State of Tennessee	184,993	162,565	347,558	0		347,558
Federal Government	10,341,420	6,295,980	16,637,400	0		16,637,400
Total Revenues	\$ 10,526,413	\$ 13,465,605	\$ 23,992,018	\$ 2,199,092	\$	26,191,110
<u>Expenditures</u>						
Current:						
Instruction	\$ 6,298,972	\$ 0	\$ 6,298,972	\$ 0	\$	6,298,972
Support Services	4,153,490	77,058	4,230,548	43,025		4,273,573
Operation of Non-Instructional Services	0	12,319,948	12,319,948	0		12,319,948
Capital Projects	0	0	0	1,681,803		1,681,803
Total Expenditures	\$ 10,452,462	\$ 12,397,006	\$ 22,849,468	\$ 1,724,828	\$	24,574,296
Excess (Deficiency) of Revenues Over Expenditures	\$ 73,951	\$ 1,068,599	\$ 1,142,550	\$ 474,264	\$	1,616,814
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 91,743	\$	91,743
Transfers Out	(63,898)	(30,542)	(94,440)	0		(94,440)
Total Other Financing Sources (Uses)	\$ (63,898)	\$ (30,542)	\$ (94,440)	\$ 91,743	\$	(2,697)
Net Change in Fund Balances	\$ 10,053	\$ 1,038,057	\$ 1,048,110	\$ 566,007	\$	1,614,117
Fund Balance, July 1, 2008	384,260	3,160,240	3,544,500	735,955		4,280,455
Fund Balance, June 30, 2009	\$ 394,313	\$ 4,198,297	\$ 4,592,610	\$ 1,301,962	\$	5,894,572

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 94,444,824	\$ 0	\$ 0	\$ 94,444,824	\$ 94,423,408	\$ 94,445,169	\$ (345)
Licenses and Permits	10,922	0	0	10,922	15,500	11,032	(110)
Charges for Current Services	181,496	0	0	181,496	198,500	198,500	(17,004)
Other Local Revenues	1,177,389	0	0	1,177,389	962,723	1,149,955	27,434
State of Tennessee	140,085,954	0	0	140,085,954	137,480,166	139,280,104	805,850
Federal Government	1,146,505	0	0	1,146,505	950,833	1,111,474	35,031
Total Revenues	\$ 237,047,090	\$ 0	\$ 0	\$ 237,047,090	\$ 234,031,130	\$ 236,196,234	\$ 850,856
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 124,201,678	\$ (727,520)	\$ 394,224	\$ 123,868,382	\$ 123,815,683	\$ 124,906,733	\$ 1,038,351
Alternative Instruction Program	1,556,016	(4,281)	1,024	1,552,759	1,477,332	1,568,757	15,998
Special Education Program	20,209,089	(58,334)	29,051	20,179,806	20,819,176	20,324,364	144,558
Vocational Education Program	9,207,780	(19,076)	33,896	9,222,600	8,833,260	9,299,741	77,141
Adult Education Program	434,353	(5,417)	13,357	442,293	490,236	517,861	75,568
<u>Support Services</u>							
Attendance	533,193	(1,754)	45,955	577,394	574,146	579,424	2,030
Health Services	2,536,409	(375)	1,465	2,537,499	2,644,982	2,582,314	44,815
Other Student Support	6,794,110	(7,081)	6,200	6,793,229	6,906,222	6,837,220	43,991
Regular Instruction Program	8,095,800	(16,439)	29,178	8,108,539	8,213,747	8,260,647	152,108
Alternative Instruction Program	667,629	(518)	2,999	670,110	664,704	682,686	12,576
Special Education Program	1,000,046	(4,140)	3,810	999,716	1,006,872	1,045,439	45,723
Vocational Education Program	160,043	(5,665)	1,108	155,486	146,286	181,151	25,665
Adult Programs	169,771	0	0	169,771	187,140	181,700	11,929

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 4,735,530	\$ (16,960)	4,304	\$ 4,722,874	\$ 4,260,315	\$ 4,822,072	\$ 99,198
Director of Schools	485,547	(873)	8,075	492,749	553,270	553,106	60,357
Office of the Principal	13,567,084	(73,600)	121,017	13,614,501	13,680,256	13,816,046	201,545
Fiscal Services	778,551	(1,699)	1,145	777,997	801,394	792,992	14,995
Human Services/Personnel	371,631	(521)	0	371,110	385,055	390,364	19,254
Operation of Plant	19,742,509	(110,871)	15,137	19,646,775	17,614,908	20,204,892	558,117
Maintenance of Plant	5,436,443	(336,868)	150,842	5,250,417	5,782,276	5,520,874	270,457
Transportation	11,260,589	(4,579)	0	11,256,010	11,301,756	11,307,330	51,320
Central and Other	1,922,851	(68,050)	67,525	1,922,326	2,117,375	2,048,784	126,458
<u>Operation of Non-Instructional Services</u>							
Community Services	34,288	(716)	0	33,572	45,000	45,000	11,428
Early Childhood Education	1,734,352	(4,296)	0	1,730,056	898,491	1,812,160	82,104
<u>Capital Outlay</u>							
Regular Capital Outlay	38,165	(19,147)	0	19,018	95,000	19,018	0
Principal on Debt							
Education	581,429	0	0	581,429	581,429	581,429	0
Interest on Debt							
Education	109,200	0	0	109,200	109,200	109,200	0
<u>Other Debt Service</u>							
Education	250	0	0	250	250	250	0
Total Expenditures	\$ 236,364,336	\$ (1,488,780)	\$ 930,312	\$ 235,805,868	\$ 234,005,761	\$ 238,991,554	\$ 3,185,686
Excess (Deficiency) of Revenues Over Expenditures	\$ 682,754	\$ 1,488,780	\$ (930,312)	\$ 1,241,222	\$ 25,369	\$ (2,795,320)	\$ 4,036,542

(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 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 94,440	\$ 0	\$ 0	\$ 94,440	\$ 9,000	\$ 9,000	\$ 85,440
Transfers Out	(1,741,564)	0	0	(1,741,564)	0	(1,741,564)	0
Total Other Financing Sources (Uses)	\$ (1,647,124)	\$ 0	\$ 0	\$ (1,647,124)	\$ 9,000	\$ (1,732,564)	\$ 85,440
Net Change in Fund Balance	\$ (964,370)	\$ 1,488,780	\$ (930,312)	\$ (405,902)	\$ 34,369	\$ (4,527,884)	\$ 4,121,982
Fund Balance, July 1, 2008	13,128,332	(1,488,780)	0	11,639,552	9,824,745	9,824,745	1,814,807
Fund Balance, June 30, 2009	\$ 12,163,962	\$ 0	\$ (930,312)	\$ 11,233,650	\$ 9,859,114	\$ 5,296,861	\$ 5,936,789

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
State of Tennessee	\$ 184,993	\$ 0	\$ 0	\$ 184,993	\$ 0	\$ 185,000	\$ (7)
Federal Government	10,341,420	0	0	10,341,420	0	12,646,955	(2,305,535)
Total Revenues	\$ 10,526,413	\$ 0	\$ 0	\$ 10,526,413	\$ 0	\$ 12,831,955	\$ (2,305,542)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,457,747	\$ (610)	\$ 2,965	\$ 2,460,102	\$ 0	\$ 2,760,701	\$ 300,599
Alternative Instruction Program	1,328	0	0	1,328	0	1,210	(118)
Special Education Program	3,431,825	(35,252)	29,041	3,425,614	0	4,567,715	1,142,101
Vocational Education Program	408,072	(39,385)	13,892	382,579	0	384,294	1,715
<u>Support Services</u>							
Health Services	401,763	0	0	401,763	0	422,370	20,607
Other Student Support	923,653	0	0	923,653	0	1,118,538	194,885
Regular Instruction Program	1,284,268	(302,498)	293,537	1,275,307	0	1,555,357	280,050
Alternative Instruction Program	5,059	0	0	5,059	0	5,290	231
Special Education Program	1,451,345	(4,320)	6,923	1,453,948	0	1,846,318	392,370
Vocational Education Program	75,836	0	803	76,639	0	76,414	(225)
Transportation	11,566	0	0	11,566	0	11,567	1
Total Expenditures	\$ 10,452,462	\$ (382,065)	\$ 347,161	\$ 10,417,558	\$ 0	\$ 12,749,774	\$ 2,332,216
Excess (Deficiency) of Revenues Over Expenditures	\$ 73,951	\$ 382,065	\$ (347,161)	\$ 108,855	\$ 0	\$ 82,181	\$ 26,674

(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:		Add: 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2008	Encumbrances 6/30/2009			Original	Final	
Other Financing Sources (Uses)								
Transfers In	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	299,299 \$	(299,299)
Transfers Out	(63,898)	0	0	0	(63,898)	0	(381,480)	317,582
Total Other Financing Sources (Uses)	<u>\$ (63,898) \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>(63,898) \$</u>	<u>0 \$</u>	<u>(82,181) \$</u>	<u>18,283</u>
Net Change in Fund Balance	\$ 10,053 \$	382,065 \$	(347,161)	\$	44,957 \$	0 \$	0 \$	44,957
Fund Balance, July 1, 2008	384,260	(382,065)	0	0	2,195	0	0	2,195
Fund Balance, June 30, 2009	<u>\$ 394,313 \$</u>	<u>0 \$</u>	<u>(347,161) \$</u>	<u>47,152 \$</u>	<u>47,152 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>47,152</u>

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Charges for Current Services	\$ 6,929,660	\$ 0	\$ 0	\$ 6,929,660	\$ 8,075,000	\$ 7,180,000	\$ (250,340)
Other Local Revenues	77,400	0	0	77,400	136,000	119,614	(42,214)
State of Tennessee	162,565	0	0	162,565	172,000	172,000	(9,435)
Federal Government	6,295,980	0	0	6,295,980	6,576,000	6,701,000	(405,020)
Total Revenues	\$ 13,465,605	\$ 0	\$ 0	\$ 13,465,605	\$ 14,959,000	\$ 14,172,614	\$ (707,009)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 77,058	\$ 0	\$ 0	\$ 77,058	\$ 85,000	\$ 81,500	\$ 4,442
Operation of Non-Instructional Services	12,319,948	(19,091)	226,282	12,527,139	14,473,025	13,479,525	952,386
Food Service	\$ 12,397,006	\$ (19,091)	\$ 226,282	\$ 12,604,197	\$ 14,558,025	\$ 13,561,025	\$ 956,828
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,068,599	\$ 19,091	\$ (226,282)	\$ 861,408	\$ 400,975	\$ 611,589	\$ 249,819
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (30,542)	\$ 0	\$ 0	\$ (30,542)	\$ (100,000)	\$ (65,000)	\$ 34,458
Total Other Financing Sources (Uses)	\$ (30,542)	\$ 0	\$ 0	\$ (30,542)	\$ (100,000)	\$ (65,000)	\$ 34,458
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 1,038,057	\$ 19,091	\$ (226,282)	\$ 830,866	\$ 300,975	\$ 546,589	\$ 284,277
	3,160,240	(19,091)	0	3,141,149	3,141,149	3,141,149	0
Fund Balance, June 30, 2009	\$ 4,198,297	\$ 0	\$ (226,282)	\$ 3,972,015	\$ 3,442,124	\$ 3,687,738	\$ 284,277

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, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 2,199,092	\$ 0	\$ 0	\$ 2,199,092	\$ 2,154,538	\$ 2,169,419	\$ 29,673
Total Revenues	\$ 2,199,092	\$ 0	\$ 0	\$ 2,199,092	\$ 2,154,538	\$ 2,169,419	\$ 29,673
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 43,025	\$ 0	\$ 0	\$ 43,025	\$ 42,173	\$ 43,673	\$ 648
<u>Capital Projects</u>							
Education Capital Projects	1,681,803	(135,825)	394,019	1,939,997	2,150,000	2,332,551	392,554
Total Expenditures	\$ 1,724,828	\$ (135,825)	\$ 394,019	\$ 1,983,022	\$ 2,192,173	\$ 2,376,224	\$ 393,202
Excess (Deficiency) of Revenues Over Expenditures	\$ 474,264	\$ 135,825	\$ (394,019)	\$ 216,070	\$ (37,635)	\$ (206,805)	\$ 422,875
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 91,743	\$ 0	\$ 0	\$ 91,743	\$ 0	\$ 91,743	\$ 0
Total Other Financing Sources (Uses)	\$ 91,743	\$ 0	\$ 0	\$ 91,743	\$ 0	\$ 91,743	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 566,007	\$ 135,825	\$ (394,019)	\$ 307,813	\$ (37,635)	\$ (115,062)	\$ 422,875
	735,955	(135,825)	0	600,130	735,955	735,955	(135,825)
Fund Balance, June 30, 2009	\$ 1,301,962	\$ 0	\$ (394,019)	\$ 907,943	\$ 698,320	\$ 620,893	\$ 287,050

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2009

	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, 2009

		Private - Purpose Trust Fund <hr/> Endowment Fund <hr/>
	<u>ADDITIONS</u>	
Investment Income:		
Interest		\$ 907
Total Additions		<hr/> \$ 907 <hr/>
	<u>DEDUCTIONS</u>	
Education:		
Scholarship		\$ 907
Total Deductions		<hr/> \$ 907 <hr/>
Change in Net Assets		\$ 0
Net Assets, July 1, 2008		<hr/> 28,783 <hr/>
Net Assets, June 30, 2009		<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, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-09
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through General Debt Service Fund								
School Facilities and Public Improvement	\$ 10,000,000	2.7	11-21-08	4-11-11	\$ 0	\$ 10,000,000	\$ 0	\$ 10,000,000
School Facilities and Public Improvement	21,000,000	1.98	5-28-09	4-1-12	0	21,000,000	0	21,000,000
Total Notes Payable					\$ 0	\$ 31,000,000	\$ 0	\$ 31,000,000
BONDS PAYABLE								
Payable through General Debt Service Fund								
School Facilities	9,900,000	5.2945	12-14-1999	4-1-09	\$ 800,000	\$ 0	\$ 800,000	\$ 0
School Facilities	34,000,000	5.5764981	3-8-00	4-1-10	4,800,000	0	2,300,000	2,500,000
Refunding Bonds	73,585,000	4 to 5	3-22-01	4-1-20	59,865,000	0	3,735,000	56,130,000
School Facilities	30,850,000	4 to 5	3-22-01	4-1-11	4,210,000	0	1,585,000	2,625,000
School Facilities and Public Improvement	30,610,000	4 to 5	10-24-01	4-1-11	5,700,000	0	1,800,000	3,900,000
School Facilities and Public Improvement	23,610,000	4 to 5	6-1-02	4-1-23	17,610,000	0	1,000,000	16,610,000
Various Purpose and Refunding (24.29%)	30,115,000	4.1446	4-1-03	4-1-23	26,360,000	0	3,860,000	22,500,000
School Facilities and Public Improvement	24,995,000	2.75 to 4.5	12-10-03	6-1-23	24,995,000	0	795,000	24,200,000
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-21	42,400,000	0	1,735,000	40,665,000
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	4-1-30	49,450,000	0	1,450,000	48,000,000
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	60,095,000	0	2,160,000	57,935,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-28	42,700,000	0	1,450,000	41,250,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	6-30-29	0	41,325,000	0	41,325,000
Total Bonds Payable					\$ 356,750,000	\$ 41,325,000	\$ 22,670,000	\$ 375,405,000

(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 7-1-08	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-09	
<u>DISCRETELY PRESENTED RUTHERFORD 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	\$ 357,142	\$ 0	\$ 71,429	\$ 285,713
Total Notes Payable					\$ 357,142	\$ 0	\$ 71,429	\$ 285,713	
<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	\$ 2,775,000	\$ 0	\$ 510,000	\$ 2,265,000	
Total Bonds Payable					\$ 2,775,000	\$ 0	\$ 510,000	\$ 2,265,000	

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	Note Principal	Note Interest	Total Note Requirements
2010	\$ 0	\$ 977,000	\$ 977,000
2011	10,000,000	1,110,000	11,110,000
2012	21,000,000	840,000	21,840,000
Total	<u>\$ 31,000,000</u>	<u>\$ 2,927,000</u>	<u>\$ 33,927,000</u>

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 22,375,000	\$ 16,837,633	\$ 39,212,633
2011	21,935,000	16,181,454	38,116,454
2012	24,010,000	15,183,254	39,193,254
2013	25,325,000	14,084,579	39,409,579
2014	25,515,000	12,904,979	38,419,979
2015	26,470,000	11,706,879	38,176,879
2016	24,085,000	10,469,699	34,554,699
2017	22,100,000	9,346,924	31,446,924
2018	23,230,000	8,325,900	31,555,900
2019	21,400,000	7,226,175	28,626,175
2020	20,455,000	6,279,831	26,734,831
2021	20,300,000	5,332,556	25,632,556
2022	17,350,000	4,416,356	21,766,356
2023	16,375,000	3,598,481	19,973,481
2024	12,145,000	2,825,581	14,970,581
2025	12,565,000	2,279,256	14,844,256
2026	13,020,000	1,743,750	14,763,750
2027	8,440,000	1,158,463	9,598,463
2028	8,650,000	799,113	9,449,113
2029	6,210,000	427,300	6,637,300
2030	3,450,000	155,250	3,605,250
Total	<u>\$ 375,405,000</u>	<u>\$ 151,283,413</u>	<u>\$ 526,688,413</u>

(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
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	\$ 285,713	\$ 0	\$ 285,713

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
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	\$ 2,265,000	\$ 224,000	\$ 2,489,000

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2009

<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	\$ 403,731
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>500,763</u>
Total Investments				<u><u>\$ 904,494</u></u>

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2009

Exhibit L-4

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance
Industrial/Economic Development Fund:						
Former Rental Property	Wherry Housing	\$ 1,279,297	1-10-1994	3-09-19	10 %	\$ 863,625
Construction/Renovations	Smyrna/Rutherford County Airport	639,724	8-17-06	8-17-19	6	581,572
Total						<u>\$ 1,445,197</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, 2009

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 113,778
Community Development/Industrial Park	General	Close project	28,850
Adequate Facilities/Development Tax	General	Vehicles for sheriff	511,820
Adequate Facilities/Development Tax	General	Purchase capital assets	858,393
Adequate Facilities/Development Tax	General Debt Service	Transfer one-half development tax	1,290,000
Adequate Facilities/Development Tax	General Capital Projects	Capital projects	40,000
General Capital Projects	Adequate Facilities/Development Tax	Close construction projects	656
Employee Insurance - Health	General	Salaries	197,378
Workers' Compensation	General	Salaries	197,378
Total Transfers Primary Government			<u>\$ 3,238,253</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Other Capital Projects	Land acquisition and school construction	\$ 1,649,821
General Purpose School	Education Capital Projects	School renovation	91,743
School Federal Projects	General Purpose School	Indirect costs	63,898
Central Cafeteria	General Purpose School	Salaries	30,542
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 1,836,004</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, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 110,637	\$ 60,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	105,370	100,000	Ohio Casualty Insurance Company
Director of Schools	State Board of Education and Local Board of Education	132,386 (1)	50,000	Hartford Fire Insurance Company
Trustee	Section 8-24-102, <u>TCA</u>	87,082	7,768,000	"
Assessor of Property				
John Barbee (7-1-08 through 8-31-08)	Section 8-24-102, <u>TCA</u>	14,514	10,000	Westfield Insurance Company
Bill Boner (9-1-08 through 6-30-09)	Section 8-24-102, <u>TCA</u>	72,568	10,000	Ohio Farmers Insurance Company
Director of Finance	County Commission	93,900 (2)	100,000	Hartford Fire Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	87,082	100,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>			
	and County Commission	95,790 (3)	100,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , Chancery			
	Court Judge and County Commission	87,457 (4)	50,000	Ohio Casualty Insurance Company
Register	Section 8-24-102, <u>TCA</u>	87,082	25,000	Hartford Fire Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	105,370 (5)	25,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			100,000	"

- (1) Includes \$6,000 career ladder payment. Does not include \$600 per month vehicle allowance.
(2) Includes longevity pay of \$300 and a salary supplement of \$1,800.
(3) Includes \$8,708 for serving more than one court.
(4) Does not include special commissioner fees of \$9,379. Includes longevity pay of \$375.
(5) Does not include a law enforcement training supplement of \$600.

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2009

	Special Revenue Funds					Adequate Facilities/ Development Tax
	General	Solid Waste / Sanitation	Industrial / Economic Development	Drug Control		
<u>Local Taxes</u>						
County Property Taxes						
Current Property Tax	\$ 26,131,981	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	440,753	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	282,438	0	0	0	0	0
Interest and Penalty	103,279	0	0	0	0	0
Pick-up Taxes	74,529	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,134	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	6,587,368	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax						
Hotel/Motel Tax	410,734	1,227,414	0	0	0	0
Wheel Tax	931,999	0	0	0	0	0
Litigation Tax - General	2,850,276	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	191,136	0	0	0	0	0
Litigation Tax - Courtroom Security	708,152	0	0	0	0	0
Business Tax	345,552	0	0	0	0	0
Mineral Severance Tax	525,397	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
Statutory Local Taxes	0	0	0	0	0	2,579,250
Bank Excise Tax	342,439	0	0	0	0	0
Wholesale Beer Tax	861,053	0	0	0	0	0
Interstate Telecommunications Tax	1,991	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	12,382	0	0
Total Local Taxes	\$ 40,792,211	\$ 1,227,414	\$ 0	\$ 12,382	\$ 0	2,579,250
<u>Licenses and Permits</u>						
Licenses						
Animal Registration	\$ 99,632	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	27,030	0	0	0	0	0
Cable TV Franchise	656,041	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>						
Permits						
Building Permits	\$ 374,576	\$ 0	\$ 0	\$ 0	\$ 0	0
Plumbing Permits	54,025	0	0	0	0	0
Food Handling Permits	2,100	0	0	0	0	0
Other Permits	49,120	0	0	0	0	0
Total Licenses and Permits	\$ 1,262,524	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
Circuit Court						
Fines	\$ 58,518	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	423,417	0	0	0	0	0
Drug Control Fines	0	0	0	103,813	0	0
Drug Court Fees	9,281	0	0	0	0	0
Jail Fees	357,851	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Data Entry Fee - Circuit Court	3,030	0	0	0	0	0
Courtroom Security Fee	3,784	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	6,326	0	0	0	0	0
Data Entry Fee - Criminal Court	2,604	0	0	0	0	0
Courtroom Security Fee	1,585	0	0	0	0	0
Victims Assistance Assessments	9,329	0	0	0	0	0
General Sessions Court						
Fines	446,205	0	0	0	0	0
Game and Fish Fines	481	0	0	0	0	0
Drug Control Fines	0	0	0	106,993	0	0
Drug Court Fees	57,884	0	0	0	0	0
DUI Treatment Fines	52,937	0	0	0	0	0
Data Entry Fee - General Sessions Court	45,017	0	0	0	0	0
Courtroom Security Fee	14,774	0	0	0	0	0
Victims Assistance Assessments	144,809	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</u>						
Fines	\$ 5,748	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Court Fees	8,019	0	0	0	0	0
Jail Fees	314,553	0	0	0	0	0
Data Entry Fee - Juvenile Court	5,024	0	0	0	0	0
Courtroom Security Fee	4,306	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	13,048	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	71,035	0	0	0	0	0
Drug Court Fees	1,890	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Courts in Other District Counties						
District Attorney General Fees	0	0	0	0	0	0
Judicial District Drug Program						
Victims Assistance Assessments						
Other Fines, Forfeitures, and Penalties	8,568	0	0	0	0	0
Proceeds from Confiscated Property	0	0	0	0	385,147	0
Total Fines, Forfeitures, and Penalties	\$ 2,070,023	\$ 0	\$ 0	\$ 595,953	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 593,330	\$ 0	\$ 0	\$ 0	0
Surcharge - Host Agency	0	913,774	0	0	0	0
Patient Charges	4,528,018	0	0	0	0	0
Past Due Collections - Ambulance	180,595	0	0	0	0	0
Zoning Studies	75,380	0	0	0	0	0
Work Release Charges for Board	23,502	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	37,600	0	0	0	0	0
Recreation Fees	856	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>						
Greenbelt Late Application Fee	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	0
Telephone Commissions	226,150	0	0	0	0	0
Vending Machine Collections	33	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	105,866	0	0	0	0	0
Probation Fees	8,572	0	0	0	0	0
Data Processing Fee - Sheriff	25,771	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,725	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEAs	188,239	0	0	0	0	0
TBI Criminal Background Fees	24,360	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	34,280	0	0	0	0	0
Total Charges for Current Services	\$ 5,465,547	\$ 1,507,104	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,595,817	\$ 0	\$ 121,258	\$ 18,991	\$ 76,437	
Lease/Rentals	132,269	0	0	0	0	0
Sale of Materials and Supplies	6,627	0	0	0	0	0
Commissary Sales	137,011	0	0	0	0	0
Sale of Maps	9,384	0	0	0	0	0
Sale of Recycled Materials	588	68,238	0	0	0	0
Sale of Animals/Livestock	150,295	0	0	0	0	0
Miscellaneous Refunds	18,374	101	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	23,310	0	0	0	0	0
Sale of Property	0	0	50,104	0	0	0
Damages Recovered from Individuals	942	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		
Other Local Revenues (Cont.)						
Nonrecurring Items (Cont.)						
Contributions and Gifts	\$ 48,173	\$ 0	\$ 0	\$ 0	\$ 0	0
Performance Bond Forfeitures	15,368	0	0	0	0	0
Other Local Revenues	67,873	0	0	0	0	0
Total Other Local Revenues	\$ 2,206,031	\$ 68,339	\$ 171,362	\$ 18,991	\$ 76,437	
Fees Received from County Officials						
Excess Fees						
County Clerk	\$ 575,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	959,435	0	0	0	0	0
Register	607,294	0	0	0	0	0
Trustee	3,722,975	0	0	0	0	0
Fees in-Lieu-of Salary						
Clerk and Master	624,716	0	0	0	0	0
Sheriff	69,529	0	0	0	0	0
Total Fees Received from County Officials	\$ 6,558,949	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	59,105	0	0	0	0	0
Solid Waste Grants	0	29,573	0	0	0	0
Other General Government Grants	127,500	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	101,400	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	1,631,363	0	0	0	0	0
Public Works Grants						
Litter Program	0	84,945	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>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Flood Control						
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	274,025	0	0	0	0	0
Alcoholic Beverage Tax	18,701	0	0	0	0	0
Mixed Drink Tax	203,987	0	0	0	0	0
Contracted Prisoner Boarding	15,563	0	0	0	0	0
Gasoline and Motor Fuel Tax	3,926,519	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	14,912	0	0	0	0	0
Other State Grants	76,267	0	0	0	0	0
Other State Revenues	486,808	141,322	0	0	0	0
Total State of Tennessee	\$ 6,945,150	\$ 255,840	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program						
Breakfast	\$ 28,746	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	18,402	0	0	0	0	0
Homeland Security Grants	44,297	0	0	0	0	0
Law Enforcement Grants	233,862	0	0	0	0	0
Other Federal through State	10,535	0	0	0	0	0
Direct Federal Revenue	109,428	0	0	0	0	0
Police Service (Lake Area)	34,015	0	0	0	0	0
Asset Forfeiture Funds	16,183	0	0	0	0	0
Other Direct Federal Revenue	106,442	0	0	0	0	0
Total Federal Government	\$ 601,910	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 27,396	\$ 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		
Other Governments and Citizens Groups (Cont.)						
Other Governments (Cont.)						
Contributions	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	248,606	0	0	0	0	0
Other						
Other	3,690	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 304,692	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 66,207,037	\$ 3,058,697	\$ 171,362	\$ 627,326	\$ 2,655,687	

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	Constitu- tional			Highway / Public Works			
	District Attorney General	Officers - Fees	General				
							</

(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</u>							
Building Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	374,576
Plumbing Permits	0	0	0	0	0	0	54,025
Food Handling Permits	0	0	0	0	0	0	2,100
Other Permits	0	0	0	0	0	0	49,120
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,262,524
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	58,518
Officers Costs	0	0	0	0	0	0	423,417
Drug Control Fines	0	0	0	0	0	0	103,813
Drug Court Fees	0	0	0	0	0	0	9,281
Jail Fees	0	0	0	0	0	0	357,851
District Attorney General Fees	49,662	0	0	0	0	0	49,662
Data Entry Fee - Circuit Court	0	0	0	0	0	0	3,030
Courtroom Security Fee	0	0	0	0	0	0	3,784
<u>Criminal Court</u>							
DUI Treatment Fines	0	0	0	0	0	0	6,326
Data Entry Fee - Criminal Court	0	0	0	0	0	0	2,604
Courtroom Security Fee	0	0	0	0	0	0	1,585
Victims Assistance Assessments	0	0	0	0	0	0	9,329
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	446,205
Game and Fish Fines	0	0	0	0	0	0	481
Drug Control Fines	0	0	0	0	0	0	106,993
Drug Court Fees	0	0	0	0	0	0	57,884
DUI Treatment Fines	0	0	0	0	0	0	52,937
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	45,017
Courtroom Security Fee	0	0	0	0	0	0	14,774
Victims Assistance Assessments	0	0	0	0	0	0	144,809

(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 \$	5,748
Juvenile Court						
Fines						
Drug Court Fees		0	0	0	0	8,019
Jail Fees		0	0	0	0	314,553
Data Entry Fee - Juvenile Court		0	0	0	0	5,024
Courtroom Security Fee		0	0	0	0	4,306
Chancery Court						
Data Entry Fee - Chancery Court		0	0	0	0	13,048
Other Courts - In-county						
Fines		0	0	0	0	71,035
Drug Court Fees		0	0	0	0	1,890
District Attorney General Fees		5,852	0	0	0	5,852
Courts in Other District Counties						
District Attorney General Fees		2,403	0	0	0	2,403
Judicial District Drug Program						
Victims Assistance Assessments		0	0	0	0	8,568
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property		0	0	0	0	385,147
Total Fines, Forfeitures, and Penalties	\$	57,917 \$	0 \$	0 \$	0 \$	2,723,893
Charges for Current Services						
General Service Charges						
Tipping Fees	\$	0 \$	0 \$	0 \$	0 \$	593,330
Surcharge - Host Agency		0	0	0	0	913,774
Patient Charges		0	0	0	0	4,528,018
Past Due Collections - Ambulance		0	0	0	0	180,595
Zoning Studies		0	0	0	0	75,380
Work Release Charges for Board		0	0	0	0	23,502
Fees						
Subdivision Lot Fees		0	0	0	0	37,600
Recreation Fees		0	0	0	0	856

(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>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Greenbelt Late Application Fee	\$	0 \$	0 \$	0 \$	0 \$	0 \$	600
Telephone Commissions		0	0	0	0	0	226,150
Vending Machine Collections		0	0	0	0	0	33
Constitutional Officers' Fees and Commissions		0	5,016,309	0	0	0	5,016,309
Special Commissioner Fees/Special Master Fees		0	9,379	0	0	0	9,379
Data Processing Fee - Register		0	0	0	0	0	105,866
Probation Fees		0	0	0	0	0	8,572
Data Processing Fee - Sheriff		0	0	0	0	0	25,771
Sexual Offender Registration Fees - Sheriff		0	0	0	0	0	5,725
<u>Education Charges</u>							
Contract for Administrative Services with Other LEAs		0	0	0	0	0	188,239
TBI Criminal Background Fees		0	0	0	0	0	24,360
<u>Other Charges for Services</u>							
Other Charges for Services		0	0	0	0	0	34,280
Total Charges for Current Services	\$	0 \$	5,025,688 \$	0 \$	0 \$	0 \$	11,998,339
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$	0 \$	0 \$	141,028 \$	639,956 \$	9,347 \$	2,602,834
Lease/Rentals		0	0	0	124,387	0	256,656
Sale of Materials and Supplies		0	0	100,117	0	31,230	137,974
Commissary Sales		0	0	0	0	0	137,011
Sale of Maps		0	0	0	0	0	9,384
Sale of Recycled Materials		0	0	0	0	0	68,826
Sale of Animals/Livestock		0	0	0	0	0	150,295
Miscellaneous Refunds		0	0	0	0	401	18,876
<u>Nonrecurring Items</u>							
Sale of Equipment		0	0	0	0	0	23,310
Sale of Property		0	0	0	0	0	50,104
Damages Recovered from Individuals		0	0	0	0	0	942

(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	Constitutional Officers - Fees	Highway / Public Works	General	Debt Service	General	Capital Projects		
Other Local Revenues (Cont.)									
Nonrecurring Items (Cont.)									
Contributions and Gifts	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$		48,173
Performance Bond Forfeitures	0	0	0	0	0	0	0		15,368
Other Local Revenues	0	0	0	0	0	0	0		67,873
Total Other Local Revenues	\$ 0 \$	0 \$	241,145 \$	764,343 \$	40,978 \$				3,587,626
Fees Received from County Officials									
Excess Fees									
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$		575,000
Circuit Court Clerk	0	0	0	0	0	0	0		959,435
Register	0	0	0	0	0	0	0		607,294
Trustee	0	0	0	0	0	0	0		3,722,975
Fees in-Lieu-of Salary	0	0	0	0	0	0	0		624,716
Clerk and Master	0	0	0	0	0	0	0		69,529
Sheriff	0	0	0	0	0	0	0		6,558,949
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$		6,558,949
State of Tennessee									
General Government Grants									
Juvenile Services Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$		9,000
State Reappraisal Grant	0	0	0	0	0	0	0		59,105
Solid Waste Grants	0	0	0	0	0	0	0		29,573
Other General Government Grants	0	0	0	0	0	0	0		127,500
Public Safety Grants									
Law Enforcement Training Programs	0	0	0	0	0	0	0		101,400
Health and Welfare Grants									
Health Department Programs	0	0	0	0	0	0	0		1,631,363
Public Works Grants									
Litter Program	0	0	0	0	0	0	0		84,945

(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 \$	10,271 \$	0 \$	0 \$	10,271
		0	0	0	0	0	274,025
		0	0	0	0	0	18,701
		0	0	0	0	0	203,987
		0	0	0	0	0	15,563
		0	0	0	0	0	3,926,519
		0	0	3,046,283	0	0	3,046,283
		0	0	146,184	0	0	146,184
		0	0	0	0	0	14,912
		0	0	0	0	114,500	190,767
		0	0	0	0	0	628,130
	\$	0 \$	0 \$	3,202,738 \$	0 \$	114,500 \$	10,518,228
	\$	0 \$	0 \$	0 \$	0 \$	0 \$	28,746
		0	0	0	0	0	18,402
		0	0	0	0	0	44,297
		0	0	0	0	0	233,862
		0	0	0	0	0	10,535
		0	0	0	0	0	109,428
		0	0	0	0	0	34,015
		0	0	0	0	0	16,183
		0	0	0	0	0	106,442
	\$	0 \$	0 \$	0 \$	0 \$	0 \$	601,910
	\$	0 \$	0 \$	0 \$	0 \$	0 \$	27,396

(Continued)

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	District General	Constitutional Officers - Fees	Highway / Public Works		General Debt Service		General Capital Projects		
\$	0 \$	0 \$	0 \$	0 \$	0 \$		75,750 \$		100,750
	0	0	0	0	0		3,178,363		3,426,969
	0	0	0	0	0		0		3,690
\$	0 \$	0 \$	0 \$	0 \$	0 \$		3,254,113 \$		3,558,805
\$	57,917 \$	5,025,688 \$	7,582,637 \$	40,102,736 \$	3,409,591 \$		128,898,678		

Other Governments and Citizens Groups (Cont.)
 Other Governments (Cont.)
 Contributions
 Contracted Services
 Other
 Other
 Total Other Governments and Citizens Groups
 Total

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2009

	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	\$ 51,279,279	\$ 0	\$ 0	\$ 2,082,984	\$ 0	\$ 53,362,263
Trustee's Collections - Prior Year	862,190	0	0	36,113	0	898,303
Circuit/Clerk & Master Collections - Prior Years	570,179	0	0	23,793	0	593,972
Interest and Penalty	195,673	0	0	8,134	0	203,807
Pick-up Taxes	147,175	0	0	6,037	0	153,212
Payments in-Lieu-of Taxes - T.V.A.	6,174	0	0	249	0	6,423
Payments in-Lieu-of Taxes - Local Utilities	733,806	0	0	0	0	733,806
<u>County Local Option Taxes</u>						
Local Option Sales Tax	36,381,455	0	0	0	0	36,381,455
Wheel Tax	3,214,626	0	0	0	0	3,214,626
Business Tax	1,035,557	0	0	41,782	0	1,077,339
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	18,710	0	0	0	0	18,710
Total Local Taxes	\$ 94,444,824	\$ 0	\$ 0	\$ 2,199,092	\$ 0	\$ 96,643,916
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 10,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,922
Total Licenses and Permits	\$ 10,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,922
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 107,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,200
Tuition - Other	64,600	0	0	0	0	64,600
Lunch Payments - Children	0	0	4,933,757	0	0	4,933,757
Lunch Payments - Adults	0	0	316,671	0	0	316,671
Income from Breakfast	0	0	945,582	0	0	945,582
A la carte Sales	0	0	733,650	0	0	733,650
Contract for Administrative Services with Other LEAs	9,696	0	0	0	0	9,696
Total Charges for Current Services	\$ 181,496	\$ 0	\$ 6,929,660	\$ 0	\$ 0	\$ 7,111,156

(Continued)

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	\$ 705,209	\$ 0	\$ 25,842	\$ 0	\$ 0	\$ 731,051
Sale of Materials and Supplies	25,568	0	0	0	0	25,568
Refund of Telecommunication & Internet Fees (E-Rate)	204,438	0	0	0	0	204,438
Miscellaneous Refunds	80,606	0	50,721	0	0	131,327
<u>Nonrecurring Items</u>						
Sale of Equipment	1,502	0	837	0	0	2,339
Sale of Property	5,151	0	0	0	0	5,151
Damages Recovered from Individuals	4,030	0	0	0	0	4,030
Contributions and Gifts	138,627	0	0	0	0	138,627
<u>Other Local Revenues</u>						
Other Local Revenues	12,258	0	0	0	0	12,258
Total Other Local Revenues	\$ 1,177,389	\$ 0	\$ 77,400	\$ 0	\$ 0	\$ 1,254,789
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 132,423,895	\$ 0	\$ 0	\$ 0	\$ 0	\$ 132,423,895
Basic Education Program - ARRA	1,827,100	0	0	0	0	1,827,100
Early Childhood Education	942,331	0	0	0	0	942,331
School Food Service	0	0	162,565	0	0	162,565
Driver Education	132,694	0	0	0	0	132,694
Other State Education Funds	1,212,681	0	0	0	0	1,212,681
Career Ladder Program	1,162,945	0	0	0	0	1,162,945
Career Ladder - Extended Contract	315,800	0	0	0	0	315,800
<u>Other State Revenues</u>						
Mixed Drink Tax	229,285	0	0	0	0	229,285
State Revenue Sharing - T.V.A.	1,549,992	0	0	0	0	1,549,992
Other State Grants	0	184,993	0	0	0	184,993
Other State Revenues	289,231	0	0	0	0	289,231
Total State of Tennessee	\$ 140,085,954	\$ 184,993	\$ 162,565	\$ 0	\$ 0	\$ 140,433,512
<u>Federal Government</u>						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 5,005,487	\$ 0	\$ 0	\$ 5,005,487

(Continued)

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
Federal Government (Cont.)						
Federal Through State (Cont.)						
Breakfast	\$ 0	\$ 0	\$ 1,290,493	\$ 0	\$ 0	\$ 1,290,493
Vocational Education - Basic Grants to States	0	438,501	0	0	0	438,501
Title I Grants to Local Education Agencies	0	2,602,770	0	0	0	2,602,770
Innovative Education Program Strategies	0	19,905	0	0	0	19,905
Special Education - Grants to States	418,141	5,698,024	0	0	0	6,116,165
Special Education Preschool Grants	0	206,414	0	0	0	206,414
English Language Acquisition Grants	0	285,655	0	0	0	285,655
Safe and Drug-Free Schools - State Grants	0	129,852	0	0	0	129,852
Education for Homeless Children and Youth	0	119,200	0	0	0	119,200
Eisenhower Professional Development State Grants	0	810,808	0	0	0	810,808
Other Federal through State	244,688	30,291	0	0	0	274,979
Direct Federal Revenue	483,676	0	0	0	0	483,676
ROTC Reimbursement	1,146,505	10,341,420	6,295,980	0	0	17,783,905
Total Federal Government						
Other Governments and Citizens Groups						
Other Governments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 70,724,082	\$ 70,724,082
Contributions						
Citizens Groups	0	0	0	0	1,000,000	1,000,000
Donations	0	0	0	0	0	0
Total Other Governments and Citizens Groups						
Total	\$ 237,047,090	\$ 10,526,413	\$ 13,465,605	\$ 2,199,092	\$ 71,724,082	\$ 334,962,282

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	92,875	
Other Per Diem and Fees		74,700	
Social Security		10,390	
Employer Medicare		2,429	
Total County Commission			\$ 180,394

Board of Equalization

Board and Committee Members Fees	\$	7,700	
Social Security		477	
Employer Medicare		112	
Legal Notices, Recording, and Court Costs		943	
Total Board of Equalization			9,232

County Mayor/Executive

County Official/Administrative Officer	\$	110,637	
Secretary(ies)		132,779	
Part-time Personnel		7,200	
Longevity Pay		1,725	
Social Security		14,505	
State Retirement		31,354	
Employee and Dependent Insurance		24,909	
Disability Insurance		264	
Employer Medicare		3,491	
Communication		1,151	
Legal Notices, Recording, and Court Costs		7,489	
Maintenance Agreements		1,860	
Maintenance and Repair Services - Office Equipment		363	
Postal Charges		3,255	
Duplicating Supplies		735	
Office Supplies		5,618	
Total County Mayor/Executive			347,335

Personnel Office

County Official/Administrative Officer	\$	81,653	
Assistant(s)		41,690	
Part-time Personnel		15,676	
In-Service Training		998	
Social Security		8,559	
State Retirement		15,776	
Employee and Dependent Insurance		5,851	

(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.)

Disability Insurance	\$	135	
Employer Medicare		2,002	
Communication		611	
Dues and Memberships		860	
Maintenance Agreements		180	
Postal Charges		465	
Printing, Stationery, and Forms		465	
Travel		26	
Office Supplies		2,709	
Other Supplies and Materials		2,455	
Other Charges		6,530	
Total Personnel Office			\$ 186,641

County Attorney

County Official/Administrative Officer	\$	109,778	
Secretary(ies)		78,210	
Longevity Pay		1,300	
Social Security		11,028	
State Retirement		24,210	
Employee and Dependent Insurance		24,852	
Disability Insurance		204	
Employer Medicare		2,624	
Communication		443	
Dues and Memberships		2,500	
Maintenance and Repair Services - Equipment		270	
Postal Charges		276	
Travel		517	
Office Supplies		737	
Total County Attorney			256,949

Election Commission

County Official/Administrative Officer	\$	78,374	
Part-time Personnel		18,659	
Longevity Pay		1,275	
Overtime Pay		8,154	
Other Salaries and Wages		207,641	
Election Commission		14,825	
Election Workers		186,146	
In-Service Training		2,321	
Social Security		26,678	

(Continued)

Exhibit L-9

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

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

State Retirement	\$	37,787	
Employee and Dependent Insurance		43,701	
Disability Insurance		321	
Employer Medicare		6,270	
Communication		10,745	
Data Processing Services		659	
Dues and Memberships		1,416	
Legal Notices, Recording, and Court Costs		9,548	
Maintenance Agreements		15,234	
Maintenance and Repair Services - Office Equipment		494	
Postal Charges		26,932	
Printing, Stationery, and Forms		9,536	
Rentals		127,850	
Travel		2,888	
Data Processing Supplies		3,221	
Diesel Fuel		80	
Office Supplies		12,009	
Data Processing Equipment		5,048	
Furniture and Fixtures		1,539	
Total Election Commission			\$ 859,351

Register of Deeds

In-Service Training	\$	175	
Communication		1,244	
Data Processing Services		43,940	
Maintenance Agreements		3,747	
Postal Charges		9,855	
Other Contracted Services		11,162	
Data Processing Supplies		5,206	
Office Supplies		6,805	
Data Processing Equipment		8,256	
Total Register of Deeds			90,390

Planning

County Official/Administrative Officer	\$	84,180	
Assistant(s)		221,846	
Supervisor/Director		63,293	
Secretary(ies)		96,432	
Part-time Personnel		9,997	
Longevity Pay		1,025	

(Continued)

Exhibit L-9

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

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

Board and Committee Members Fees	\$	37,300	
In-Service Training		6,355	
Social Security		30,894	
State Retirement		59,701	
Employee and Dependent Insurance		68,417	
Disability Insurance		506	
Employer Medicare		7,228	
Communication		5,844	
Consultants		17,454	
Dues and Memberships		10,101	
Legal Notices, Recording, and Court Costs		4,028	
Maintenance Agreements		7,263	
Maintenance and Repair Services - Office Equipment		479	
Postal Charges		2,967	
Printing, Stationery, and Forms		1,125	
Data Processing Supplies		4,208	
Gasoline		4,198	
Office Supplies		4,045	
Periodicals		1,106	
Other Supplies and Materials		285	
Total Planning			\$ 750,277

Codes Compliance

Secretary(ies)	\$	30,465	
Longevity Pay		475	
Social Security		1,753	
State Retirement		3,957	
Employee and Dependent Insurance		9,529	
Disability Insurance		33	
Employer Medicare		410	
Communication		1,923	
Total Codes Compliance			48,545

Geographical Information Systems

Data Processing Personnel	\$	192,083	
Part-time Personnel		15,234	
Longevity Pay		900	
Overtime Pay		3,969	
Social Security		12,752	
State Retirement		25,190	

(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.)

Employee and Dependent Insurance	\$	21,174	
Disability Insurance		211	
Employer Medicare		2,982	
Data Processing Services		43,731	
Maintenance Agreements		40,137	
Postal Charges		38	
Travel		8,874	
Data Processing Supplies		6,381	
Data Processing Equipment		23,969	
Other Capital Outlay		167,290	
Total Geographical Information Systems			\$ 564,915

County Buildings

Supervisor/Director	\$	62,248	
Clerical Personnel		28,630	
Custodial Personnel		73,881	
Maintenance Personnel		134,115	
Part-time Personnel		162,393	
Longevity Pay		1,625	
Overtime Pay		3,351	
Social Security		27,921	
State Retirement		38,810	
Employee and Dependent Insurance		84,039	
Disability Insurance		350	
Employer Medicare		6,530	
Communication		33,238	
Maintenance and Repair Services - Buildings		49,134	
Travel		304	
Other Contracted Services		67,854	
Custodial Supplies		27,314	
Data Processing Supplies		1,598	
Gasoline		11,737	
Utilities		583,544	
Other Supplies and Materials		78,558	
Building Improvements		108,294	
Maintenance Equipment		17,900	
Motor Vehicles		16,180	
Total County Buildings			1,619,548

(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	\$	72,269	
Teachers		99,970	
Salary Supplements		4,500	
Longevity Pay		1,150	
Social Security		10,658	
State Retirement		22,752	
Employee and Dependent Insurance		15,380	
Disability Insurance		189	
Employer Medicare		2,493	
Communication		8	
Maintenance Agreements		705	
Travel		315	
Riprap		1,514	
Other Supplies and Materials		829	
Total Other General Administration			\$ 232,732

Preservation of Records

County Official/Administrative Officer	\$	43,206	
Other Salaries and Wages		4,979	
Social Security		2,939	
State Retirement		5,526	
Employee and Dependent Insurance		6,105	
Disability Insurance		47	
Employer Medicare		687	
Communication		742	
Dues and Memberships		484	
Maintenance Agreements		300	
Postal Charges		214	
Library Books/Media		182	
Office Supplies		1,212	
Other Supplies and Materials		4,748	
Other Charges		23,394	
Furniture and Fixtures		3,829	
Office Equipment		19,885	
Total Preservation of Records			118,479

Risk Management

Supervisor/Director	\$	65,089
Clerical Personnel		107,241
Part-time Personnel		26,407

(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.)

Longevity Pay	\$	475	
Other Salaries and Wages		74,257	
Social Security		16,320	
State Retirement		31,642	
Employee and Dependent Insurance		38,320	
Disability Insurance		274	
Employer Medicare		3,817	
Communication		1,536	
Maintenance Agreements		1,251	
Postal Charges		4,063	
Travel		1,733	
Gasoline		296	
Office Supplies		8,900	
Other Charges		9,401	
Data Processing Equipment		2,599	
Office Equipment		679	
Total Risk Management			\$ 394,300

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	91,800
Accountants/Bookkeepers		394,005
Salary Supplements		7,200
Clerical Personnel		24,504
Part-time Personnel		13,175
Longevity Pay		4,675
Overtime Pay		1,208
Other Salaries and Wages		59,320
Social Security		35,351
State Retirement		74,529
Employee and Dependent Insurance		89,446
Disability Insurance		625
Employer Medicare		8,267
Communication		1,625
Dues and Memberships		2,305
Maintenance Agreements		1,540
Maintenance and Repair Services - Equipment		794
Postal Charges		10,541
Travel		3,492
Other Contracted Services		689

(Continued)

Exhibit L-9

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

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

Office Supplies	\$	24,881	
Office Equipment		<u>5,699</u>	
Total Accounting and Budgeting			\$ 855,671

Property Assessor's Office

County Official/Administrative Officer	\$	87,082	
Deputy(ies)		820,212	
Salary Supplements		6,000	
Part-time Personnel		13,687	
Longevity Pay		5,025	
Overtime Pay		237	
In-Service Training		4,693	
Social Security		53,997	
State Retirement		117,483	
Employee and Dependent Insurance		166,041	
Disability Insurance		993	
Employer Medicare		12,804	
Communication		5,219	
Data Processing Services		85,589	
Maintenance Agreements		19,449	
Maintenance and Repair Services - Equipment		1,491	
Postal Charges		8,145	
Travel		1,029	
Other Contracted Services		130,730	
Data Processing Supplies		1,628	
Office Supplies		15,473	
Other Supplies and Materials		2,542	
Data Processing Equipment		85,917	
Furniture and Fixtures		<u>1,442</u>	
Total Property Assessor's Office			1,646,908

Reappraisal Program

Deputy(ies)	\$	318,939	
Longevity Pay		2,775	
Social Security		18,715	
State Retirement		40,289	
Employee and Dependent Insurance		75,503	
Disability Insurance		352	
Employer Medicare		4,377	
Communication		7,131	

(Continued)

Exhibit L-9

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

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

Postal Charges	\$	7,810	
Data Processing Supplies		1,780	
Gasoline		19,416	
Other Supplies and Materials		353	
Data Processing Equipment		99	
Total Reappraisal Program			\$ 497,539

County Trustee's Office

Communication	\$	256	
Legal Notices, Recording, and Court Costs		600	
Maintenance Agreements		668	
Postal Charges		38,269	
Office Supplies		9,515	
Other Supplies and Materials		348	
Data Processing Equipment		10,820	
Total County Trustee's Office			60,476

County Clerk's Office

Communication	\$	13,330	
Data Processing Services		15,300	
Operating Lease Payments		33,100	
Maintenance Agreements		6,835	
Maintenance and Repair Services - Equipment		339	
Postal Charges		36,998	
Gasoline		2,743	
Office Supplies		32,807	
Uniforms		494	
Other Supplies and Materials		1,952	
Communication Equipment		250	
Data Processing Equipment		5,937	
Law Enforcement Equipment		216	
Office Equipment		1,449	
Total County Clerk's Office			151,750

Data Processing

County Official/Administrative Officer	\$	94,642	
Data Processing Personnel		545,269	
Part-time Personnel		58,415	
Longevity Pay		1,650	
Overtime Pay		3,146	

(Continued)

Exhibit L-9

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

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

Social Security	\$	42,424	
State Retirement		82,440	
Employee and Dependent Insurance		77,653	
Disability Insurance		701	
Employer Medicare		9,922	
Communication		121,489	
Data Processing Services		82,063	
Dues and Memberships		1,280	
Maintenance Agreements		71,297	
Postal Charges		351	
Travel		7,050	
Data Processing Supplies		34,364	
Gasoline		1,920	
Data Processing Equipment		154,679	
Total Data Processing			\$ 1,390,755

Administration of JusticeCircuit Court

Jury and Witness Fees	\$	43,725	
Communication		3,801	
Data Processing Services		81,048	
Legal Services		41,567	
Maintenance Agreements		15,111	
Postal Charges		30,737	
Office Supplies		53,067	
Other Supplies and Materials		1,217	
Other Charges		119,081	
Data Processing Equipment		1,425	
Office Equipment		5,999	
Total Circuit Court			396,778

Circuit Court Judge

Assistant(s)	\$	46,337	
Deputy(ies)		121,093	
Longevity Pay		150	
Social Security		10,080	
State Retirement		21,434	
Employee and Dependent Insurance		25,046	
Disability Insurance		181	
Employer Medicare		2,357	

(Continued)

Exhibit L-9

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

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

Travel	\$	965	
Other Supplies and Materials		480	
Total Circuit Court Judge			\$ 228,123

General Sessions Court

Judge(s)	\$	421,947	
Assistant(s)		46,338	
Deputy(ies)		96,340	
Part-time Personnel		23,316	
Longevity Pay		1,650	
Overtime Pay		826	
Other Salaries and Wages		286,195	
Social Security		46,394	
State Retirement		109,205	
Employee and Dependent Insurance		100,301	
Disability Insurance		828	
Employer Medicare		12,359	
Communication		2,095	
Data Processing Services		16,800	
Dues and Memberships		1,860	
Maintenance Agreements		2,678	
Maintenance and Repair Services - Office Equipment		286	
Postal Charges		25	
Travel		7,886	
Library Books/Media		1,612	
Office Supplies		7,713	
Uniforms		357	
Data Processing Equipment		2,078	
Office Equipment		5,913	
Total General Sessions Court			1,195,002

Drug Court

Assistant(s)	\$	38,819	
Supervisor/Director		53,980	
Secretary(ies)		26,291	
Longevity Pay		425	
Other Salaries and Wages		168,038	
Social Security		17,295	
State Retirement		36,778	
Employee and Dependent Insurance		33,355	

(Continued)

Exhibit L-9

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

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

Disability Insurance	\$	317	
Employer Medicare		4,045	
Communication		4,239	
Dues and Memberships		400	
Maintenance Agreements		1,454	
Postal Charges		550	
Travel		4,692	
Office Supplies		2,382	
Other Supplies and Materials		34,464	
Liability Insurance		300	
Total Drug Court			\$ 427,824

Chancery Court

County Official/Administrative Officer	\$	87,082	
Deputy(ies)		372,227	
Attendants		28,774	
Part-time Personnel		35,101	
Longevity Pay		2,875	
Overtime Pay		3,323	
Jury and Witness Fees		1,389	
Social Security		31,891	
State Retirement		63,009	
Employee and Dependent Insurance		63,797	
Disability Insurance		542	
Employer Medicare		7,459	
Communication		975	
Data Processing Services		5,594	
Dues and Memberships		720	
Legal Notices, Recording, and Court Costs		3,914	
Maintenance Agreements		10,622	
Maintenance and Repair Services - Equipment		765	
Postal Charges		19,273	
Travel		837	
Other Contracted Services		667	
Office Supplies		22,483	
Other Supplies and Materials		1,430	
Office Equipment		695	
Total Chancery Court			765,444

(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

Judge(s)	\$	140,649	
Deputy(ies)		30,917	
Secretary(ies)		34,472	
Part-time Personnel		20,810	
Overtime Pay		241	
Other Salaries and Wages		81,340	
Social Security		16,420	
State Retirement		36,787	
Employee and Dependent Insurance		31,268	
Disability Insurance		278	
Employer Medicare		4,321	
Communication		818	
Dues and Memberships		2,730	
Maintenance Agreements		459	
Postal Charges		141	
Travel		1,278	
Other Contracted Services		21,687	
Library Books/Media		3,492	
Office Supplies		2,434	
Uniforms		594	
Other Supplies and Materials		2,357	
Data Processing Equipment		250	
Total Juvenile Court			\$ 433,743

District Attorney General

Assistant(s)	\$	49,172	
Longevity Pay		100	
Social Security		3,055	
State Retirement		6,302	
Employee and Dependent Insurance		58	
Disability Insurance		55	
Employer Medicare		714	
Data Processing Services		3,956	
Dues and Memberships		400	
Data Processing Equipment		814	
Total District Attorney General			64,626

Probation Services

County Official/Administrative Officer	\$	58,565	
Assistant(s)		41,690	

(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.)

Youth Service Officer(s)	\$	136,764	
Secretary(ies)		28,158	
Longevity Pay		1,225	
In-Service Training		930	
Social Security		15,911	
State Retirement		34,073	
Employee and Dependent Insurance		43,847	
Disability Insurance		291	
Employer Medicare		3,721	
Communication		1,826	
Contracts with Private Agencies		466,029	
Data Processing Services		3,750	
Maintenance Agreements		930	
Postal Charges		108	
Printing, Stationery, and Forms		399	
Travel		3,904	
Office Supplies		1,898	
Other Supplies and Materials		477	
Total Probation Services			\$ 844,496

Victims Assistance Programs

Assistant(s)	\$	28,485	
Part-time Personnel		18,032	
Longevity Pay		75	
Other Salaries and Wages		40,234	
In-Service Training		775	
Social Security		5,101	
State Retirement		8,799	
Employee and Dependent Insurance		15,087	
Disability Insurance		92	
Employer Medicare		1,193	
Communication		603	
Maintenance Agreements		1,260	
Postal Charges		111	
Other Contracted Services		4,315	
Office Supplies		1,107	
Other Supplies and Materials		656	
Data Processing Equipment		2,960	
Total Victims Assistance Programs			128,885

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public SafetySheriff's Department

County Official/Administrative Officer	\$	105,370	
Salary Supplements		101,400	
Part-time Personnel		368,179	
Longevity Pay		49,000	
Overtime Pay		437,075	
Other Salaries and Wages		9,331,478	
In-Service Training		68,343	
Other Per Diem and Fees		2,770	
Social Security		622,523	
State Retirement		1,282,241	
Employee and Dependent Insurance		1,620,303	
Disability Insurance		10,356	
Employer Medicare		145,471	
Communication		120,824	
Contracts with Private Agencies		51,400	
Data Processing Services		19,111	
Dues and Memberships		5,798	
Maintenance Agreements		4,436	
Maintenance and Repair Services - Equipment		131,838	
Maintenance and Repair Services - Vehicles		94,185	
Medical and Dental Services		28,554	
Postal Charges		11,301	
Printing, Stationery, and Forms		7,754	
Other Contracted Services		8,281	
Data Processing Supplies		6,660	
Gasoline		496,409	
Instructional Supplies and Materials		12,896	
Law Enforcement Supplies		114,618	
Office Supplies		36,771	
Periodicals		3,738	
Uniforms		137,370	
Vehicle Parts		124,552	
Other Supplies and Materials		25,230	
Judgments		8,550	
Other Charges		22,319	
Communication Equipment		48,721	
Data Processing Equipment		85,800	
Law Enforcement Equipment		77,723	
Motor Vehicles		704,064	
Office Equipment		31,000	
Total Sheriff's Department			\$ 16,564,412

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public Safety (Cont.)Special Patrols

Nightwatchmen	\$	33,747	
Social Security		2,093	
State Retirement		4,316	
Employer Medicare		489	
Total Special Patrols			\$ 40,645

Traffic Control

Maintenance and Repair Services - Equipment	\$	7,022	
Utilities		7,664	
Total Traffic Control			14,686

Administration of the Sexual Offender Registry

In-Service Training	\$	2,240	
Office Supplies		1,965	
Other Charges		1,350	
Total Administration of the Sexual Offender Registry			5,555

Jail

Maintenance Personnel	\$	83,622	
Part-time Personnel		9,946	
Longevity Pay		14,625	
Overtime Pay		118,300	
Other Salaries and Wages		4,575,350	
In-Service Training		7,695	
Social Security		285,687	
State Retirement		613,197	
Employee and Dependent Insurance		984,049	
Disability Insurance		5,143	
Employer Medicare		66,816	
Dues and Memberships		1,034	
Maintenance Agreements		54,242	
Maintenance and Repair Services - Buildings		118,829	
Maintenance and Repair Services - Equipment		18,897	
Printing, Stationery, and Forms		3,924	
Transportation - Other than Students		84,886	
Other Contracted Services		3,136,407	
Custodial Supplies		104,242	
Data Processing Supplies		8,502	
Food Preparation Supplies		50,591	
Food Supplies		1,096,490	

(Continued)

Exhibit L-9

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

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

Law Enforcement Supplies	\$	10,538	
Office Supplies		18,791	
Prisoners Clothing		70,046	
Uniforms		52,498	
Utilities		711,428	
Other Supplies and Materials		9,299	
Building Improvements		52,582	
Communication Equipment		4,176	
Data Processing Equipment		9,279	
Food Service Equipment		17,075	
Total Jail			\$ 12,398,186

Workhouse

County Official/Administrative Officer	\$	65,089
Captain(s)		38,201
Lieutenant(s)		49,059
Sergeant(s)		208,127
Guards		935,524
Secretary(ies)		42,382
Clerical Personnel		109,875
Part-time Personnel		10,718
Longevity Pay		3,700
Overtime Pay		1,366
Board and Committee Members Fees		4,300
In-Service Training		540
Social Security		86,717
State Retirement		182,763
Employee and Dependent Insurance		304,903
Disability Insurance		1,576
Employer Medicare		20,282
Communication		7,257
Dues and Memberships		300
Evaluation and Testing		3,374
Operating Lease Payments		1,550
Maintenance Agreements		5,665
Maintenance and Repair Services - Buildings		2,706
Maintenance and Repair Services - Equipment		6,883
Postal Charges		218
Printing, Stationery, and Forms		50
Other Contracted Services		592,497

(Continued)

Exhibit L-9

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

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

Custodial Supplies	\$	24,153	
Data Processing Supplies		3,987	
Gasoline		9,492	
Law Enforcement Supplies		4,661	
Office Supplies		5,622	
Prisoners Clothing		10,748	
Uniforms		9,158	
Utilities		230,463	
Other Supplies and Materials		13,809	
Total Workhouse			\$ 2,997,715

Juvenile Services

County Official/Administrative Officer	\$	60,692
Captain(s)		50,463
Lieutenant(s)		45,053
Sergeant(s)		201,896
Guards		210,993
Secretary(ies)		31,559
Attendants		473,414
Part-time Personnel		16,827
Longevity Pay		1,375
Overtime Pay		26,580
In-Service Training		7,059
Social Security		66,835
State Retirement		140,950
Employee and Dependent Insurance		205,592
Disability Insurance		1,197
Employer Medicare		15,632
Communication		2,611
Data Processing Services		6,356
Evaluation and Testing		1,665
Maintenance Agreements		1,952
Maintenance and Repair Services - Buildings		250
Maintenance and Repair Services - Equipment		931
Maintenance and Repair Services - Vehicles		957
Medical and Dental Services		29,825
Postal Charges		609
Printing, Stationery, and Forms		1,245
Travel		319
Other Contracted Services		61,222

(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.)

Gasoline	\$	1,175	
Office Supplies		635	
Uniforms		8,972	
Other Supplies and Materials		31,518	
Data Processing Equipment		945	
Total Juvenile Services			\$ 1,707,304

Rescue Squad

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

Disaster Relief

County Official/Administrative Officer	\$	67,970	
Assistant(s)		50,463	
Supervisor/Director		83,380	
Secretary(ies)		33,227	
Longevity Pay		750	
Overtime Pay		5,098	
In-Service Training		565	
Social Security		14,288	
State Retirement		30,810	
Employee and Dependent Insurance		40,174	
Disability Insurance		258	
Employer Medicare		3,342	
Communication		19,613	
Contracts with Government Agencies		8,574	
Contributions		2,000	
Dues and Memberships		575	
Maintenance Agreements		4,590	
Maintenance and Repair Services - Vehicles		1,555	
Postal Charges		61	
Travel		1,008	
Other Contracted Services		4,879	
Data Processing Supplies		1,713	
Electricity		3,761	
Gasoline		9,148	
Instructional Supplies and Materials		1,334	
Office Supplies		2,216	
Uniforms		2,481	
Other Supplies and Materials		14,506	

(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.)

Communication Equipment	\$	13,814	
Data Processing Equipment		4,773	
Other Equipment		<u>230,315</u>	
Total Disaster Relief			\$ 657,241

Inspection and Regulation

County Official/Administrative Officer	\$	72,177	
Deputy(ies)		326,896	
Clerical Personnel		119,649	
Longevity Pay		3,100	
Board and Committee Members Fees		400	
Social Security		31,282	
State Retirement		66,741	
Employee and Dependent Insurance		93,582	
Disability Insurance		564	
Employer Medicare		7,316	
Communication		7,792	
Data Processing Services		156	
Dues and Memberships		1,713	
Maintenance Agreements		2,558	
Postal Charges		1,164	
Printing, Stationery, and Forms		1,385	
Travel		1,870	
Other Contracted Services		6,732	
Gasoline		13,042	
Office Supplies		5,686	
Uniforms		755	
Other Supplies and Materials		654	
In Service/Staff Development		1,727	
Data Processing Equipment		<u>1,441</u>	
Total Inspection and Regulation			768,382

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,475	
Other Salaries and Wages		223,899	
Social Security		13,549	
State Retirement		28,826	
Employee and Dependent Insurance		42,010	
Disability Insurance		253	

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Employer Medicare	\$	3,169	
Communication		12,502	
Contracts with Government Agencies		119,164	
Maintenance and Repair Services - Buildings		4,974	
Maintenance and Repair Services - Equipment		3,585	
Travel		2,818	
Other Contracted Services		44,216	
Drugs and Medical Supplies		15,666	
Utilities		66,264	
Other Supplies and Materials		13,679	
Communication Equipment		942	
Total Local Health Center			\$ 596,991

Rabies and Animal Control

County Official/Administrative Officer	\$	62,891
Supervisor/Director		52,579
Secretary(ies)		34,442
Attendants		343,853
Part-time Personnel		21,781
Longevity Pay		1,650
Overtime Pay		13,829
Social Security		31,875
State Retirement		65,156
Employee and Dependent Insurance		100,071
Disability Insurance		509
Employer Medicare		7,439
Advertising		923
Communication		14,251
Dues and Memberships		504
Evaluation and Testing		643
Maintenance Agreements		12,611
Maintenance and Repair Services - Buildings		1,995
Maintenance and Repair Services - Vehicles		8,753
Postal Charges		100
Travel		1,927
Veterinary Services		70,481
Other Contracted Services		65,000
Animal Food and Supplies		9,600
Custodial Supplies		3,380
Drugs and Medical Supplies		33,012

(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.)

Gasoline	\$	34,336	
Office Supplies		4,301	
Uniforms		413	
Utilities		50,981	
Other Supplies and Materials		4,149	
Refunds		622	
Communication Equipment		65	
Data Processing Equipment		1,963	
Total Rabies and Animal Control			\$ 1,056,085

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	83,340
Supervisor/Director		1,152,230
Accountants/Bookkeepers		181,923
Paraprofessionals		3,809,122
Foremen		60,150
Dispatchers/Radio Operators		395,539
Custodial Personnel		21,884
Part-time Personnel		445,219
Longevity Pay		24,075
Overtime Pay		144,643
In-Service Training		16,975
Social Security		377,189
State Retirement		748,810
Employee and Dependent Insurance		895,379
Disability Insurance		4,653
Employer Medicare		88,215
Communication		112,687
Contracts with Private Agencies		56,148
Evaluation and Testing		7,127
Maintenance and Repair Services - Buildings		25,830
Maintenance and Repair Services - Vehicles		107,908
Medical and Dental Services		12,103
Pest Control		5,232
Postal Charges		23,071
Printing, Stationery, and Forms		5,404
Travel		4,851
Other Contracted Services		6,966
Custodial Supplies		14,232
Data Processing Supplies		8,814

(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.)

Drugs and Medical Supplies	\$	250,906	
Gasoline		132,591	
Instructional Supplies and Materials		9,333	
Office Supplies		12,171	
Uniforms		46,328	
Utilities		95,212	
Other Supplies and Materials		33,312	
Refunds		32,321	
Other Charges		35,735	
Communication Equipment		2,465	
Data Processing Equipment		50,189	
Health Equipment		23,538	
Other Equipment		30,558	
Total Ambulance/Emergency Medical Services			\$ 9,594,378

Dental Health Program

Medical and Dental Services	\$	8,678	
Total Dental Health Program			8,678

Other Local Health Services

Medical Personnel	\$	1,015,948	
Longevity Pay		4,675	
Social Security		59,803	
State Retirement		122,396	
Employee and Dependent Insurance		246,847	
Disability Insurance		1,026	
Employer Medicare		13,986	
Printing, Stationery, and Forms		1,386	
Travel		17,608	
Liability Insurance		1,050	
Total Other Local Health Services			1,484,725

General Welfare Assistance

Contributions	\$	43,000	
Total General Welfare Assistance			43,000

Sanitation Management

Contracts with Private Agencies	\$	25,601	
Total Sanitation Management			25,601

(Continued)

Exhibit L-9

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

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

Medical and Dental Services	\$	14,400	
Other Contracted Services		145,850	
Liability Insurance		<u>2,335</u>	
Total Other Public Health and Welfare			\$ 162,585

Social, Cultural, and Recreational ServicesAdult Activities

Contributions	\$	<u>32,000</u>	
Total Adult Activities			32,000

Senior Citizens Assistance

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

Libraries

Contributions	\$	<u>1,032,148</u>	
Total Libraries			1,032,148

Parks and Fair Boards

Supervisor/Director	\$	26,250	
Other Salaries and Wages		134,288	
Board and Committee Members Fees		2,850	
Social Security		8,503	
Employer Medicare		2,370	
Contributions		103,896	
Maintenance and Repair Services - Buildings		1,047	
Matching Share		22,000	
Postal Charges		110	
Travel		1,940	
Other Contracted Services		35,000	
Equipment and Machinery Parts		12,795	
Office Supplies		221	
Other Supplies and Materials		<u>1,552</u>	
Total Parks and Fair Boards			352,822

Agriculture and Natural ResourcesAgriculture Extension Service

Teachers	\$	65,958	
Secretary(ies)		89,172	
Part-time Personnel		20,284	

(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.)

Longevity Pay	\$	650	
Board and Committee Members Fees		2,250	
Social Security		10,785	
State Retirement		19,924	
Employee and Dependent Insurance		27,708	
Disability Insurance		172	
Employer Medicare		2,523	
Communication		4,525	
Contracts with Government Agencies		245,142	
Data Processing Services		257	
Postal Charges		1,420	
Travel		2,944	
Other Contracted Services		17,036	
Fertilizer, Lime, and Seed		256	
Gasoline		2,067	
Office Supplies		5,049	
Utilities		60,015	
Other Supplies and Materials		807	
Total Agriculture Extension Service			\$ 578,944

Soil Conservation

Assistant(s)	\$	36,932	
Part-time Personnel		15,803	
Longevity Pay		250	
Social Security		3,113	
State Retirement		4,756	
Employee and Dependent Insurance		9,529	
Disability Insurance		40	
Employer Medicare		728	
Contributions		12,000	
Total Soil Conservation			83,151

Storm Water Management

Assistant(s)	\$	50,463	
Part-time Personnel		10,272	
Longevity Pay		75	
In-Service Training		343	
Social Security		3,726	
State Retirement		6,464	
Employee and Dependent Insurance		5,794	

(Continued)

Exhibit L-9

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

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

Disability Insurance	\$	55	
Employer Medicare		871	
Communication		2,749	
Contracts with Private Agencies		2,500	
Dues and Memberships		727	
Postal Charges		36	
Travel		707	
Data Processing Supplies		448	
Gasoline		1,070	
Office Supplies		996	
Other Supplies and Materials		6,069	
Total Storm Water Management			\$ 93,365

Other OperationsTourism

Contributions	\$	321,687	
Total Tourism			321,687

Other Charges

Mechanic(s)	\$	42,814	
Laborers		66,515	
Longevity Pay		700	
Overtime Pay		728	
Social Security		6,692	
State Retirement		14,166	
Employee and Dependent Insurance		21,116	
Disability Insurance		120	
Employer Medicare		1,565	
Communication		839	
Maintenance Agreements		314	
Gasoline		7,539	
Utilities		21,059	
Vehicle Parts		27,262	
Other Supplies and Materials		6,133	
Data Processing Equipment		799	
Total Other Charges			218,361

Employee Benefits

Unemployment Compensation	\$	53,057	
Other Fringe Benefits		80,711	

(Continued)

Exhibit L-9

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

General Fund (Cont.)Other Operations (Cont.)Employee Benefits (Cont.)

Workers' Compensation Insurance	\$ 461,059	
Total Employee Benefits		\$ 594,827

Payments to Cities

Contracts with Government Agencies	\$ 1,912,119	
Total Payments to Cities		1,912,119

Miscellaneous

Audit Services	\$ 54,607	
Consultants	6,000	
Contributions	740,236	
Dues and Memberships	33,279	
Engineering Services	5,093	
Legal Services	39,434	
Maintenance Agreements	3,858	
Maintenance and Repair Services - Buildings	93,710	
Maintenance and Repair Services - Office Equipment	330	
Building and Contents Insurance	65,834	
Judgments	968,870	
Liability Insurance	419,308	
Premiums on Corporate Surety Bonds	357	
Trustee's Commission	840,577	
Tax Relief Program	372,517	
Other Charges	62,552	
Total Miscellaneous		<u>3,706,562</u>

Total General Fund \$ 71,890,763

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$ 33,779	
Part-time Personnel	13,104	
Longevity Pay	575	
Other Salaries and Wages	40,234	
Social Security	5,271	
State Retirement	9,540	
Employee and Dependent Insurance	15,323	
Disability Insurance	81	
Employer Medicare	1,233	

(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.)Sanitation Education/Information (Cont.)

Travel	\$	500	
Gasoline		4,059	
Instructional Supplies and Materials		2,500	
Other Supplies and Materials		6,065	
Total Sanitation Education/Information			\$ 132,264

Convenience Centers

Supervisor/Director	\$	54,996
Foremen		35,878
Truck Drivers		387,326
Laborers		380,566
Clerical Personnel		32,986
Maintenance Personnel		24,002
Part-time Personnel		350
Longevity Pay		3,225
Overtime Pay		24,717
Social Security		55,363
State Retirement		75,176
Employee and Dependent Insurance		116,846
Disability Insurance		620
Employer Medicare		13,333
Communication		10,860
Contracts with Government Agencies		12,742
Evaluation and Testing		539
Maintenance and Repair Services - Equipment		5,724
Maintenance and Repair Services - Vehicles		71,353
Postal Charges		38
Rentals		12,955
Tow-in Services		640
Travel		340
Other Contracted Services		9,768
Asphalt		18,257
Crushed Stone		3,454
Data Processing Supplies		67
Diesel Fuel		155,315
Equipment and Machinery Parts		46,603
Gasoline		7,806
Office Supplies		475
Tires and Tubes		31,081
Uniforms		6,416

(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.)

Utilities	\$	14,764	
Fencing		2,062	
Other Supplies and Materials		13,922	
Total Convenience Centers			\$ 1,630,565

Other Waste Collection

Contracts with Private Agencies	\$	304,061	
Other Supplies and Materials		1,061	
Solid Waste Equipment		59,146	
Total Other Waste Collection			364,268

Landfill Operation and Maintenance

Mechanic(s)	\$	34,574
Laborers		67,588
Clerical Personnel		29,766
Part-time Personnel		10,088
Longevity Pay		1,150
Overtime Pay		10,612
Social Security		9,048
State Retirement		18,280
Employee and Dependent Insurance		31,366
Disability Insurance		126
Employer Medicare		2,116
Advertising		168
Communication		2,528
Contracts with Government Agencies		63,945
Contracts with Private Agencies		126,854
Maintenance and Repair Services - Equipment		1,352
Postal Charges		22
Rentals		998
Travel		400
Disposal Fees		175,022
Other Contracted Services		735
Crushed Stone		19,530
Data Processing Supplies		720
Diesel Fuel		19,188
Electricity		2,868
Equipment Parts - Light		945
Equipment and Machinery Parts		27,182
Fertilizer, Lime, and Seed		922

(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.)

Garage Supplies	\$	954	
Gasoline		2,109	
Lubricants		807	
Propane Gas		3,515	
Tires and Tubes		1,025	
Uniforms		3,209	
Fencing		58	
Other Supplies and Materials		<u>2,271</u>	
Total Landfill Operation and Maintenance			\$ 672,041

Postclosure Care Costs

Contracts with Private Agencies	\$	49,918	
Disposal Fees		474	
Contracts for Postclosure Care Costs		2,000	
Crushed Stone		4,526	
Fertilizer, Lime, and Seed		629	
Testing		<u>14,033</u>	
Total Postclosure Care Costs			71,580

Other OperationsEmployee Benefits

Unemployment Compensation	\$	21,920	
Workers' Compensation Insurance		<u>43,000</u>	
Total Employee Benefits			64,920

Miscellaneous

Building and Contents Insurance	\$	2,932	
Judgments		11,000	
Liability Insurance		7,420	
Trustee's Commission		<u>28,277</u>	
Total Miscellaneous			<u>49,629</u>

Total Solid Waste/Sanitation Fund \$ 2,985,267

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	105,280	
Contributions		96,500	
Trustee's Commission		<u>1,212</u>	
Total Industrial Development			\$ 202,992

(Continued)

Exhibit L-9

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Payments to Cities

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

Total Industrial/Economic Development Fund \$ 220,022

Drug Control Fund

Public Safety

Drug Enforcement

Longevity Pay	\$ 1,625	
Overtime Pay	82,992	
Other Salaries and Wages	293,798	
In-Service Training	12,546	
Social Security	22,648	
State Retirement	48,399	
Employee and Dependent Insurance	57,669	
Disability Insurance	348	
Employer Medicare	5,297	
Confidential Drug Enforcement Payments	115,000	
Maintenance and Repair Services - Vehicles	12,491	
Veterinary Services	1,021	
Animal Food and Supplies	560	
Law Enforcement Supplies	3,563	
Uniforms	483	
Other Supplies and Materials	6,267	
Trustee's Commission	6,343	
Law Enforcement Equipment	3,688	
Motor Vehicles	41,874	
Total Drug Enforcement		\$ 716,612

Total Drug Control Fund 716,612

Adequate Facilities/Development Tax Fund

General Government

Other General Administration

Trustee's Commission	\$ 27,408	
Total Other General Administration		\$ 27,408

Total Adequate Facilities/Development Tax Fund 27,408

(Continued)

Exhibit L-9

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

District Attorney General FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 602	
Total Other General Administration		\$ 602

Administration of JusticeDistrict Attorney General

Part-time Personnel	\$ 4,738	
Social Security	294	
Employer Medicare	69	
Travel	2,682	
Other Supplies and Materials	46,580	
Total District Attorney General		54,363

Total District Attorney General Fund		\$ 54,965
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Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$ 866,496	
Total Register of Deeds		\$ 866,496

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 455,033	
Total County Trustee's Office		455,033

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 1,909,653	
Total County Clerk's Office		1,909,653

Administration of JusticeCircuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 1,759,575	
Total Circuit Court Clerk		1,759,575

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 9,379	
Constitutional Officers' Operating Expenses	2,327	
Total Chancery Court		11,706

Total Constitutional Officers - Fees Fund		5,002,463
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(Continued)

Exhibit L-9

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

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	105,370	
Assistant(s)		59,615	
Secretary(ies)		78,074	
Longevity Pay		1,150	
Board and Committee Members Fees		25,200	
Social Security		16,282	
State Retirement		31,234	
Employee and Dependent Insurance		29,645	
Disability Insurance		267	
Employer Medicare		3,808	
Communication		4,724	
Dues and Memberships		6,916	
Janitorial Services		6,449	
Legal Notices, Recording, and Court Costs		1,656	
Maintenance and Repair Services - Office Equipment		540	
Postal Charges		768	
Printing, Stationery, and Forms		1,710	
Travel		539	
Drugs and Medical Supplies		130	
Electricity		17,930	
Natural Gas		15,707	
Office Supplies		1,192	
Water and Sewer		5,297	
Building and Contents Insurance		8,544	
Liability Insurance		71,608	
Trustee's Commission		79,871	
Other Charges		5,965	
Office Equipment		3,251	
Total Administration			\$ 583,442

Highway and Bridge Maintenance

Foremen	\$	245,279
Equipment Operators		747,123
Truck Drivers		280,818
Longevity Pay		10,325
Overtime Pay		6,850
Social Security		75,176
State Retirement		163,006
Employee and Dependent Insurance		308,978
Disability Insurance		1,370

(Continued)

Exhibit L-9

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

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

Employer Medicare	\$	17,581	
Engineering Services		4,819	
Other Contracted Services		125,260	
Asphalt		3,197,116	
General Construction Materials		6,754	
Pipe - Metal		20,626	
Road Signs		17,191	
Salt		22,893	
Uniforms		18,068	
Total Highway and Bridge Maintenance			\$ 5,269,233

Operation and Maintenance of Equipment

Foremen	\$	43,920	
Mechanic(s)		194,821	
Laborers		35,235	
Longevity Pay		1,825	
Overtime Pay		4,824	
Social Security		16,666	
State Retirement		35,892	
Employee and Dependent Insurance		55,109	
Disability Insurance		306	
Employer Medicare		3,898	
Maintenance and Repair Services - Equipment		63,658	
Other Contracted Services		11,974	
Diesel Fuel		154,860	
Equipment and Machinery Parts		74,630	
Garage Supplies		6,280	
Gasoline		36,464	
Lubricants		8,042	
Tires and Tubes		25,598	
Other Supplies and Materials		10,541	
Total Operation and Maintenance of Equipment			784,543

Quarry Operations

Foremen	\$	22,754	
Mechanic(s)		29,401	
Equipment Operators		45,583	
Truck Drivers		58,222	
Clerical Personnel		23,322	
Longevity Pay		1,700	

(Continued)

Exhibit L-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

Overtime Pay	\$	70	
Social Security		10,701	
State Retirement		23,157	
Employee and Dependent Insurance		41,928	
Disability Insurance		170	
Employer Medicare		2,503	
Communication		573	
Explosive and Drilling Services		8,733	
Electricity		41,202	
Equipment and Machinery Parts		14,778	
Water and Sewer		344	
Building Construction		630	
Total Quarry Operations			\$ 325,771

Other Charges

Assistant(s)	\$	53,350
Salary Supplements		10,000
Foremen		39,609
Equipment Operators		82,921
Secretary(ies)		36,610
Longevity Pay		625
In-Service Training		2,667
Social Security		12,866
State Retirement		28,537
Employee and Dependent Insurance		48,909
Disability Insurance		236
Employer Medicare		3,009
Communication		1,343
Legal Notices, Recording, and Court Costs		22
Maintenance and Repair Services - Equipment		10,091
Travel		3,989
Other Contracted Services		14,564
Data Processing Supplies		60
Diesel Fuel		9,972
Equipment and Machinery Parts		18,798
Gasoline		2,987
General Construction Materials		1,244
Lubricants		179
Office Supplies		110
Pipe - Metal		2,787

(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.)

Tires and Tubes	\$ 4,751	
Other Supplies and Materials	<u>263</u>	
Total Other Charges		\$ 390,499

Employee Benefits

Unemployment Compensation	\$ 1,184	
Other Fringe Benefits	37,718	
Workers' Compensation Insurance	<u>145,560</u>	
Total Employee Benefits		184,462

Capital Outlay

Bridge Construction	\$ 135,749	
Building Improvements	2,648	
Highway Equipment	<u>11,295</u>	
Total Capital Outlay		<u>149,692</u>

Total Highway/Public Works Fund \$ 7,687,642

General Debt Service Fund

General Government

Other General Administration

Trustee's Commission	\$ 774,929	
Other Debt Service	<u>4,644</u>	
Total Other General Administration		\$ 779,573

Principal on Debt

General Government

Principal on Bonds	\$ <u>3,523,155</u>	
Total General Government		3,523,155

Education

Principal on Bonds	\$ <u>19,146,845</u>	
Total Education		19,146,845

Interest on Debt

General Government

Interest on Bonds	\$ 2,807,799	
Interest on Notes	<u>14,625</u>	
Total General Government		2,822,424

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)Interest on Debt (Cont.)Education

Interest on Bonds	\$ 13,535,592	
Interest on Notes	82,875	
Total Education		\$ 13,618,467

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 10,047	
Other Debt Issuance Charges	13,036	
Total General Government		23,083

Education

Underwriter's Discount	\$ 201,462	
Other Debt Issuance Charges	207,464	
Total Education		408,926

Total General Debt Service Fund \$ 40,322,473

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Architects	\$ 54,551	
Building Construction	1,475	
Total General Administration Projects		\$ 56,026

Administration of Justice Projects

Consultants	\$ 5,704	
Legal Services	40,168	
Judgments	32,000	
Other Equipment	52,956	
Total Administration of Justice Projects		130,828

Public Safety Projects

Architects	\$ 47,935	
Consultants	89,977	
Engineering Services	11,777	
Legal Services	145,769	
Other Contracted Services	35,051	
Building Construction	344,308	
Building Improvements	287,000	
Data Processing Equipment	8,995	

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Safety Projects (Cont.)</u>			
Food Service Equipment	\$	1,264	
Furniture and Fixtures		44,590	
Motor Vehicles		15,045	
Site Development		6,333	
Other Construction		499,791	
Total Public Safety Projects			\$ 1,537,835
<u>Social, Cultural, and Recreation Projects</u>			
Architects	\$	168,557	
Engineering Services		8,905	
Other Construction		860,842	
Total Social, Cultural, and Recreation Projects			1,038,304
<u>Agriculture and Natural Resource Projects</u>			
Architects	\$	85,229	
Engineering Services		440	
Other Supplies and Materials		1,833	
Other Charges		100	
Building Construction		4,161,423	
Furniture and Fixtures		6,335	
Site Development		11,470	
Other Equipment		4,351	
Total Agriculture and Natural Resource Projects			4,271,181
<u>Highway and Street Capital Projects</u>			
Contracts with Government Agencies	\$	2,123,200	
Engineering Services		34,780	
Legal Services		124,898	
Other Contracted Services		4,137	
Highway Construction		5,046,489	
Right-of-Way		110,426	
Total Highway and Street Capital Projects			<u>7,443,930</u>
Total General Capital Projects Fund			\$ 14,478,104
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	70,724,082	
Total Education Capital Projects			<u>\$ 70,724,082</u>
Total Education Capital Projects Fund			<u>70,724,082</u>
Total Governmental Funds - Primary Government			<u>\$ 214,109,801</u>

Exhibit L-10

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2009

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 83,544,479	
Career Ladder Program	588,065	
Career Ladder Extended Contracts	210,000	
Educational Assistants	3,473,905	
Other Salaries and Wages	986,761	
Social Security	5,322,268	
State Retirement	5,891,124	
Life Insurance	121,452	
Medical Insurance	14,182,551	
Unemployment Compensation	92,578	
Employer Medicare	1,246,705	
Other Fringe Benefits	111,470	
Contracts for Substitute Teachers - Certified	389,387	
Contracts for Substitute Teachers - Non-certified	1,087,033	
Other Contracted Services	58,303	
Instructional Supplies and Materials	2,088,599	
Textbooks	3,653,952	
Other Supplies and Materials	89,378	
Fee Waivers	72,279	
Other Charges	142,543	
Regular Instruction Equipment	848,846	
Total Regular Instruction Program		\$ 124,201,678

Alternative Instruction Program

Teachers	\$ 1,052,385	
Career Ladder Program	8,985	
Educational Assistants	106,624	
Social Security	70,243	
State Retirement	81,777	
Life Insurance	1,695	
Medical Insurance	169,542	
Employer Medicare	16,428	
Other Fringe Benefits	1,495	
Contracts for Substitute Teachers - Certified	4,278	
Contracts for Substitute Teachers - Non-certified	10,860	
Other Contracted Services	4,043	
Instructional Supplies and Materials	21,343	
Other Supplies and Materials	14	
Other Equipment	6,304	
Total Alternative Instruction Program		1,556,016

(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	\$ 9,726,202	
Career Ladder Program	104,819	
Career Ladder Extended Contracts	8,400	
Educational Assistants	2,719,052	
Speech Pathologist	1,254,891	
Other Salaries and Wages	116,483	
Social Security	829,021	
State Retirement	1,071,195	
Life Insurance	23,817	
Medical Insurance	2,579,608	
Unemployment Compensation	38,144	
Employer Medicare	194,355	
Other Fringe Benefits	17,459	
Contracts for Substitute Teachers - Certified	34,256	
Contracts for Substitute Teachers - Non-certified	211,284	
Other Contracted Services	860,350	
Instructional Supplies and Materials	237,418	
Textbooks	50,321	
Other Supplies and Materials	39,165	
Other Charges	14,483	
Special Education Equipment	78,366	
Total Special Education Program		\$ 20,209,089

Vocational Education Program

Teachers	\$ 6,478,894
Career Ladder Program	39,392
Career Ladder Extended Contracts	9,272
Clerical Personnel	82,275
Other Salaries and Wages	5,106
Social Security	396,760
State Retirement	425,672
Life Insurance	8,491
Medical Insurance	988,895
Employer Medicare	92,981
Other Fringe Benefits	8,257
Maintenance and Repair Services - Equipment	45,724
Travel	28
Contracts for Substitute Teachers - Certified	37,355
Contracts for Substitute Teachers - Non-certified	120,894

(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.)

Other Contracted Services	\$	69,369	
Instructional Supplies and Materials		172,574	
T&I Construction Materials		6,092	
Textbooks		35,295	
Other Supplies and Materials		7,901	
Vocational Instruction Equipment		176,553	
Total Vocational Education Program			\$ 9,207,780

Adult Education Program

Teachers	\$	293,470	
Other Salaries and Wages		24,833	
Social Security		19,554	
State Retirement		12,185	
Life Insurance		197	
Medical Insurance		20,070	
Employer Medicare		4,574	
Other Fringe Benefits		215	
Other Contracted Services		5,279	
Instructional Supplies and Materials		31,900	
Other Supplies and Materials		9,007	
Other Equipment		13,069	
Total Adult Education Program			434,353

Support ServicesAttendance

Supervisor/Director	\$	74,006	
Career Ladder Program		6,000	
Career Ladder Extended Contracts		2,000	
Social Workers		245,556	
Clerical Personnel		68,450	
Social Security		23,806	
State Retirement		29,784	
Life Insurance		403	
Medical Insurance		61,094	
Employer Medicare		5,568	
Other Fringe Benefits		436	
Travel		6,970	
Other Contracted Services		4,629	
Other Supplies and Materials		2,890	

(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.)

Attendance (Cont.)

Attendance Equipment	\$	1,601	
Total Attendance			\$ 533,193

Health Services

Medical Personnel	\$	1,634,730	
Other Salaries and Wages		236,843	
Social Security		112,419	
State Retirement		235,345	
Life Insurance		2,356	
Medical Insurance		245,237	
Employer Medicare		26,292	
Other Fringe Benefits		2,332	
Travel		18,564	
Drugs and Medical Supplies		10,510	
Other Supplies and Materials		7,880	
Other Charges		3,901	
Total Health Services			2,536,409

Other Student Support

Career Ladder Program	\$	38,600	
Guidance Personnel		3,779,911	
Career Ladder Extended Contracts		7,388	
Clerical Personnel		168,041	
Educational Assistants		30,814	
Attendants		274,518	
Other Salaries and Wages		428,954	
Social Security		282,247	
State Retirement		326,335	
Life Insurance		6,168	
Medical Insurance		784,342	
Unemployment Compensation		11,880	
Employer Medicare		66,196	
Other Fringe Benefits		5,751	
Contracts with Government Agencies		188,239	
Evaluation and Testing		273,576	
Travel		11,001	
Contracts for Substitute Teachers - Certified		5,331	
Contracts for Substitute Teachers - Non-certified		15,533	
Other Contracted Services		59,546	

(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.)Other Student Support (Cont.)

Other Supplies and Materials	\$	15,800	
In Service/Staff Development		2,720	
Other Equipment		11,219	
Total Other Student Support			\$ 6,794,110

Regular Instruction Program

Supervisor/Director	\$	600,459	
Career Ladder Program		88,088	
Career Ladder Extended Contracts		18,400	
Librarians		2,318,022	
Materials Supervisor		36,904	
Instructional Computer Personnel		1,729,125	
Secretary(ies)		65,936	
Clerical Personnel		67,397	
Educational Assistants		473,227	
Other Salaries and Wages		558,966	
Social Security		356,500	
State Retirement		422,045	
Life Insurance		7,341	
Medical Insurance		870,618	
Unemployment Compensation		4,281	
Employer Medicare		83,376	
Other Fringe Benefits		6,993	
Travel		46,615	
Contracts for Substitute Teachers - Certified		5,699	
Contracts for Substitute Teachers - Non-certified		24,473	
Other Contracted Services		74,609	
Library Books/Media		93,569	
Other Supplies and Materials		29,333	
In Service/Staff Development		67,858	
Other Equipment		45,966	
Total Regular Instruction Program			8,095,800

Alternative Instruction Program

Supervisor/Director	\$	164,078
Career Ladder Program		7,985
Guidance Personnel		95,033
Librarians		49,733
Clerical Personnel		47,853

(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.)

Other Salaries and Wages	\$	137,349	
Social Security		29,807	
State Retirement		38,252	
Life Insurance		634	
Medical Insurance		79,493	
Employer Medicare		6,971	
Other Fringe Benefits		568	
Contracts for Substitute Teachers - Certified		392	
Contracts for Substitute Teachers - Non-certified		822	
Library Books/Media		934	
Other Supplies and Materials		5,309	
In Service/Staff Development		411	
Other Equipment		2,005	
Total Alternative Instruction Program			\$ 667,629

Special Education Program

Supervisor/Director	\$	148,591	
Career Ladder Program		20,157	
Psychological Personnel		410,023	
Career Ladder Extended Contracts		4,000	
Clerical Personnel		31,460	
Social Security		36,804	
State Retirement		41,481	
Life Insurance		589	
Medical Insurance		73,419	
Employer Medicare		8,607	
Other Fringe Benefits		757	
Travel		79,506	
Other Contracted Services		26,560	
Other Supplies and Materials		44,889	
In Service/Staff Development		51,782	
Other Charges		8,821	
Other Equipment		12,600	
Total Special Education Program			1,000,046

Vocational Education Program

Supervisor/Director	\$	84,015	
Clerical Personnel		21,644	
Social Security		6,358	

(Continued)

Exhibit L-10

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

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

State Retirement	\$	8,162	
Life Insurance		112	
Medical Insurance		9,051	
Employer Medicare		1,487	
Other Fringe Benefits		114	
Travel		17,339	
Other Supplies and Materials		591	
In Service/Staff Development		11,170	
Total Vocational Education Program			\$ 160,043

Adult Programs

Supervisor/Director	\$	86,882	
Clerical Personnel		43,973	
Social Security		2,685	
State Retirement		11,202	
Life Insurance		148	
Medical Insurance		15,821	
Employer Medicare		628	
Other Fringe Benefits		145	
Travel		1,372	
Other Supplies and Materials		1,787	
In Service/Staff Development		4,250	
Other Charges		540	
Administration Equipment		338	
Total Adult Programs			169,771

Board of Education

Secretary to Board	\$	111,424	
Other Salaries and Wages		642,500	
Board and Committee Members Fees		79,607	
Social Security		51,621	
State Retirement		14,218	
Life Insurance		88	
Medical Insurance		723,436	
Employer Medicare		12,073	
Other Fringe Benefits		122	
Audit Services		42,230	
Dues and Memberships		9,992	
Legal Services		46,421	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Other Contracted Services	\$	9,802	
Liability Insurance		403,686	
Trustee's Commission		1,685,641	
Workers' Compensation Insurance		850,397	
In Service/Staff Development		21,880	
Criminal Investigation of Applicants - TBI		30,392	
Total Board of Education			\$ 4,735,530

Director of Schools

County Official/Administrative Officer	\$	132,386	
Other Salaries and Wages		30,126	
Social Security		8,014	
State Retirement		12,352	
Life Insurance		115	
Medical Insurance		19,638	
Employer Medicare		2,369	
Other Fringe Benefits		7,352	
Communication		166,194	
Dues and Memberships		6,866	
Postal Charges		36,890	
Travel		386	
Other Contracted Services		25,465	
In Service/Staff Development		10,696	
Other Charges		25,112	
Administration Equipment		1,586	
Total Director of Schools			485,547

Office of the Principal

Principals	\$	3,244,210	
Career Ladder Program		119,481	
Accountants/Bookkeepers		614,269	
Career Ladder Extended Contracts		110,000	
Assistant Principals		3,748,537	
Secretary(ies)		949,931	
Clerical Personnel		1,036,866	
Social Security		590,797	
State Retirement		773,584	
Life Insurance		11,867	
Medical Insurance		1,329,730	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Unemployment Compensation	\$	894	
Employer Medicare		138,170	
Other Fringe Benefits		10,607	
Communication		604,495	
Dues and Memberships		33,125	
Contracts for Substitute Teachers - Certified		5,552	
Contracts for Substitute Teachers - Non-certified		23,329	
Other Contracted Services		81,810	
Office Supplies		9,972	
Other Charges		110,438	
Administration Equipment		19,420	
Total Office of the Principal			\$ 13,567,084

Fiscal Services

Supervisor/Director	\$	202,743	
Accountants/Bookkeepers		262,248	
Purchasing Personnel		80,606	
Social Security		32,691	
State Retirement		69,782	
Life Insurance		715	
Medical Insurance		91,124	
Employer Medicare		7,645	
Other Fringe Benefits		576	
Travel		3,520	
Other Contracted Services		1,805	
Office Supplies		19,743	
Other Supplies and Materials		590	
Administration Equipment		4,763	
Total Fiscal Services			778,551

Human Services/Personnel

Supervisor/Director	\$	96,671	
Clerical Personnel		99,186	
Other Salaries and Wages		74,213	
Social Security		16,323	
State Retirement		23,657	
Life Insurance		288	
Medical Insurance		39,161	
Employer Medicare		3,817	

(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.)

Human Services/Personnel (Cont.)

Other Fringe Benefits	\$	290	
Travel		714	
Other Contracted Services		6,545	
Other Supplies and Materials		4,323	
In Service/Staff Development		4,195	
Administration Equipment		2,248	
Total Human Services/Personnel			\$ 371,631

Operation of Plant

Custodial Personnel	\$	4,840,285	
Social Security		288,493	
State Retirement		580,914	
Life Insurance		10,928	
Medical Insurance		1,078,466	
Unemployment Compensation		20,365	
Employer Medicare		67,467	
Other Fringe Benefits		4,883	
Other Contracted Services		521,730	
Custodial Supplies		531,228	
Electricity		8,187,274	
Natural Gas		1,984,589	
Water and Sewer		989,967	
Other Supplies and Materials		9,643	
Building and Contents Insurance		270,596	
Other Charges		251,258	
Plant Operation Equipment		104,423	
Total Operation of Plant			19,742,509

Maintenance of Plant

Supervisor/Director	\$	385,610	
Secretary(ies)		107,205	
Maintenance Personnel		1,718,328	
Social Security		131,790	
State Retirement		282,805	
Life Insurance		3,198	
Medical Insurance		419,588	
Employer Medicare		30,823	
Other Fringe Benefits		2,382	
Laundry Service		16,787	

(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.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Buildings	\$	573,580	
Maintenance and Repair Services - Equipment		457,235	
Travel		5,106	
Other Contracted Services		442,790	
Other Supplies and Materials		709,654	
Vehicle and Equipment Insurance		68,000	
Other Charges		12,463	
Maintenance Equipment		69,099	
Total Maintenance of Plant			\$ 5,436,443

Transportation

Supervisor/Director	\$	63,955	
Clerical Personnel		87,532	
Other Salaries and Wages		34,488	
Social Security		11,098	
State Retirement		23,107	
Life Insurance		288	
Medical Insurance		28,692	
Employer Medicare		2,596	
Other Fringe Benefits		203	
Contracts with Private Agencies		290,191	
Contracts with Vehicle Owners		10,358,052	
Travel		1,218	
Other Contracted Services		9,687	
Other Supplies and Materials		2,474	
Vehicle and Equipment Insurance		80,875	
Other Charges		23,561	
Administration Equipment		2,662	
Transportation Equipment		239,910	
Total Transportation			11,260,589

Central and Other

Supervisor/Director	\$	155,994	
Computer Programmer(s)		803,660	
Clerical Personnel		62,986	
Other Salaries and Wages		139,685	
Social Security		70,048	
State Retirement		148,661	
Life Insurance		1,353	

(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.)

Central and Other (Cont.)

Medical Insurance	\$	142,765	
Employer Medicare		16,382	
Other Fringe Benefits		1,304	
Data Processing Services		109,853	
Maintenance and Repair Services - Equipment		14,616	
Travel		17,082	
Other Contracted Services		47,445	
Data Processing Supplies		76,537	
Other Supplies and Materials		81,864	
In Service/Staff Development		6,271	
Administration Equipment		1,878	
Data Processing Equipment		6,860	
Other Equipment		17,607	
Total Central and Other			\$ 1,922,851

Operation of Non-Instructional Services

Community Services

Other Charges	\$	34,288	
Total Community Services			34,288

Early Childhood Education

Teachers	\$	859,695	
Career Ladder Program		6,988	
Educational Assistants		339,408	
Social Security		71,475	
State Retirement		99,052	
Life Insurance		2,359	
Medical Insurance		259,377	
Employer Medicare		16,716	
Other Fringe Benefits		1,537	
Travel		386	
Contracts for Substitute Teachers - Certified		2,733	
Contracts for Substitute Teachers - Non-certified		25,748	
Other Contracted Services		1,158	
Food Supplies		4,236	
Instructional Supplies and Materials		14,052	
Other Supplies and Materials		10,484	
In Service/Staff Development		18,948	
Total Early Childhood Education			1,734,352

(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.)

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	7,628	
Other Supplies and Materials		12,607	
Other Capital Outlay		17,930	
Total Regular Capital Outlay			\$ 38,165

Principal on Debt

Education

Principal on Bonds	\$	510,000	
Principal on Notes		71,429	
Total Education			581,429

Interest on Debt

Education

Interest on Bonds	\$	109,200	
Total Education			109,200

Other Debt Service

Education

Other Debt Service	\$	250	
Total Education			250

Total General Purpose School Fund \$ 236,364,336

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,015,568	
Educational Assistants		319,379	
Other Salaries and Wages		161,202	
Social Security		89,484	
State Retirement		101,837	
Life Insurance		2,226	
Medical Insurance		241,451	
Employer Medicare		21,024	
Other Fringe Benefits		1,768	
Travel		1,500	
Contracts for Substitute Teachers - Non-certified		113,249	
Other Contracted Services		45,274	
Instructional Supplies and Materials		124,134	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	60,040	
Other Charges		43,357	
Regular Instruction Equipment		116,254	
Total Regular Instruction Program			\$ 2,457,747

Alternative Instruction Program

Other Supplies and Materials	\$	1,328	
Total Alternative Instruction Program			1,328

Special Education Program

Teachers	\$	846,272	
Educational Assistants		1,093,980	
Speech Pathologist		79,910	
Other Salaries and Wages		161,898	
Social Security		126,873	
State Retirement		215,763	
Life Insurance		5,492	
Medical Insurance		559,256	
Employer Medicare		29,846	
Other Fringe Benefits		2,974	
Contracts for Substitute Teachers - Non-certified		47,787	
Other Contracted Services		208,246	
Instructional Supplies and Materials		45,787	
Special Education Equipment		7,741	
Total Special Education Program			3,431,825

Vocational Education Program

Clerical Personnel	\$	61,239	
Social Security		3,657	
State Retirement		7,833	
Life Insurance		170	
Medical Insurance		10,776	
Employer Medicare		855	
Other Fringe Benefits		68	
Instructional Supplies and Materials		21,309	
Other Supplies and Materials		68,115	
Vocational Instruction Equipment		234,050	
Total Vocational Education Program			408,072

(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

Health Services

Medical Personnel	\$	3,663	
Other Salaries and Wages		243,606	
Social Security		15,018	
State Retirement		27,393	
Life Insurance		294	
Medical Insurance		27,238	
Employer Medicare		3,512	
Other Fringe Benefits		297	
Travel		1,970	
Other Supplies and Materials		61,266	
In Service/Staff Development		3,122	
Health Equipment		14,384	
Total Health Services			\$ 401,763

Other Student Support

Social Workers	\$	370,302	
Attendants		182,654	
Other Salaries and Wages		78,646	
Social Security		37,594	
State Retirement		47,274	
Life Insurance		1,128	
Medical Insurance		124,753	
Employer Medicare		8,791	
Other Fringe Benefits		810	
Travel		413	
Other Supplies and Materials		71,288	
Total Other Student Support			923,653

Regular Instruction Program

Supervisor/Director	\$	79,789	
Secretary(ies)		30,077	
Other Salaries and Wages		108,154	
In-Service Training		60,250	
Social Security		16,881	
State Retirement		25,368	
Life Insurance		237	
Medical Insurance		31,478	
Employer Medicare		3,949	
Other Fringe Benefits		253	

(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 (Cont.)

Travel	\$	7,225	
Other Contracted Services		79,004	
Other Supplies and Materials		53,909	
In Service/Staff Development		782,578	
Other Equipment		5,116	
Total Regular Instruction Program			\$ 1,284,268

Alternative Instruction Program

In Service/Staff Development	\$	5,059	
Total Alternative Instruction Program			5,059

Special Education Program

Psychological Personnel	\$	527,909	
Clerical Personnel		28,728	
Other Salaries and Wages		524,715	
Social Security		64,389	
State Retirement		71,253	
Life Insurance		1,139	
Medical Insurance		144,655	
Employer Medicare		15,059	
Other Fringe Benefits		1,395	
In Service/Staff Development		72,103	
Total Special Education Program			1,451,345

Vocational Education Program

Travel	\$	483	
In Service/Staff Development		75,353	
Total Vocational Education Program			75,836

Transportation

Contracts with Vehicle Owners	\$	11,566	
Total Transportation			11,566

Total School Federal Projects Fund \$ 10,452,462

Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$	10,558	
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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.)

Central Cafeteria Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Workers' Compensation Insurance	\$ 66,500	
Total Board of Education		\$ 77,058

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$ 1,375,160	
Accountants/Bookkeepers	54,826	
Cafeteria Personnel	3,192,063	
Other Salaries and Wages	86,252	
Social Security	281,785	
State Retirement	320,369	
Life Insurance	8,288	
Medical Insurance	738,265	
Unemployment Compensation	24,757	
Employer Medicare	66,096	
Other Fringe Benefits	3,186	
Communication	5,031	
Maintenance and Repair Services - Equipment	43,574	
Transportation - Other than Students	104,785	
Travel	5,391	
Other Contracted Services	170,516	
Food Preparation Supplies	449,560	
Food Supplies	5,177,990	
Office Supplies	13,607	
Uniforms	9,344	
Other Supplies and Materials	75,183	
In Service/Staff Development	20,438	
Other Charges	2,933	
Food Service Equipment	90,549	
Total Food Service		12,319,948

Total Central Cafeteria Fund \$ 12,397,006

Education Capital Projects FundSupport ServicesBoard of Education

Trustee's Commission	\$ 43,025	
Total Board of Education		\$ 43,025

(Continued)

Exhibit L-10

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

Education Capital Projects Fund (Cont.)Capital ProjectsEducation Capital Projects

Architects	\$	7,598	
Maintenance and Repair Services - Buildings		1,648,522	
Regular Instruction Equipment		25,683	
Total Education Capital Projects			<u>\$ 1,681,803</u>

Total Education Capital Projects Fund \$ 1,724,828

Other Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	1,312,813	
Engineering Services		199,323	
Other Charges		6,337,806	
Building Construction		15,643,741	
Building Improvements		8,301,621	
Furniture and Fixtures		619,865	
Land		5,046,543	
Regular Instruction Equipment		1,928,907	
Site Development		2,360,657	
Other Equipment		29,571	
Other Construction		58,666	
Other Capital Outlay		281,757	
Total Education Capital Projects			<u>\$ 42,121,270</u>

Total Other Capital Projects Fund 42,121,270

Total Governmental Funds - Rutherford County School Department \$ 303,059,902

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, 2009

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 9,707,850	\$ 9,707,850
Trustee's Collections - Prior Years	0	200,305	200,305
Circuit/Clerk and Master Collections - Prior Years	0	101,074	101,074
Interest and Penalty	0	38,179	38,179
Pick-up Taxes	0	28,286	28,286
Payments in-Lieu-of Taxes - T.V.A.	0	1,147	1,147
Payments in-Lieu-of Taxes - Local Utilities	0	134,090	134,090
Local Option Sales Tax	40,728,271	6,683,911	47,412,182
Wheel Tax	0	586,847	586,847
Business Tax	0	202,074	202,074
Interstate Telecommunications Tax	0	3,582	3,582
Marriage Licenses	0	2,084	2,084
Total Cash Receipts	<u>\$ 40,728,271</u>	<u>\$ 17,689,429</u>	<u>\$ 58,417,700</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 40,320,988	\$ 17,401,075	\$ 57,722,063
Trustee's Commission	407,283	282,726	690,009
Total Cash Disbursements	<u>\$ 40,728,271</u>	<u>\$ 17,683,801</u>	<u>\$ 58,412,072</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 5,628	\$ 5,628
Cash Balance, July 1, 2008	0	203,472	203,472
Cash Balance, June 30, 2009	<u>\$ 0</u>	<u>\$ 209,100</u>	<u>\$ 209,100</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	261-271
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	272-276
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	277-278
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	279-280
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	281-283

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PRIMARY GOVERNMENT: (Note 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	\$ 195,662
Restricted for:										
Capital Projects	-	-	4,978	16,114	10,606	14,397	29,782	17,761	7,674	2,071
Debt Service	-	-	29,430	26,657	26,632	31,323	32,053	31,703	30,879	32,067
Highways/Public Works	-	-	-	-	-	6,034	6,412	6,725	6,924	6,823
Solid Waste/Sanitation	-	-	-	-	-	4,519	5,084	4,649	4,091	4,166
Industrial/Economic Development	-	-	-	-	-	-	-	665	871	581
Drug Control	-	-	-	-	-	-	-	1,187	1,199	1,138
Adequate Facilities/Development Tax	-	-	-	-	-	5,827	5,873	5,925	4,340	4,269
District Attorney	-	-	-	-	-	-	-	-	-	210
Alcohol and Drug Treatment	-	-	-	-	-	-	-	-	-	139
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	-	-	-	-	-	872	820	1,412
Victims Assistance Programs	-	-	-	-	-	-	-	-	-	169
Computer System - Register	-	-	-	-	-	-	-	-	-	647
Other Purposes	-	-	6,910	7,590	10,618	2,924	6,468	475	1,187	46
Unrestricted (2)	-	-	(217,979)	(218,611)	(221,776)	(254,549)	(278,388)	(250,973)	(267,988)	(325,800)
Total governmental activities net assets	\$ -	\$ -	\$ (60,751)	\$ (18,923)	\$ (7,562)	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)

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	\$ 383,159
Restricted for:										
Capital Projects	-	-	37,769	19,815	16,309	38,446	51,723	15,927	14,976	46,795
Textbooks	-	-	-	-	-	-	3,556	-	-	-
Advances to Other	-	-	-	-	-	-	1,080	1,002	1,569	-
School Federal Projects	-	-	-	-	-	-	-	1,569	384	394
Central Cafeteria	-	-	-	-	-	-	-	-	3,160	4,198
Driver Education	-	-	-	-	-	-	-	-	-	260
Other Purposes	-	-	681	819	1,315	1,986	3,098	268	244	25
Unrestricted	-	-	13,049	12,457	17,378	16,968	14,592	19,856	14,475	(226)
Total governmental activities net assets	\$ -	\$ -	\$ 276,229	\$ 279,660	\$ 296,948	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Rutherford County Board of Education is not part of the Primary Government, but is reflected as a component unit. The Primary Government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (3) GASB Statement No. 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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ -	\$ -	\$ 9,291	\$ 930	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962
Finance	-	-	4,414	5,143	4,863	5,480	5,727	5,874	5,889	6,989
Administration of Justice	-	-	4,289	4,609	4,970	4,753	5,331	6,265	4,760	6,496
Public Safety	-	-	20,611	23,719	24,925	26,807	28,398	34,122	32,701	39,703
Public Health and Welfare	-	-	9,802	10,709	10,928	10,792	15,762	17,313	16,622	17,927
Social, Cultural, and Rec. Services	-	-	1,023	2,538	1,203	1,186	1,352	1,350	1,380	2,458
Agriculture and Natural Resources	-	-	402	346	971	1,439	802	918	724	864
Other Operations	-	-	-	5,118	4,811	6,880	6,104	6,899	6,876	13,523
Highways/Public Works	-	-	13,268	7,369	10,784	13,859	9,750	11,855	14,437	14,529
Education (Pymts to Comp. Unit)	-	-	52,058	28,827	40,140	67,167	70,937	23,940	62,793	99,547
Interest on Long-term Debt	-	-	12,480	13,346	13,497	13,123	14,510	16,617	16,447	16,221
Other Debt Service	-	-	-	20	-	1,146	-	-	154	-
Total Governmental Activities Expenses	\$ -	\$ -	\$ 127,638	\$ 102,674	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ -	\$ -	\$ 3,389	\$ 3,345	\$ 3,679	\$ 4,226	\$ 5,460	\$ 4,757	\$ 4,206	\$ 3,295
Finance	-	-	4,102	4,351	5,126	5,514	5,273	6,819	6,483	6,695
Administration of Justice	-	-	2,987	4,299	4,908	5,525	5,271	5,879	6,243	5,723
Public Safety	-	-	4,883	4,055	3,459	3,874	525	3,904	3,473	5,222
Public Health and Welfare	-	-	3,792	4,727	5,719	5,616	5,291	7,647	6,866	7,900
Social, Cultural and Rec. Services	-	-	9	9	9	8	5	1	1	58
Agriculture and Natural Resources	-	-	3	6	65	126	118	113	-	19
Other Operations	-	-	-	-	68	-	-	-	-	82
Highways/Public Works	-	-	142	143	19	-	-	-	128	104
Education	-	-	-	12,164	18,139	21,634	24,969	28,930	34,080	34,122
Operating Grants and Contributions	-	-	6,361	7,446	5,120	6,279	11,045	7,002	7,158	6,950
Capital Grants and Contributions	-	-	10,594	2,271	9,292	2,327	4,873	5,041	5,050	13,745
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ 36,262	\$ 42,816	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915

Table 2

Rutherford County, Tennessee

Changes in Net Assets (Cont.)

Last Ten Fiscal Years (in thousands) (Note 2)

(accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/Revenue Governmental Activities	\$ -	\$ -	\$ (91,376)	\$ (59,858)	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)
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	\$ 27,428
Property Tax Levied for Debt Services	-	-	19,689	20,805	22,621	25,016	27,009	30,523	33,151	38,072
Payments in-Lieu-of-Taxes	-	-	-	-	-	-	-	-	6,188	6,526
Local Option Sales Tax	-	-	4,328	3,967	3,891	4,007	4,279	4,812	4,767	2,037
Hotel/Motel Tax	-	-	-	-	-	-	-	-	986	932
Wheel Tax	-	-	-	-	-	-	-	-	5,707	5,701
Business Tax	-	-	-	-	-	-	-	-	1,385	1,269
Litigation Tax	-	-	-	-	-	-	-	-	1,062	1,863
Development Tax	-	-	-	-	-	-	-	-	3,960	2,579
Mineral Severance Tax	-	-	-	-	-	-	-	-	-	359
Wholesale Beer Tax	-	-	-	-	-	-	-	-	-	861
Interstate Telecommunications Tax	-	-	-	-	-	-	-	-	-	2
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	892
Investment Earnings	-	-	2,377	1,583	1,065	2,501	5,114	8,500	5,671	2,603
Gain on Disposal of Capital Assets	-	-	-	-	36	2,500	62	-	-	-
Miscellaneous	-	-	32	779	467	325	-	424	130	264
Total Governmental Activities	\$ -	\$ -	\$ 59,615	\$ 62,445	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388
Change in Net Assets	\$ -	\$ -	\$ (31,761)	\$ 2,587	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)	\$ (50,916)

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
(2) GASB Statement No. 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)

	<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>	<u>2009</u>
EXPENSES (Note 1)										
Governmental Activities:										
Education	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614
Total Governmental Activities Expenses	\$ -	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ -	\$ -	\$ 315	\$ 241	\$ 244	\$ 258	\$ 218	\$ 215	\$ 6,489	\$ 7,353
Operating Grants and Contributions	-	-	8,953	9,377	13,040	16,650	17,002	18,018	21,131	20,249
Capital grants and Contributions	-	-	52,058	14,930	23,511	43,554	46,255	-	36,322	71,724
Total Governmental Activities Program Revenues	\$ -	\$ -	\$ 61,326	\$ 24,548	\$ 36,795	\$ 60,462	\$ 63,475	\$ 18,233	\$ 63,942	\$ 99,326
Net (Expense)/Revenue Governmental Activities	\$ -	\$ -	\$ (89,281)	\$ (133,904)	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)
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	\$ 55,512
Payments in-Lieu-of-Taxes	-	-	-	-	-	-	-	-	650	734
Local Option Sales Tax	-	-	22,921	24,124	27,946	29,887	32,888	34,922	37,195	36,185
Wheel Tax	-	-	-	-	-	-	-	-	3,202	3,215
Business Tax	-	-	-	-	-	-	-	-	1,227	1,077
Interstate Telecommunications Tax	-	-	-	-	-	-	-	-	20	19
Other Local Taxes	-	-	3,054	3,155	3,398	3,709	3,946	4,804	-	-
Unrestricted Grants and Contributions	-	-	69,910	74,819	82,331	93,215	101,632	110,660	132,260	139,098
Investment Earnings	-	-	463	281	203	460	1,171	1,624	1,396	731
Gain on Disposal of Capital Assets	-	-	-	-	356	-	573	-	514	-
Miscellaneous	-	-	92	311	296	498	-	359	360	143
Total Governmental Activities	\$ -	\$ -	\$ 129,199	\$ 137,335	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714
Change in Net Assets	\$ -	\$ -	\$ 39,918	\$ 3,431	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426

Notes:

- (1) Rutherford County Schools do not engage in any business-type activities.
(2) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 3

Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source
General Government
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	Mineral Severance Tax	Wholesale Beer Tax	Interstate Telecom. Tax	Other Local Tax - Primary Govt.	Total
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
2009	27,428	38,072	6,526	2,037	932	5,701	1,269	1,863	2,579	359	861	2	-	87,629

(1) GASB Statement No. 34 was implemented for the fiscal year ended June 30, 2002; therefore, the presented information is unavailable for periods before 2002.

Table 3a

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	Interstate Telecom. Tax	Other Local Tax - Ruth. Co. Schools	Total
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
2009	55,512	734	36,185	3,215	1,077	19	-	96,742

(1) GASB Statement No. 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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PRIMARY GOVERNMENT										
General Fund										
Reserved	\$ 843	\$ 958	\$ 1,006	\$ 1,561	\$ 2,247	\$ 2,978	\$ 3,387	\$ 3,794	\$ 2,700	\$ 2,983
Unreserved	9,662	11,705	11,958	12,331	16,234	16,936	20,580	19,931	17,025	12,794
Total General Fund	<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>	<u>\$ 15,777</u>
All other Governmental Funds										
Reserved	\$ 1,407	\$ 1,120	\$ 837	\$ 724	\$ 757	\$ 501	\$ 508	\$ 836	\$ 1,220	\$ 2,944
Unreserved, Reported In:										
Special Revenue Funds	10,988	11,952	10,190	11,031	14,743	18,308	19,805	19,540	17,753	17,581
Debt Service	26,004	31,953	31,664	28,975	28,765	30,267	31,183	30,928	30,705	32,182
Capital Projects Funds	2,601	946	8,456	12,869	6,117	14,382	29,708	17,719	9,084	1,020
Total all Other Governmental Funds	<u>\$ 41,000</u>	<u>\$ 45,972</u>	<u>\$ 51,148</u>	<u>\$ 53,600</u>	<u>\$ 50,381</u>	<u>\$ 63,458</u>	<u>\$ 81,204</u>	<u>\$ 69,023</u>	<u>\$ 58,762</u>	<u>\$ 53,727</u>
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 6,060	\$ 3,522	\$ 3,045	\$ 4,415	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216
Unreserved	11,817	8,385	7,484	5,412	6,954	9,875	11,283	12,832	11,396	10,948
Total General Purpose School Fund	<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>	<u>\$ 12,164</u>
All Other School Funds										
Reserved	\$ 38,340	\$ 29,704	\$ 28,556	\$ 22,738	\$ 7,535	\$ 5,659	\$ 21,178	\$ 15,802	\$ 23,167	\$ 37,366
Unreserved, Reported in:										
Debt Service	-	-	-	-	-	-	68	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	3,141	3,972
Capital Projects Funds	2,991	1,076	9,894	(2,104)	10,089	33,399	31,229	1,127	(7,787)	10,049
Total all Other Governmental Funds	<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>	<u>\$ 51,387</u>

Table 5

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 49,870	\$ 53,557	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088
Licenses and Permits	825	713	932	1,099	1,248	1,679	2,040	1,830	1,688	1,263
Fines and Forfeitures	1,308	1,347	1,546	1,881	2,338	2,638	2,979	2,479	2,875	2,724
Charges for Service	9,366	10,245	11,549	13,453	9,177	9,822	10,349	12,004	12,283	11,998
Other Local Revenue	6,482	7,515	3,348	2,487	1,997	3,613	6,423	9,566	7,069	3,588
Fees from Co. Officials	(*)	(*)	(*)	(*)	6,029	6,327	7,147	7,730	7,147	6,559
State Revenues	9,227	8,528	8,540	9,729	9,551	8,898	10,695	11,187	11,382	10,518
Federal Revenues	353	451	648	1,140	1,323	1,805	3,138	1,533	432	602
Other Govt/Citizens	233	202	2,926	1,206	545	452	1,004	804	508	3,559
Total Revenues	\$ 77,664	\$ 82,558	\$ 86,227	\$ 90,667	\$ 101,815	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043	\$ 128,899
Expenditures										
General Government	\$ 6,366	\$ 6,620	\$ 8,786	\$ 4,608	\$ 5,168	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333
Finance	2,442	2,696	4,392	5,022	4,872	5,452	5,953	6,417	6,876	6,968
Admin. of Justice	2,526	2,661	4,267	4,566	4,752	4,780	5,258	6,073	6,206	6,311
Public Safety	15,878	17,716	19,927	22,028	24,010	25,910	29,316	32,044	34,455	35,961
Public Health/Welfare	8,280	9,451	9,505	10,528	11,564	11,591	13,614	16,018	16,656	15,843
Social, Cultural, and Rec. Activities	937	1,006	1,023	1,095	1,103	1,086	1,252	1,350	1,381	1,418
Agriculture and Natural Resource	336	372	386	359	852	1,418	690	735	772	755
Other Operations	4,464	4,072	-	5,109	4,805	12,010	9,271	6,878	6,913	7,088
Highway and Bridge	5,222	5,579	5,555	5,831	6,048	6,478	7,000	8,254	8,928	7,688
Debt Service:										
Principal	12,744	13,543	14,069	16,974	16,384	17,719	20,004	24,539	24,515	22,670
Interest	8,314	10,271	12,537	13,105	13,761	14,065	14,769	16,897	16,341	16,441
Other Charges	-	170	448	-	164	1,146	237	-	349	432
Capital Projects	5,436	3,909	53,826	20,469	32,142	46,579	52,523	13,632	54,019	85,202
	\$ 72,945	\$ 78,066	\$ 134,721	\$ 109,694	\$ 125,625	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903	\$ 214,110
Excess of Revenues Over (Under) Expenditures	\$ 4,719	\$ 4,492	\$ (48,494)	\$ (19,027)	\$ (23,810)	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)	\$ (85,211)

(*) Excess fees are shown as other financing sources.

Table 5

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses)										
Transfers in	4,777	6,248	\$ 10,969	\$ 9,932	\$ 6,166	\$ 6,421	\$ 7,819	\$ 7,287	\$ 6,509	\$ 3,238
Transfers out	(4,666)	(6,121)	(11,953)	(10,262)	(5,980)	(6,911)	(7,580)	(6,971)	(6,130)	(2,843)
Insurance Recovery	-	-	-	-	-	-	-	113	-	100
Bond Proceeds	43,900	30,850	54,220	22,581	24,995	53,500	64,220	-	42,700	41,325
Note Proceeds	-	2,133	-	-	-	-	-	-	-	31,000
Proceeds on Refunded Bonds	-	73,585	-	7,534	-	60,165	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	(74,074)	-	(7,534)	-	(64,792)	-	-	-	-
Premiums on Debt Issued	-	902	628	158	-	6,501	3,018	-	473	3,408
Transfer to Component Unit	(44,150)	(30,885)	-	-	-	-	-	-	-	-
Transfer from Component Unit	471	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	4,000	-	-	47	-
TOTAL OTHER SOURCES	\$ 332	\$ 2,638	\$ 53,864	\$ 22,409	\$ 25,181	\$ 58,884	\$ 67,477	\$ 429	\$ 43,599	\$ 76,228
Net change in fund balances	\$ 5,051	\$ 7,130	\$ 5,370	\$ 3,382	\$ 1,371	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)
Debt Service as a Percentage of Noncapital Expenditures	33.6%	32.9%	21.6%	30.0%	26.7%	23.6%	22.3%	34.2%	25.4%	19.4%
Capital Expenditures	10,219	5,117	9,366	9,326	12,225	13,739	9,096	18,652	22,426	10,514
General Governmental TAX Revenues by Source										
Last Ten Fiscal Years (expressed in thousands)										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Tax & PILOT	\$ 37,484	\$ 39,040	\$ 41,186	\$ 43,205	\$ 50,038	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872
Sales Tax	1,246	4,230	4,112	4,098	3,895	4,011	4,246	4,770	4,762	2,296
Hotel/Motel Tax	456	632	543	579	644	645	748	843	986	932
Wheel Tax	4,086	3,986	4,261	4,384	4,624	4,897	5,167	5,370	5,707	5,701
Litigation Tax	529	674	750	873	884	909	965	975	1,062	1,863
Business Tax	701	709	752	772	870	1,040	1,147	1,236	1,385	1,269
Mineral Severance	493	310	335	361	453	534	524	690	642	359
Development Tax	4,165	3,102	3,890	4,429	7,150	7,702	6,697	6,229	3,960	2,579
Bank Excise Tax	269	168	241	214	279	406	372	501	307	342
Wholesale Beer Tax	441	698	658	744	761	627	701	800	845	861
Other Statutory Tax	-	8	10	13	9	9	30	29	54	14
	\$ 49,870	\$ 53,557	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088

Table 5a

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 48,495	\$ 56,174	\$ 58,859	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644
Licenses & Permits	12	14	13	13	14	14	15	16	15	11
Charges for Service	252	222	156	187	208	223	186	186	6,428	7,111
Other Local Revenue	1,132	727	813	726	885	1,158	1,924	3,577	6,584	1,255
State Revenues	64,594	67,348	70,377	75,109	82,029	94,000	101,319	112,189	133,203	140,433
Federal Revenues	7,607	7,121	8,423	8,577	12,334	14,246	15,477	15,826	15,593	17,784
Other Govt/Citizens	43,501	30,813	52,058	14,930	23,497	43,554	46,255	-	35,322	71,724
Total Revenues	\$ 165,593	\$ 162,419	\$ 190,699	\$ 161,718	\$ 191,524	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621	\$ 334,962
Expenditures										
Education	\$ 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	161,908
Support Services	-	-	42,725	44,958	51,068	55,884	63,264	67,680	76,848	82,531
Operational Services	-	-	3,062	2,904	3,950	4,343	5,211	6,298	13,970	14,089
Capital Outlay	-	-	83	45	69	150	347	150	666	38
Debt Service	-	-	-	-	-	-	300	541	561	581
Principal	-	-	-	-	-	-	27	148	129	109
Interest	-	-	-	-	-	-	-	-	-	-
Capital Projects	27,593	43,188	45,726	32,804	26,939	25,681	40,587	40,975	46,557	43,803
	\$ 150,470	\$ 178,940	\$ 184,408	\$ 180,236	\$ 190,138	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095	\$ 303,059
Excess of Revenues over (under) Expenditures	\$ 15,123	\$ (16,521)	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)	\$ 31,903
Other Financing Sources (uses)										
Transfers In	50	779	\$ 1,341	\$ 1,020	\$ 1,217	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836
Transfers Out	(50)	(779)	(1,341)	(1,020)	(1,217)	(4,766)	(3,972)	(3,942)	(7,433)	(1,836)
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	\$ 15,123	\$ (16,521)	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)	\$ 31,903
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	0.3%	0.3%
Capital Expenditures	27,489	35,714	38,898	27,886	20,997	22,677	79,765	68,239	38,735	30,257

Table 5a

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Property Tax & PILOT										
Sales Tax	\$ 30,415	\$ 31,894	\$ 33,107	\$ 34,947	\$ 41,502	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952
Wheel Tax	17,440	21,416	22,697	24,074	27,654	29,689	32,452	35,001	37,056	36,381
Business Tax	-	2,195	2,364	2,436	2,581	2,752	2,900	3,006	3,202	3,215
Other Statutory Tax	640	648	668	691	794	929	1,022	1,164	1,227	1,077
	-	21	23	28	26	26	26	25	20	19
	<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>	<u>\$ 96,644</u>

Table 6

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

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Equalization Ratio	Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
2000	1999	\$2.78	\$7,308,228,200	\$2,100,499,940	\$859,717,699	\$257,924,467	\$191,292,080	\$	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		92.64%	9,505,322,990	2,588,184,206	27.23%
2002	2001	2.78	8,268,341,800	2,373,819,640	845,079,350	253,563,060	194,901,282		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		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		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		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		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		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		100%	16,820,774,146	4,869,995,647	28.95%
2009	2008	2.56	17,530,931,700	4,581,398,590	1,282,688,603	397,694,143	271,754,296		95.16%	20,056,089,322	5,128,557,596	25.57%

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
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%	1.41	0.68	0.50	0.87
2008	2007	2.44	0.1586	2.24	8.20%	1.41	0.86	0.50	0.92
2009	2008	2.56	0.1545	2.37	7.73%	1.41	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 arrived at by multiplying the portion of the tax rate designated for school purposes by the ADA factor and subtracting from the total county rate.

Table 8

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2009

Taxpayer	Type of Business	2008			1999			Percentage of Total Taxes Levied (2)	Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2008 Tax Liability	Rank	Assessed Valuation	1999 Tax Liability		
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 300,665,384	\$ 4,166,327	1	\$ 407,511,413	\$ 3,555,054	(1)	4.96%
Pillsbury Co./General Mills Bakery Goods		2	45,705,243	1,059,394	4	26,204,730	728,491		1.02%
Middle Tennessee Electric Public Utility-Electric Company		3	43,834,564	1,069,564	3	27,245,887	757,437		1.06%
Bridgestone Tire Maker		4	42,599,340	1,090,543	2	52,399,924	1,456,718		2.03%
Southpark, Nashville, LLC Warehousing		5	29,708,680	760,543					
Bell South Public Utility-Telephone Co.		6	23,533,549	574,218	5	25,378,339	705,518		0.98%
HCA Health Services Stone Crest Medical Center		7	19,435,605	497,552					
Tennex/Mahle Retail		8	18,974,808	485,755	10	94,735,840	263,364		0.37%
Rich-Healy Products Food Plant		9	18,579,484	442,030					
CF Murfreesboro Assoc. Retail Mall (The Avenues)		10	18,071,960	480,153					
Cumberland Swann Pharmaceutical/Health Co.					6	16,455,026	457,449		0.64%
State Farm Insurance Regional Office-Insurance Co.					7	12,423,490	345,373		0.48%
Buford Throneberry Apartments					8	11,629,985	323,314		0.45%
United Cities Gas - Atmos Public Utilities					9	9,762,533	271,399		0.38%
								8.09%	
								12.37%	

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

(1) The taxes represent \$834,578 (1999 tax year) and \$890,625 (2008 tax year) collected on real and personal property for the transport division. The remaining amounts of \$2,720,476 (1999) and \$3,275,702 (2008) represent 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 a tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2009

Tax Year	Total		Fiscal Year		Percent of		Delinquent		Total		Ratio of	
	Tax Levy	Tax Collections	Tax Collections	Fiscal Year Collected	Tax Collections	Fiscal Year Collected	Tax Collections	Tax Collections	Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
1999	\$ 68,779,516	\$ 65,913,865	95.83%	\$ 2,815,044	\$ 68,728,909	99.93%	\$ 50,607	0.07%				
2000	72,057,084	68,830,952	95.52%	3,160,475	71,991,427	99.91%	65,657	0.09%				
2001	76,232,827	72,780,582	95.47%	3,312,534	76,093,116	99.82%	139,711	0.18%				
2002	79,909,122	76,104,340	95.24%	3,707,820	79,812,160	99.88%	96,962	0.12%				
2003	93,099,927	89,736,798	96.39%	3,243,704	92,980,502	99.87%	119,425	0.13%				
2004 (2)	97,889,256	94,864,349	96.91%	2,900,026	97,764,375	99.87%	124,881	0.13%				
2005 (2)	105,297,727	101,990,111	96.86%	3,202,093	105,192,204	99.90%	105,523	0.10%				
2006 (2)	111,419,529	108,059,865	96.98%	3,025,158	111,085,023	99.70%	334,506	0.30%				
2007	119,023,978	113,890,715	95.69%	4,063,113	117,953,828	99.10%	1,070,150	0.90%				
2008	131,273,518	125,819,556	95.85%	(1)	125,819,556	95.85%	5,453,962	4.15%				

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

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

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

Table 10
Rutherford County, Tennessee
Assessed and Estimated Actual Value of in-Lieu-of Tax Agreements
and Tax Payments
Last Ten Fiscal Years

Fiscal Year				
Ending	Tax			Tax
June 30	Year	Estimated	Assessed	Payments
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
2009	2008	1,517,417,740	511,705,624	4,678,883

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 17 companies in 2008-2009, with Nissan representing approximately 70 percent of the total. Section 7-53-305, TCA is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

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

Table 11

Rutherford County, Tennessee
Ratio of Net General Obligation Bonded Debt
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Assessed Value	% of Net Bonded Debt to Assessed Value	(1) Population	% of Net Bonded Debt to Total Personal Income (2)		
							Net Bonded	Debt per Capita	Income (2)
2000	\$ 205,361,403	\$ 26,003,765	\$ 179,357,638	\$ 2,463,635,051	7.28%	171,783	\$ 1,044		4.13%
2001	229,156,330	31,952,799	197,203,531	2,588,184,206	7.62	182,023	1,083		4.07
2002	269,306,881	31,664,227	237,642,654	2,734,578,405	8.69	190,143	1,250		4.75
2003	275,187,432	28,975,397	246,212,035	3,184,681,672	7.73	194,934	1,263		4.74
2004	283,797,983	28,764,889	246,212,035	3,318,022,024	7.42	202,310	1,217		4.43
2005	318,888,534	30,266,866	288,621,668	3,488,360,363	8.27	210,025	1,374		4.80
2006	366,839,085	31,251,284	335,587,801	3,745,268,176	8.96	218,292	1,537		5.16
2007	338,565,000	30,928,426	307,636,574	4,583,953,898	6.71	228,829	1,344		4.37
2008	356,750,000	30,704,855	326,045,145	4,869,995,647	6.69	241,462	1,350		4.30
2009	406,405,000	32,182,126	374,222,874	5,128,557,596	7.30	249,270	1,501		4.69

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

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

(2) See Table 13 for personal income data.

NOTE: General Bonded Debt on this table includes Capital Outlay Notes.

Table 12

Rutherford County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
As of June 30, 2009

		% of Estimated Property Value	% of Assessed Property Value
<u>Direct Debt</u>			
General Bonded Debt	\$ 375,405,000	1.87%	7.32%
Capital Outlay Notes	31,000,000	0.15%	0.60%
Less: General Debt Service Funds	<u>(32,182,126)</u>		
Total Direct Debt	\$ 343,222,874	1.71%	6.69%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 204,100,937	1.02%	3.98%
Town of Smyrna	21,428,784	0.11%	0.42%
City of LaVergne	14,820,000	0.07%	0.29%
City of Eagleville	109,970	0.00%	0.00%
Co. School District of Rutherford County (Bonds)	2,265,000	0.01%	0.04%
Co. School District of Rutherford County (Notes)	<u>285,713</u>	0.00%	0.01%
Total Overlapping Debt	<u>243,010,404</u>		
Total Direct and Overlapping Debt	\$ 586,233,278	2.92%	11.43%

Source: City Recordors, 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
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	30,760	7,038,780,040	31.2	34,512	3.7%
2008	241,462	31,390	7,579,492,180	31.2	35,781	4.4%
2009	249,270	32,010	7,979,132,700	31.2	36,414	7.9%

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

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

(2) The Census Bureau determines the median age for local areas each decade.
The last determination was during the 2000 census and will be determined
again after the 2010 census.

Table 14
Rutherford County, Tennessee
Principal Employers
Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Rutherford County Government & Board of Education	5,193	1	3.90%	2,911	2	2.80%
Nissan Motor Manufacturing Corp. USA	4,400	2	3.31%	6,200	1	5.95%
Middle Tennessee State University	2,208	3	1.66%	1,650	6	1.58%
State Farm Insurance	1,665	4	1.25%			0.00%
Alvin C. York Veterans Administration Medical Center	1,563	5	1.18%	1,260	8	1.21%
Bridgestone/Firestone, Inc.	1,466	6	1.10%	1,900	5	1.82%
Middle Tennessee Medical Center	1,300	7		1,100	9	1.06%
Verizon	1,122	8	0.84%			0.00%
Asurion	1,098	9	0.83%			0.00%
Ingram Book Company	815	10	0.61%	2,500	3	2.40%
Whirlpool Corp.				2,000	4	1.92%
City of Murfreesboro				1,268	7	1.22%
Perrigo				1,000	10	0.96%
Total			<u>10.78%</u>			<u>17.17%</u>

Source: Rutherford County Chamber of Commerce

Table 15

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

Function:	Employees as of June 30,									
	<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>	<u>2009</u>
General Government	54	54	57	58	58	58	65	72	77	79
Finance	81	82	84	84	85	85	83	83	86	85
Justice	68	68	73	76	77	78	81	85	85	89
Public Safety	348	352	357	366	387	397	439	469	478	504
Health & Welfare	156	157	159	169	179	186	205	212	218	217
Agriculture	4	4	6	6	7	12	7	8	10	10
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	72	71	73	71	71	71	77	77	77	77
Total	786	791	812	833	867	890	960	1009	1034	1064

COMPONENT UNIT:

Education	2,204	2,354	2,467	2,444	2,597	2,748	2,779	3,098	3,987	4,129
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Source: Rutherford County Finance Department & Rutherford County Board of Education

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	June 30,									
	<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>	<u>2009</u>
<u>General Government</u>										
Registered Voters	86,541	89,247	93,415	96,682	105,286	116,705	121,222	123,350	132,477	141,090
Building Permits Issued										
Single Family Homes	779	642	618	585	566	828	996	811	623	314
All Other Permits	1,327	1,777	1,583	1,668	1,588	1,586	2,488	2,471	2,235	1,646
<u>Public Safety</u>										
Number of Warrants Served:										
State	8,742	9,764	10,155	9,518	10,542	10,216	10,799	11,177	12,140	12,215
Civil	14,624	15,964	16,762	16,390	17,638	17,655	17,516	17,499	19,101	19,966
<u>Public Health</u>										
Ambulance - Call Volume	12,613	13,688	14,803	16,432	17,341	16,978	16,993	17,923	19,378	18,600
Response Time - avg. Minutes	9.00	8.50	8.30	8.10	8.20	8.50	8.00	7.79	7.83	8.02
Animal Control										
Requests for Service	7,662	9,327	12,764	14,765	13,313	10,937	13,953	14,332	16,415	16,824
Animals Impounded	8,312	8,510	8,822	9,739	8,510	7,421	8,511	8,615	9,193	9,220
Animals Adopted	1,335	1,496	1,498	1,385	1,596	1,774	2,104	2,359	2,457	2,009
<u>Road & Bridge</u>										
Street Resurfaced (miles)	N/A	N/A	N/A	N/A	N/A	71.7	62.8	58.9	62.3	54.4
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	83.8	84.1	92.9	97.9	103.1	111.8	110.9	103.9	110.9	105.7
Recyclables Collected	N/A	N/A	N/A	N/A	10.8	12.7	11.2	8.1	7.5	8.1

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

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

Table 17
Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Highways and Streets										
Number of Streets in System	1,574	1,650	1,689	1,724	1,759	1,763	1,829	1,914	1,962	2,004
Number of Miles	931	936	940	942	941	946	942	951	956	959
Number of Bridges	208	161	162	157	157	157	157	163	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	1
Special Operations						1	1	1	1	1
Ambulance Stations	7	8	8	8	8	10	10	11	12	12
Number of Ambulance Units	17	14	14	14	17	20	20	22	24	24
Sanitation/Landfill										
Number of Trucks	7	9	10	11	12	13	14	16	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	2,477	2,701	2,823	2,893	2,969	3,145	3,264	3,487	3,988	4,081
Elementary Schools	19	21	21	21	21	21	21	22	23	23
Middle Schools	3	3	3	3	6	7	7	8	8	9
High Schools	5	6	6	6	7	7	7	7	7	7
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	1	1	1	1	2	2	2	2	2	2

Sources: 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 37243-1402
PHONE (615) 401-7841

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

October 23, 2009

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, 2009, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated October 23, 2009. 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 significant deficiencies in internal control over financial reporting: 09.02 and 09.03.

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

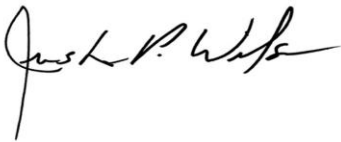
As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 09.01 and 09.04.

We considered item 09.05 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 response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Rutherford County's response and, accordingly, we express no opinion on it.

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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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
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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 23, 2009

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, 2009. 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, 2009.

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

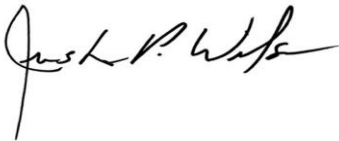
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 23, 2009. 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 response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Rutherford County's response and, accordingly, we express no opinion on it.

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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending from the bottom of the "n" in "Wilson".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

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 Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 1,308,894	
National School Lunch Program	10.555	N/A	5,034,233	(5)
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	976,248	(5)
Total U.S. Department of Agriculture			<u>\$ 7,319,375</u>	
U.S. Department of the Interior:				
Direct Program:				
Payments in-Lieu-of Taxes	15.226	N/A	\$ 61,808	
Total U.S. Department of the Interior			<u>\$ 61,808</u>	
U.S. Department of Justice:				
Direct Program:				
Federal Assets Forfeiture Program	16.XXX	N/A	\$ 203,188	
Drug Court Discretionary Grant Program	16.585	N/A	57,078	(6)
Local Law Enforcement Block Grant Program	16.592	N/A	10,536	
State Criminal Alien Assistance Program	16.606	N/A	24,764	
Passed-through State Department of Economic and Community Development:				
Drug Court Discretionary Grant Program	16.585	Z-05-025508-00	50,000	(6)
Violence Against Women Formula Grants	16.588	Z-07-033059-00	45,491	
Total U.S. Department of Justice			<u>\$ 391,057</u>	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Community Development Block Grants/State's Program	20.601	(2)	\$ 63,937	
Total U.S. Department of Transportation			<u>\$ 63,937</u>	
U.S. Department of Education:				
Passed-through State Department of Labor and Workforce Development:				
Adult Education - State Grant Program	84.002	(3)	\$ 244,688	
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	2,563,162	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	6,107,529	
Special Education - Preschool Grants	84.173	N/A	202,721	
Career and Technical Education - Basic Grants to States	84.048	N/A	486,706	

(Continued)

Rutherford County, TennesseeSchedule 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):			
Safe and Drug Free Schools and Communities State Grants	84.186	(2)	\$ 80,657
Education for Homeless Children and Youth	84.196	(2)	119,200
Twenty-first Century Community Learning Centers	84.287	(2)	51,266
State Grants for Innovative Programs	84.298	N/A	29,054
Education Technology State Grants	84.318	(2)	16,794
English Language Acquisition Grants	84.365	(2)	287,644
Improving Teacher Quality State Grants	84.367	N/A	798,090
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	1,827,100
Total U.S. Department of Education			<u>\$ 12,814,611</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Z-09-217207-00	\$ 126,500
Total U.S. Election Assistance Commission			<u>\$ 126,500</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-09-25247	\$ 26,267
Total U.S. Department of Health and Human Services			<u>\$ 26,267</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)	\$ 6,387
Total Corporation for National and Community Service			<u>\$ 6,387</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	GG-08-25967	\$ 38,000
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	GG-09-27828	44,297
Homeland Security Grant Program	97.067	(4)	233,862
Total U.S. Department of Homeland Security			<u>\$ 316,159</u>
Total Expenditures of Federal Awards			<u>\$ 21,126,101</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)	\$ 59,105
Juvenile Justice - State Commission on Children and Youth	N/A	Z-09-022899-00	9,000
Juvenile Court Prevention - State Department of Children Services	N/A	GG-09-26326-00	400,619
Community Early Intervention Services - State Department of Children Services	N/A	GG-09-26321-00	48,189
Litter Program - State Department of Transportation	N/A	Z-08-021040-00	11,021
Litter Program - State Department of Transportation	N/A	Z-09-212793-00	73,924
Adult Education - State Department of Labor and Workforce Development	N/A	Z-08-020820-00	5,612
Adult Education - State Department of Labor and Workforce Development	N/A	Z-09-213502-00	85,438
Adult Education - State Department of Labor and Workforce Development	N/A	Z-09-217272-00	28,462
Safe Schools Act - State Department of Education	N/A	(2)	147,854
Coordinated School Health - State Department of Education	N/A	(2)	184,993
Early Childhood Education - State Department of Education	N/A	(2)	942,331
Rural Local Health Services - State Department of Health	N/A	Z-08-020383-00	146,638
Rural Local Health Services - State Department of Health	N/A	Z-09-020383-00	1,484,725
Local Park and Recreation Fund - State Department of Environment and Conservation	N/A	(2)	114,500
Waste Tire Program - State Department of Environment and Conservation	N/A	Z-08-212965-00	112,440
Recycling Program - State Department of Environment and Conservation	N/A	(2)	29,573
Total State Grants			<u>\$ 3,884,424</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) Z-08-02820-00: \$16,837; Z-09-213502-00: \$227,851.

(4) GG-07-20323: \$171,655; GG-08-24742: \$62,207.

(5) Total for CFDA No. 10.555 is \$6,010,481.

(6) Total for CFDA No. 16.585 is \$107,078.

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Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

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, 2008, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
08.04	294	The Ambulance Service did not issue receipts for all collections

OFFICE OF JUVENILE COURT CLERK

Finding Number	Page Number	Subject
08.08	296	Duties were not segregated adequately in the office

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
08.09	297	Federal equitable shared funds were not channeled through the county's budgetary process

OTHER FINDING

Finding Number	Page Number	Subject
08.10	299	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, 2009

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 deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An 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), the Improving Teacher Quality State Grants (CFDA No. 84.367), and the State Fiscal Stabilization Fund - Education State Grants, Recovery Act (CFDA No. 84.394) were determined to be major programs.
8. A \$633,875 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 response of the finance director is paraphrased in this report.

OFFICE OF COUNTY MAYOR

FINDING 09.01 **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 customers paid their bills 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. This deficiency increases the risks of fraud and abuse and resulted from management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should issue prenumbered receipts for all collections as required by state statute. 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 generated by the system.

OFFICE OF DIRECTOR OF FINANCE

FINDING 09.02 **THE SELF-INSURANCE FUND HAD A NET ASSETS DEFICIT**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Self-Insurance Fund (internal service fund) had a net assets deficit of \$239,648 at June 30, 2009. This net assets deficit resulted from estimated and actual claims exceeding available revenues.

RECOMMENDATION

County officials should liquidate the deficit in net assets of the Self-Insurance Fund and should closely monitor activity in the fund to prevent the recurrence of a deficit.

MANAGEMENTS' RESPONSE – FINANCE DIRECTOR

On August 13, 2009, the Rutherford County Commissioners approved a transfer of \$300,000 from the General Fund to the Self-Insurance Fund to alleviate the deficit.

OFFICE OF JUVENILE COURT CLERK

FINDING 09.03 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE
OFFICE OF JUVENILE COURT CLERK**
(Internal Control – Significant Deficiency Under Government Auditing
Standards)

Duties were not segregated adequately among the official 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 give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risks of unauthorized transactions. Also, this deficiency resulted from management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICE OF SHERIFF

FINDING 09.04 **FEDERAL EQUITABLE SHARED FUNDS WERE NOT CHanneled
THROUGH THE COUNTY'S BUDGETARY PROCESS**
(Noncompliance Under Governmental 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 \$203,188 and had a balance in this account of \$105,041 on June 30, 2009. Section 5-9-401, Tennessee Code Annotated 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."

In the April 2009 Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Guide to Equitable Sharing) published by the U.S. Department of Justice in Section IX, Item A.1., the local participating law enforcement agency must “Establish a separate revenue account or accounting code through the agency’s finance department for the proceeds from the Department of Justice Equitable Sharing Program. This account or accounting code will be used solely for funds from the Department of Justice Equitable Sharing Program. No other funds may be included in this account or with this accounting code.” In Section IX, Item A.9., the local law enforcement agency must “Obtain approval for expenditures from the governing body, such as the town council or city manager’s office, if appropriate.”

This finding has been reported each year since June 30, 2006; however, management has chosen not to correct the finding.

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 and federal guidelines.

OTHER FINDING AND RECOMMENDATION

FINDING 09.05 **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 practices dictate that establishing a central system of purchasing would significantly improve internal controls over the purchasing process. This deficiency is the result of management’s failure to correct the finding noted in the prior-year audit report. 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

Rutherford County officials should consider adopting the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

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RUTHERFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009

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