
COMPREHENSIVE ANNUAL FINANCIAL REPORT

RUTHERFORD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF AUDIT
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DIVISION OF COUNTY AUDIT
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State Auditors

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

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

RUTHERFORD COUNTY, TENNESSEE

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Audit Highlights

Comprehensive Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2010.

Results

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

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

Findings and Best Practices

The following are summaries of the audit findings and best practices:

OFFICES OF SHERIFF AND COUNTY MAYOR

- ◆ An employee filed false insurance claims totaling \$14,551.56.

OFFICE OF COUNTY MAYOR

- ◆ The county had deficiencies in the Violence Against Women Formula Grants; Violence Against Women Formula Grants, Recovery Act; and Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, Recovery Act Programs.
- ◆ The Ambulance Service did not issue prenumbered receipts.

OFFICE OF DIRECTOR OF FINANCE

- ◆ The office did not issue prenumbered receipts.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ A cash shortage of \$745.85 existed at October 19, 2010, in General Sessions Court.
 - ◆ Duties were not segregated adequately in the Office of Juvenile Court Clerk.
-

OFFICE OF SHERIFF

- ◆ The office had deficiencies in the operation of the commissary.
-

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be considered by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Rutherford County.

- A central system of purchasing has not been adopted.
- Rutherford County does not have an Audit Committee.

INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

November 18, 2010

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, 2010, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of County Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Rutherford County. This report was prepared by the county's Finance Department in conjunction with the above state agency.

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

The goal of the independent audit was to provide reasonable assurance that the financial statements of Rutherford County, for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial

statement presentation. The financial statements of Rutherford County, have been audited by the State of Tennessee's Comptroller of the Treasury, Division of 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, for the fiscal year ended June 30, 2010, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

Rutherford County operates under Chapter 49, Private Acts of 1979, as amended. This legislation is specific only to Rutherford County and governs the authorities, responsibilities, and day-to-day operations of the Finance Department. The finance director reports directly to the County Commission and is responsible for establishing and maintaining an accounting system for all funds of the county in accordance with generally accepted accounting principles. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). A formal budget is adopted annually by the County Commission and is reviewed daily by the Finance Department for compliance. No appropriation made by the County Commission may be legally exceeded, except by resolution of the full commission. The County Commission's budgetary control is at the major category level as defined by the County Uniform Chart of Accounts, prescribed by the Tennessee State Comptroller's Office. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General and Ambulance Service funds, this comparison is presented on Exhibits F-1 and F-2 as required supplementary information. For governmental funds, other than the General and Ambulance Service funds, 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 only for the Rutherford County Board of Education.

ECONOMIC CONDITION

Local Economy

Rutherford County is successfully managing its way through the current economic environment. The strength of the Rutherford County economy can be attributed to our diversity. Rutherford County is one of the fastest growing counties in America with a phenomenal growth rate of over 41.2 percent during the past ten years.

Our largest manufacturing employers include Nissan USA, Ingram Book Co., Asurion, 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 SR-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 continues to be developed with new 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. Also, NHK Seating of America Inc., has announced plans to build a \$54 million manufacturing facility in Murfreesboro, which when completed is expected to employ up to 224 hourly and salary workers. Construction is expected to be completed by mid 2011.

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 2010, Rutherford County had a labor force of 134,510 with 121,940 employed resulting in a 9.3 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2010, Rutherford County's unemployment rate was below both the state's average of 10.9 percent and the national average of 9.5 percent. These rates are

lower than the June 2009 rates, which were reported as 11.1 percent for the county, 10.8 percent for the state, and 9.7 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.

The Rutherford County Board of Education constructed two middle schools designed for 1,000 students each and converted an existing middle school located in Murfreesboro to a magnet high school, which all opened in August 2010. Even with these two additional school buildings, the Board of Education projects it would need an additional elementary school, a 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 will prepare the operating budgets accordingly.

Unreserved fund balance in the General Fund totals \$18.7 million; however, in anticipation of implementing new accounting standards, the county closed the Local Development Tax Fund and transferred the remaining balance as a designation in the General Fund. As of June 30, 2010, designations of fund balance totaled \$4.4 million. Unreserved undesignated fund balance totaled \$14.3 million, which represents 23 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 General Debt Service Fund. The policy requires the finance director to determine or estimate the principal and interest

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

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. 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 15 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 that reads "Lisa A. Nolen".

Lisa A. Nolen, CPA, CGFM
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rutherford County
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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

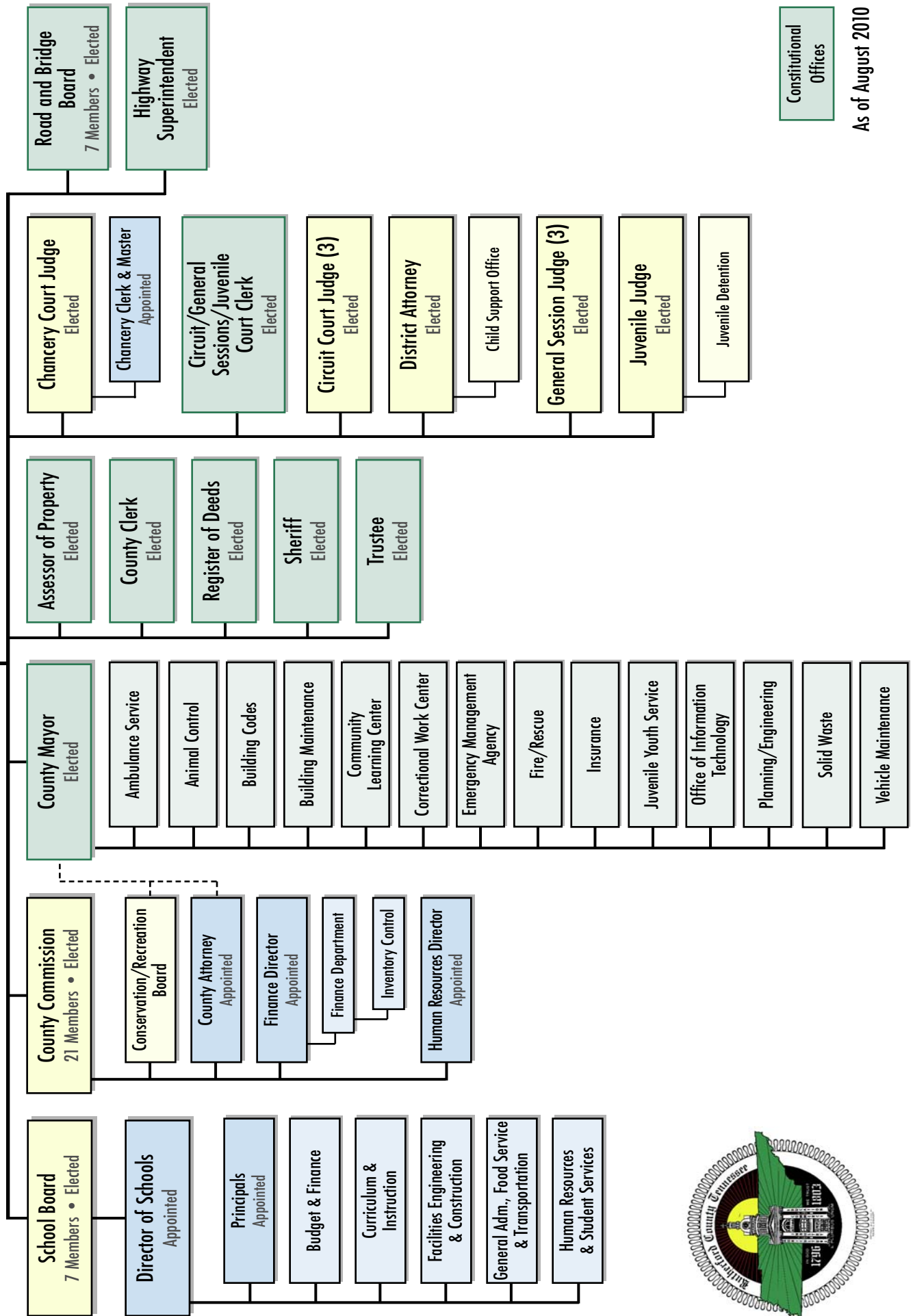


President

Executive Director

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

As of August 2010



Rutherford County Officials

June 30, 2010

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



**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

November 18, 2010

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, 2010, 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 .81 percent and 3.17 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; and the discretely presented Rutherford County Emergency Communications District, which represent one percent and .55 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, as of June 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2010, on our consideration of Rutherford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

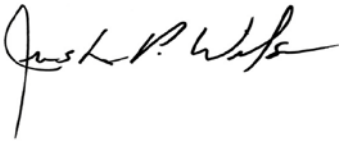
As described in Note V.A., Rutherford County has adopted the provisions of Governmental Accounting Standards Board Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 35, and the budgetary comparison, pension, and other postemployment benefits information on pages 110 through 117 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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/sb

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

As management for Rutherford County, Tennessee, we offer readers of the financial statements for Rutherford County this narrative overview and analysis of the financial activities of the Rutherford County Government for the fiscal year ended June 30, 2010. 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 \$42,805 (net assets). Of this amount, \$325,449 is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net assets increased by \$31,774. Also, the prior-period adjustment related to recording a long-term receivable increased net assets by \$1,821.
- As of the close of the current fiscal year, the governmental funds of Rutherford County reported combined ending fund balances of \$73,121, an increase of \$3,617 in comparison with the prior year. Most of this total amount, \$66,481, 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 \$18,694, or 29.8 percent of total General Fund expenditures.
- The total debt of Rutherford County decreased by \$22,375 (5.51 percent) 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 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 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 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 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 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, 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 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 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, Ambulance Service, and General Debt Service 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 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 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 in Exhibits D-1 through D-3 of this report. The Self-Insurance Fund was restated \$19,047 due to other postemployment benefits liability being removed from the fund and shown only in the government-wide financial statements.

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 statement 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 funds' budgetary statements (General and Ambulance Service funds). 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, liabilities exceeded assets by \$42,805 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, 2010, Rutherford County had outstanding debt totaling \$325,449 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	
	2009	2010
Assets:		
Current and other assets	\$ 179,698	\$ 194,036
Capital assets	256,670	260,953
Total Assets	<u>\$ 436,368</u>	<u>\$ 454,989</u>
Liabilities:		
Long-term liabilities outstanding	\$ (407,223)	\$ (376,525)
Other liabilities	(105,545)	(121,269)
Total Liabilities	<u>\$ (512,768)</u>	<u>\$ (497,794)</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 195,662	\$ 201,462
Restricted	53,738	56,431
Unrestricted	<u>(325,800)</u>	<u>(300,698)</u>
Total Net Assets	<u><u>\$ (76,400)</u></u>	<u><u>\$ (42,805)</u></u>

By far, the largest portion of Rutherford County's net assets (\$201,462) 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 (\$56,431) represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

Rutherford County's Changes in Net Assets

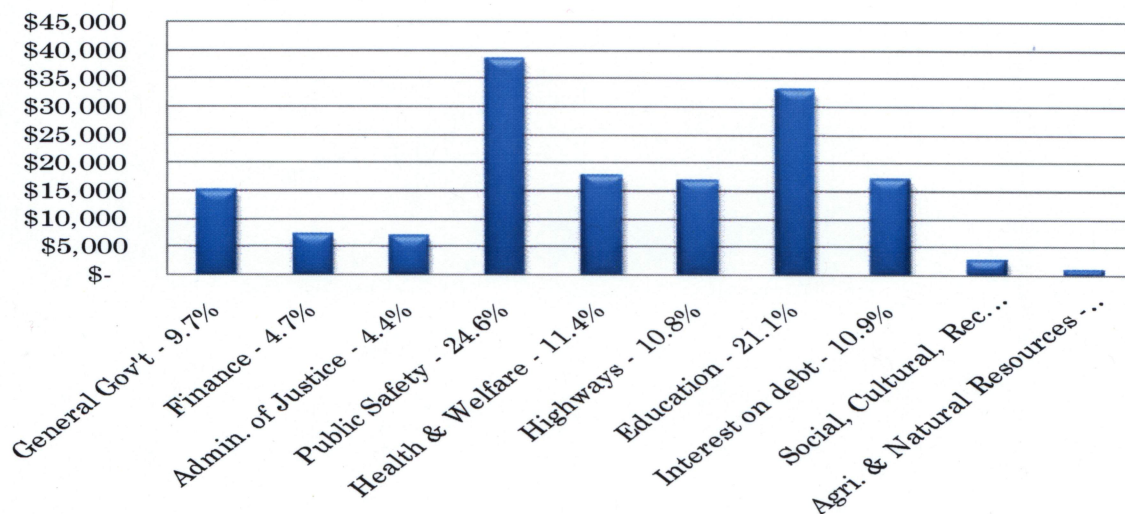
Governmental activities. Governmental activities increased Rutherford County Government's net assets by \$31,774. The primary reason for the increase to net assets is because the county did not have an immediate need to incur additional long-term debt for the construction of schools. Key elements of this increase are as follows:

	Governmental Activities	
	2009	2010
Revenues:		
Program revenues:		
Charges for services	\$ 63,219	\$ 66,976
Operating grants and contributions	6,950	8,161
Capital grants and contributions	13,745	14,707
General revenues:		
Property taxes	65,499	76,122
Payment in-lieu-of taxes	6,526	5,535
Local option sales taxes	2,037	2,035
Hotel/Motel tax	932	951
Wheel tax	5,701	5,696
Business tax	1,269	1,424
Litigation tax	1,863	2,242
Development tax	2,579	1,395
Mineral severance tax	360	232
Wholesale beer tax	861	837
Interstate communication tax	2	1
Grants and contributions not restricted to specific programs	892	655
Unrestricted investment earnings	2,603	1,218
Other	265	119
Total Revenues	\$ 175,303	\$ 188,306

	Governmental Activities (Cont.)	
	2009	2010
Expenses:		
General government	\$ 9,451	\$ 9,451
Finance	5,889	5,889
Administration of justice	4,760	4,760
Public safety	32,701	32,701
Public health and welfare	16,621	16,621
Social, cultural, and recreation services	1,381	1,381
Agriculture and natural resources	724	724
Other operations	6,876	6,876
Highways	14,438	14,438
Education	62,793	62,793
Interest on long-term debt	16,447	16,447
Other debt service	154	154
Total Expenses	\$ 172,235	\$ 172,235
Increase (decrease) in net assets	\$ 3,068	\$ 16,071
Net assets, July 1	(14,424)	(14,424)
Prior-period adjustment	(3,766)	(3,766)
Net assets, June 30	\$ (15,122)	\$ (2,119)

Governmental Program Expenses

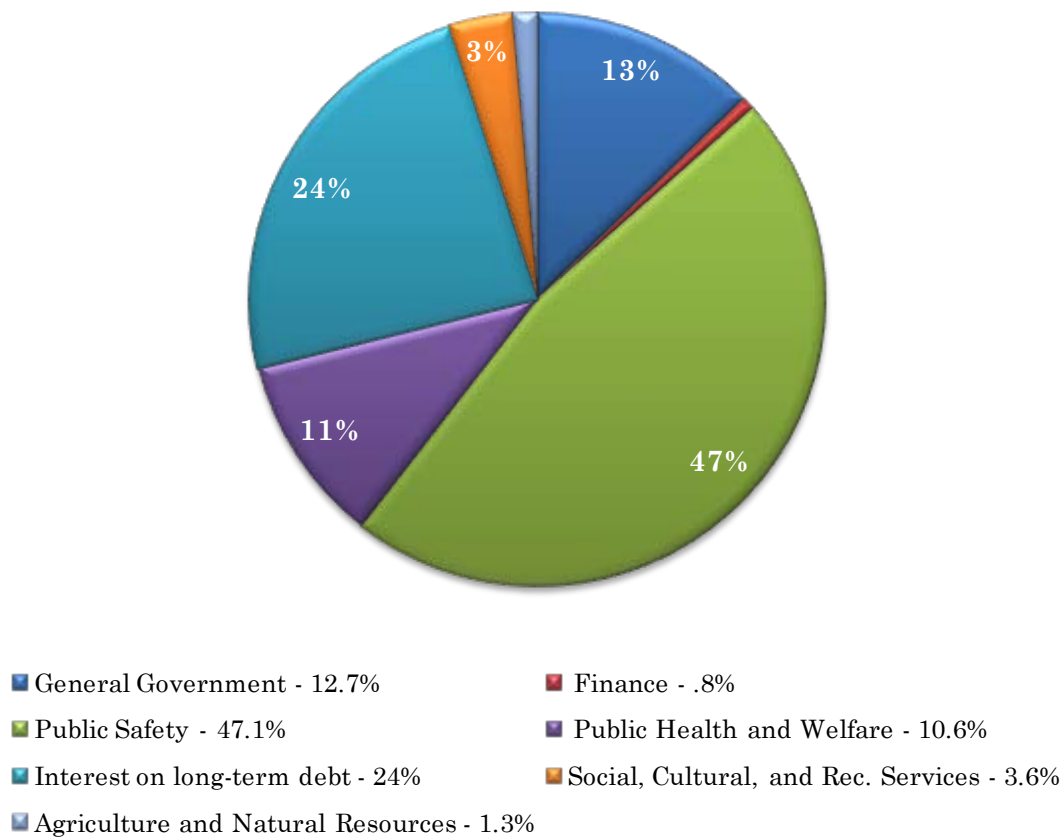
Education expenses of \$33,085 and Public Safety expenses of \$38,545 are the largest expenses of Rutherford County, the primary government, which when combined (\$71,630) are 45.7 percent of total expenses. Of this amount, \$40,690 was recovered by charges for services, \$1,171 from operating grants/contributions, and \$229 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

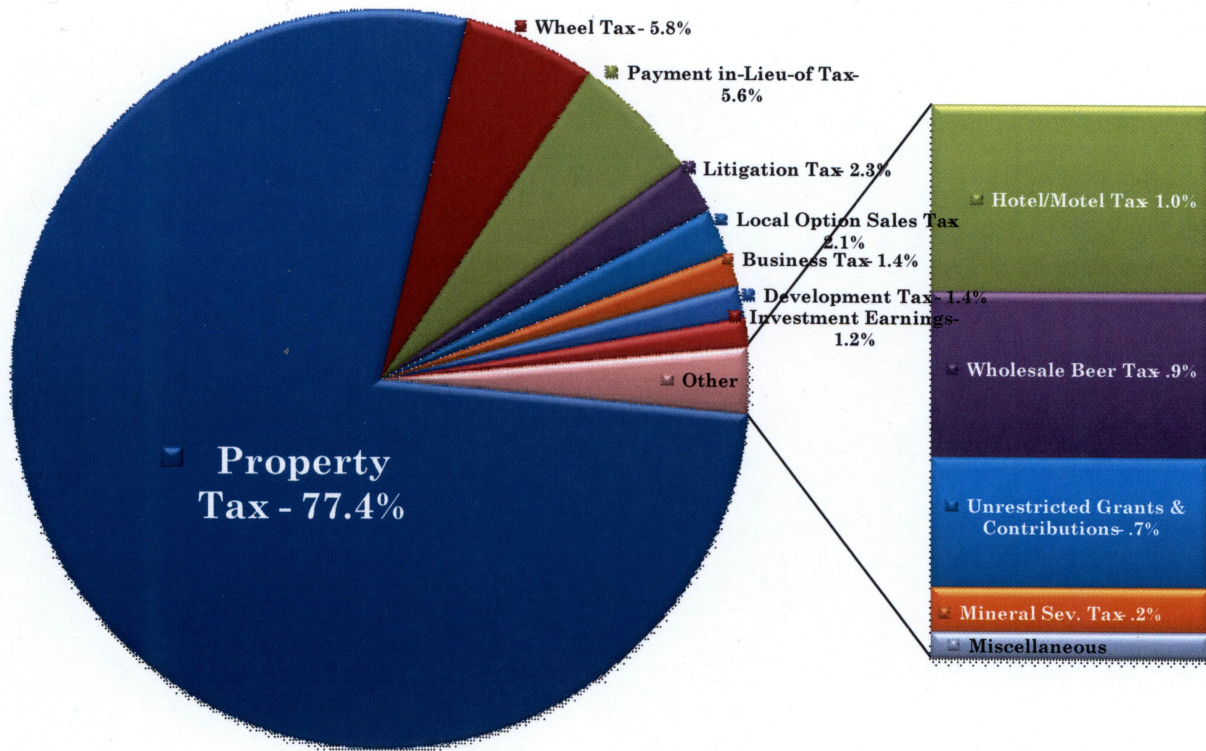


Revenues

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 and by far is the largest revenue source. Within this major category, the largest single revenue source is property tax as is illustrated in the following chart. Note that all amounts are rounded to one decimal place in the 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'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 \$73,121, an increase of \$3,617 in comparison with the prior year. Most of this total amount (\$66,481) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$1,127) or (2) for a variety of other restricted purposes (\$5,514).

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unreserved fund balance was \$18,694 while total fund balance reached \$22,707. 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 29.8 percent of total General Fund expenditures, while total fund balance represents 36.18 percent of that same amount. The General Fund's fund balance increased by \$6,930 during the current fiscal year. The majority of the increase (\$4,269) was due to closing out the Local Development Tax Fund to the General Fund. This fund was closed as it does not meet the definition of a special revenue fund in accordance with Government Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." This standard must be implemented for financial statements for periods ending June 30, 2011, and later.

The General Debt Service Fund has a total fund balance of \$35,035, which is an increase of \$2,853 over the prior year. Part of the increase to fund balance was due to recording a long-term receivable from the City of Murfreesboro. In June 2006, the Rutherford County Board of Education entered into an agreement with the City of Murfreesboro to extend the sanitary sewer to the existing and planned school sites in the Rockvale area. The agreement provides for the Board of Education to be reimbursed for all its project costs (\$1,821) by amounts collected from the Rockvale Special Sanitary Sewer Assessment District. These will be paid once the City of Murfreesboro has been reimbursed for all its costs related to the project.

General Fund Budgetary Highlights

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

Net Change in Budget - Amended over (under) Original

	2009	2010
General Government	\$ 229	\$ 173
Finance	29	9
Administration of Justice	469	47
Public Safety	505	710
Public Health and Welfare	301	560
Social, Cultural, and Recreational	0	6
Agriculture	0	2
Other Operations	536	1,993
Total Increase in Appropriations	\$ 2,069	\$ 3,500

There were two areas under Public Safety that had significant increases to their original budget: 1) Jail - \$107 and 2) Disaster Relief - \$484. The jail's additional appropriation was related to a need for additional data processing equipment, building repairs, and building

improvements. The increase in Disaster Relief was needed 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 related to the state's contract with the county to provide additional health services as a result of the H1N1 flu virus. However, as noted later, the Health Department was able to meet the majority of the community's needs with their existing staff.

The largest increase to the original budget was noted in Other Operations. This was caused by seven grants awarded to Rutherford County through the American Recovery and Reinvestment Act (ARRA). The notification of the awards was received after the county's budget was adopted. The ARRA grants were awarded for a two-year period.

At the close of the fiscal year, actual expenditures were \$5.2 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.

The Public Health and Welfare function also experienced significant positive budgetary results. The State of Tennessee awarded additional funds to pay for contracted nursing services and to pay overtime of existing staff to inoculate the population against the H1N1 virus. However, the Health Department was able to provide the additional services with their current staff and with minimal overtime used.

Positive results were also shown with the ARRA grants due to the timing of the award notification and implementation of the grant. These grants cover either a two- or three-year period.

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

	2009	2010
General Government	\$ 682	\$ 439
Finance	257	207
Administration of Justice	217	161
Public Safety	1,737	2,574
Public Health and Welfare	858	1,051
Social, Cultural, and Recreational	21	13
Agriculture	123	122
Other Operations	284	679
Total Results	<u>\$ 4,179</u>	<u>\$ 5,246</u>

Capital Assets and Debt Administration

Capital assets. Rutherford County's investment in capital assets for its governmental funds, as of June 30, 2010, totals \$260,952 (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 \$4,282, which represented a 1.67 percent increase over the prior year.

	Governmental Activities	
	2009	2010
Land	\$ 33,584	\$ 33,771
Intangibles (right of ways)	44,173	45,175
Buildings and improvements	73,449	73,103
Infrastructure	87,779	99,708
Intangibles (other)	1,546	1,180
Other capital assets	7,218	6,459
Construction in progress	8,921	1,556
Total	<u>\$ 256,670</u>	<u>\$ 260,952</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 \$384,030. 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	
	2009	2010	2009	2010	2009	2010
Notes	\$ 28,502	\$ 28,502	\$ 2,498	\$ 2,498	\$ 31,000	\$ 31,000
Bonds	316,352	296,947	59,053	56,083	375,405	353,030
Total	<u>\$ 344,854</u>	<u>\$ 325,449</u>	<u>\$ 61,551</u>	<u>\$ 58,581</u>	<u>\$ 406,405</u>	<u>\$ 384,030</u>

Rutherford County decreased its long-term debt by \$22,375 (5.51 percent), and no additional long-term debt was incurred by the county during the fiscal year 2009-10. However, during September 2010, the county refunded \$99,715 of its outstanding bonds with \$88,800 general obligation bonds. Rutherford County Government obtained a rating of "Aa1" from Moody's and a rating of "AA+" from Standard & Poor's for the general obligation bonds. Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. Additional information on the Rutherford County

Government's long-term debt can be found in Exhibits L-1, L-2, and Note IV.F. of this report.

Economic Factors and Next Year's Budget and Rates

Rutherford County adopted a budget for the fiscal year ending June 30, 2011, on June 28, 2010. Many factors were considered when adopting this budget: reappraisal, high unemployment rate, limited interest earnings, and a depressed housing market, which affects several revenue items including property tax, sales tax, excess fees from the register of deeds, development tax, and building related permit fees.

Calendar year 2010 is a reappraisal year for Rutherford County. This means that the appraised and assessed value of all real property is to be adjusted to reflect changes that have occurred in the market value of property within that location. State law requires that in a reappraisal year, a certified tax rate be calculated and submitted to the State Board of Equalization for review. This certified rate is the calculated rate that will provide the same tax revenue from properties that were on the tax roll the previous year, given their increased assessed value. The certified rate for Rutherford County Government was calculated as \$2.4652.

The table shown below compares the 2009-10 tax rate of \$2.735 to the 2010 certified tax rate distributed in the same ratio. This is compared with the adopted allocation of the certified tax rate for fiscal year 2010-11.

Distribution of the Property Tax Rate

	2009-10 Adopted		2010-11 Certified		2010-11 Adopted	
	Rate	Ratio	Rate	Ratio	Rate	Ratio
County General	\$ 0.5725	20.93%	\$ 0.5160	20.93%	\$ 0.5540	22.47%
Ambulance	0.0975	3.56	0.0879	3.56	0.0879	3.56
Highway/Roads	0.0100	0.37	0.0090	0.37	0.0090	0.37
Education	1.2650	46.25	1.1402	46.25	1.1430	46.37
Ed. Capital Projects	0.0500	1.83	0.0451	1.83	0.0451	1.83
General Debt Service	0.7400	27.06	0.6670	27.06	0.6262	25.40
	<u>\$ 2.7350</u>	<u>100%</u>	<u>\$ 2.4652</u>	<u>100%</u>	<u>\$ 2.4652</u>	<u>100%</u>

At the end of the 2009-10 fiscal year, unreserved fund balance in the General Fund increased to \$18,694. Rutherford County Government has appropriated \$2,802 of this amount for spending in the 2010-11 fiscal year. Unassigned fund balance in the General Fund is estimated to be 19 percent of appropriations at year end, which is in compliance with Rutherford County's fund balance policy.

Fund balance in the General Debt Service Fund increased to \$35,035, primarily due to the county recording a long-term receivable created in a prior period. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2011, is expected to be 80 percent of budgeted debt service expenditures.

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

Exhibit A

Rutherford County, Tennessee
Statement of Net Assets
June 30, 2010

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,141,038	\$ 1,301,407	\$ 2,642,084	\$ 4,209,151
Equity in Pooled Cash and Investments	103,657,570	49,610,356	0	0
Inventories	0	200,457	23,077	0
Investments	149,304	75,970	0	0
Accounts Receivable	12,474,925	0	1,135,808	143,467
Allowance for Uncollectibles	(8,030,086)	0	0	0
Property Taxes Receivable	80,833,378	63,572,526	0	0
Allowance for Uncollectible Property Taxes	(4,662,359)	(3,663,935)	0	0
Accrued Interest Receivable	0	0	17,860	3,010
Advances to Other Funds	125,000	0	0	0
Due from Other Governments	3,008,197	8,391,879	0	0
Due from Component Units	1,988	0	0	0
Prepaid Items	35,953	0	11,147	34,081
Notes Receivable - Long-term	3,169,913	0	0	0
Allowance for Doubtful Notes Receivable	(813,101)	0	0	0
Deferred Charges - Debt Issuance Costs	1,944,618	20,487	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	33,770,487	8,505,440	0	17,500
Intangible Assets (Right-of-Ways)	45,175,062	0	0	0
Construction in Progress	1,555,986	40,846,060	14,145	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	73,103,125	355,324,768	234,877	920,598
Infrastructure	99,708,145	0	0	0
Intangible Assets	1,180,261	370,305	0	0
Other Capital Assets	6,459,347	6,340,208	277,199	435,027
Total Assets	\$ 454,988,751	\$ 530,895,928	\$ 4,356,197	\$ 5,762,834
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,506,562	\$ 3,349,686	\$ 174,180	\$ 1,227
Accrued Payroll	668,643	17,196,632	254,184	0
Accrued Interest Payable	3,216,736	28,167	0	0
Contracts Payable	0	17,221	0	0
Retainage Payable	0	159,521	0	0
Payroll Deductions Payable	514	1,084	65,526	0
Due to Primary Government	0	0	1,988	0
Unearned Revenue - Current Property Taxes	73,887,795	58,118,503	0	0
Other Current Liabilities	380,801	0	42,221	0
Noncurrent Liabilities:				
Due Within One Year	41,608,148	659,926	182,684	13,785
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	376,524,607	27,324,374	584,998	20,354
Total Liabilities	\$ 497,793,806	\$ 106,855,114	\$ 1,305,781	\$ 35,366

(Continued)

Exhibit A

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

		Component Units		
	Primary Government Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 201,461,669	\$ 409,434,523	\$ 0	\$ 0
Invested in Capital Assets	0	0	526,221	1,373,125
Restricted for:				
Capital Projects	402,833	10,923,589	0	0
Debt Service	34,938,802	0	0	0
Highway/Public Works	6,578,750	0	0	0
Solid Waste/Sanitation	4,256,574	0	0	0
Ambulance Service	5,215,661	0	0	0
Industrial/Economic Development	760,015	0	0	0
Drug Control	880,103	0	0	0
District Attorney General	241,186	0	0	0
School Federal Projects	0	827,808	0	0
Central Cafeteria	0	4,901,852	0	0
Career Ladder Program	0	335,648	0	0
Jail, Workhouse, or Courthouse	2,124,112	0	0	0
Victims Assistance Programs	229,290	0	0	0
Computer System - Register	691,486	0	0	0
Other Purposes	112,051	0	0	0
Unrestricted	(300,697,587)	(2,382,606)	2,524,195	4,354,343
Total Net Assets (Deficit)	\$ (42,805,055)	\$ 424,040,814	\$ 3,050,416	\$ 5,727,468

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, 2010

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	Component Units		
					Governmental Total Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 15,112,092	\$ 5,279,701	\$ 366,812	\$ 452,036	\$ (9,013,543)	\$ 0	\$ 0	0
Finance	7,366,144	6,759,087	49,023	0	(558,034)	0	0	0
Administration of Justice	6,843,626	6,145,450	1,120,967	91,414	514,205	0	0	0
Public Safety	38,545,340	3,620,601	1,171,237	228,535	(33,524,967)	0	0	0
Public Health and Welfare	17,767,844	8,023,954	2,183,994	0	(7,559,896)	0	0	0
Social, Cultural, and Recreational Services	2,785,704	759	2,818	243,771	(2,538,356)	0	0	0
Agriculture and Natural Resources	1,036,154	54	12,138	60,943	(962,999)	0	0	0
Highways/Public Works	16,924,829	76,520	3,254,162	13,629,969	35,822	0	0	0
Education	33,085,511	37,069,571	0	0	3,984,060	0	0	0
Interest on Long-term Debt	17,064,186	0	0	0	(17,064,186)	0	0	0
Total Primary Government	\$ 156,531,430	\$ 66,975,697	\$ 8,161,171	\$ 14,706,668	\$ (66,687,894)	\$ 0	\$ 0	0
Component Units:								
Rutherford County School Department	\$ 288,621,532	\$ 6,693,240	\$ 29,948,112	\$ 0	0	\$ (251,980,180)	\$ 0	0
Community Care of Rutherford County, Inc.	9,431,679	9,110,685	0	0	0	0	(320,994)	0
Emergency Communications District	1,517,930	1,452,914	0	0	0	0	0	(65,016)
Total Component Units	\$ 299,571,141	\$ 17,256,839	\$ 29,948,112	\$ 0	0	\$ (251,980,180)	\$ (320,994)	\$ (65,016)

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units			
					Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes				\$ 36,392,867	\$ 59,596,916	\$ 0	\$ 0	0
Property Taxes Levied for Debt Service				39,728,648	0	0	0	0
Payments in-Lieu-of Tax				5,535,252	827,905	0	0	0
Local Option Sales Tax				2,035,099	35,408,415	0	0	0
Hotel/Motel Tax				951,042	0	0	0	0
Wheel Tax				5,695,500	3,213,834	0	0	0
Business Tax				1,424,245	1,119,853	0	0	0
Litigation Tax				2,242,052	0	0	0	0
Adequate Facilities/Development Tax				1,395,000	0	0	0	0
Mineral Severance Tax				231,632	0	0	0	0
Wholesale Beer Tax				837,269	0	0	0	0
Interstate Telecommunications Tax				1,422	13,370	0	0	0
Grants and Contributions Not Restricted to Specific Programs				655,041	140,710,928	9,777	99,643	
Unrestricted Investment Earnings				1,217,664	327,479	47,084	37,587	
Gain (Loss) on Disposal of Capital Assets				0	0	(562)	0	0
Miscellaneous				119,129	196,976	0	0	0
Total General Revenues				\$ 98,461,862	\$ 241,415,676	\$ 56,299	\$ 137,230	
Change in Net Assets								
Net Assets (Deficit), July 1, 2009				\$ 31,773,968	\$ (10,564,504)	\$ (264,695)	\$ 72,214	
Prior-period Adjustment				(76,399,808)	434,605,318	3,315,111	5,655,254	
				1,820,785	0	0	0	0
Net Assets (Deficit), June 30, 2010				\$ (42,805,055)	\$ 424,040,814	\$ 3,050,416	\$ 5,727,468	

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, 2010

	Major Funds			Nonmajor Funds	Total
	General	Ambulance Service	General Debt Service	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>					
Cash	\$ 2,709	\$ 0	\$ 0	\$ 1,028,754	\$ 1,031,463
Equity in Pooled Cash and Investments	21,059,257	1,816,039	32,882,744	12,724,158	68,482,198
Investments	0	0	0	149,304	149,304
Accounts Receivable	589,501	11,599,042	62,761	105,431	12,356,735
Allowance for Uncollectibles	0	(8,030,086)	0	(813,101)	(8,843,187)
Due from Other Governments	2,081,505	21,058	173,302	724,020	2,999,885
Due from Other Funds	5,650	0	0	0	5,650
Due from Component Units	1,988	0	0	0	1,988
Property Taxes Receivable	34,959,054	5,563,010	39,741,681	569,633	80,833,378
Allowance for Uncollectible Property Taxes	(1,986,348)	(320,704)	(2,322,456)	(32,851)	(4,662,359)
Prepaid Items	35,953	0	0	0	35,953
Notes Receivable - Long-term	0	0	1,820,785	1,349,128	3,169,913
Total Assets	\$ 56,749,269	\$ 10,648,359	\$ 72,358,817	\$ 15,804,476	\$ 155,560,921
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 533,743	\$ 63,256	\$ 0	\$ 909,205	\$ 1,506,204
Accrued Payroll	355,570	281,374	0	31,699	668,643
Payroll Deductions Payable	514	0	0	0	514
Due to Other Funds	0	2,532	0	72	2,604
Due to Litigants, Heirs, and Others	0	0	0	317,244	317,244
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	63,557	0	0	0	63,557
Deferred Revenue - Current Property Taxes	32,052,180	5,085,536	36,229,376	520,703	73,887,795
Deferred Revenue - Delinquent Property Taxes	846,609	144,198	1,094,284	14,772	2,099,863
Other Deferred Revenues	190,202	3,558,684	0	144,263	3,893,149
Total Liabilities	\$ 34,042,375	\$ 9,135,580	\$ 37,323,660	\$ 1,937,958	\$ 82,439,573
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 855,759	\$ 37,627	\$ 0	\$ 233,589	\$ 1,126,975
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	2,124,112	0	0	0	2,124,112
Reserved for Sexual Offender Registration	11,260	0	0	0	11,260
Reserved for Courtroom Security	54,877	0	0	0	54,877
Reserved for Victims Assistance Programs	229,290	0	0	0	229,290
Reserved for Computer System - Register	691,486	0	0	0	691,486
Reserved for Automation Purposes - Chancery Court	1,094	0	0	0	1,094
Reserved for Automation Purposes - County Clerk	8,867	0	0	0	8,867
Reserved for Long-term Notes Receivable	0	0	1,820,785	536,027	2,356,812
Reserved for Other General Purposes	35,953	0	0	0	35,953
Unreserved, Reported In:					
General Fund	18,694,196	0	0	0	18,694,196
Special Revenue Funds	0	1,475,152	0	12,900,639	14,375,791
Debt Service Funds	0	0	33,214,372	0	33,214,372
Capital Projects Funds	0	0	0	196,263	196,263
Total Fund Balances	\$ 22,706,894	\$ 1,512,779	\$ 35,035,157	\$ 13,866,518	\$ 73,121,348
Total Liabilities and Fund Balances	\$ 56,749,269	\$ 10,648,359	\$ 72,358,817	\$ 15,804,476	\$ 155,560,921

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, 2010

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)		\$	73,121,348
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	33,770,487	
Add: intangible assets - right-of-ways		45,175,062	
Add: construction in progress		1,555,986	
Add: buildings and improvements net of accumulated depreciation		73,103,125	
Add: infrastructure net of accumulated depreciation		99,708,145	
Add: intangible assets net of accumulated depreciation		1,180,261	
Add: other capital assets net of accumulated depreciation		<u>6,459,347</u>	260,952,413
(2) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.			24,867,219
(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	\$	(353,030,000)	
Less: notes payable		(31,000,000)	
Add: deferred amount on refunding		2,026,097	
Add: deferred charges - debt issuance costs		1,944,618	
Less: compensated absences payable		(4,179,578)	
Less: other postemployment benefits liability		(5,420,880)	
Less: landfill closure/postclosure care costs		(4,537,233)	
Less: accrued interest on notes and bonds		(3,216,736)	
Less: other deferred revenue - premium on debt		<u>(10,325,335)</u>	(407,739,047)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>5,993,012</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>(42,805,055)</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, 2010

	Major Funds			Nonmajor Funds	
	General	Ambulance Service	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 45,481,207	\$ 5,109,027	\$ 40,958,141	\$ 6,505,357	\$ 98,053,732
Licenses and Permits	1,295,317	0	0	0	1,295,317
Fines, Forfeitures, and Penalties	2,031,957	0	0	458,093	2,490,050
Charges for Current Services	731,015	5,396,453	0	6,383,421	12,510,889
Other Local Revenues	1,498,983	14,570	446,845	706,601	2,666,999
Fees Received from County Officials	6,621,307	0	0	0	6,621,307
State of Tennessee	5,583,461	0	0	3,578,199	9,161,660
Federal Government	1,080,487	0	0	216,995	1,297,482
Other Governments and Citizens Groups	454,894	320,025	0	1,523,569	2,298,488
Total Revenues	\$ 64,778,628	\$ 10,840,075	\$ 41,404,986	\$ 19,372,235	\$ 136,395,924
<u>Expenditures</u>					
Current:					
General Government	\$ 5,389,189	\$ 0	\$ 811,232	\$ 889,764	\$ 7,090,185
Finance	4,686,687	0	0	2,378,350	7,065,037
Administration of Justice	4,555,024	0	0	1,931,994	6,487,018
Public Safety	34,341,797	0	0	729,844	35,071,641
Public Health and Welfare	3,431,364	9,727,296	0	2,707,996	15,866,656
Social, Cultural, and Recreational Services	1,422,030	0	0	0	1,422,030
Agriculture and Natural Resources	780,587	0	0	0	780,587
Other Operations	8,142,006	0	0	393,031	8,535,037
Highways	0	0	0	7,810,579	7,810,579
Debt Service:					
Principal on Debt	0	0	22,375,000	0	22,375,000
Interest on Debt	0	0	17,814,633	0	17,814,633
Capital Projects	0	0	0	4,709,121	4,709,121
Total Expenditures	\$ 62,748,684	\$ 9,727,296	\$ 41,000,865	\$ 21,550,679	\$ 135,027,524
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,029,944	\$ 1,112,779	\$ 404,121	\$ (2,178,444)	\$ 1,368,400
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 12,300	\$ 0	\$ 0	\$ 0	\$ 12,300
Transfers In	5,287,718	400,000	628,125	97,295	6,413,138
Transfers Out	(400,000)	0	0	(5,597,180)	(5,997,180)
Total Other Financing Sources (Uses)	\$ 4,900,018	\$ 400,000	\$ 628,125	\$ (5,499,885)	\$ 428,258
Net Change in Fund Balances	\$ 6,929,962	\$ 1,512,779	\$ 1,032,246	\$ (7,678,329)	\$ 1,796,658
Fund Balance, July 1, 2009	15,776,932	0	32,182,126	21,544,847	69,503,905
Prior-period Adjustment	0	0	1,820,785	0	1,820,785
Fund Balance, June 30, 2010	\$ 22,706,894	\$ 1,512,779	\$ 35,035,157	\$ 13,866,518	\$ 73,121,348

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, 2010

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)		\$	1,796,658
(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	\$	4,924,332	
Less: current year depreciation expense		(6,217,133)	(1,292,801)
(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	\$	6,156,014	
Less: loss on disposal of capital assets		(580,599)	5,575,415
(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, 2010	\$	5,993,012	
Less: deferred delinquent property taxes and other deferred June 30, 2009		(5,946,645)	46,367
(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:			
Add: change in premium on debt issuances	\$	1,136,072	
Less: change in deferred debt issuance costs		(190,314)	
Add: principal payments on bonds		22,375,000	
Less: change in deferred amount on refunding		(353,452)	22,967,306
(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	\$	158,141	
Change in compensated absences payable		(95,745)	
Change in other postemployment benefits liability		(2,113,526)	
Change in landfill closure/postclosure care costs		(11,842)	(2,062,972)
(6) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.			4,743,995
Change in net assets of governmental activities (Exhibit B)		\$	<u>31,773,968</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, 2010

Governmental
Activities -
Internal
Service
Funds

ASSETS

Current Assets:

Cash	\$ 1,109,575
Equity in Pooled Cash and Investments	35,175,372
Accounts Receivable	118,190
Due from Other Governments	8,312
Advances to Other Funds	125,000
Total Assets	<u>\$ 36,536,449</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 358
Claims and Judgments Payable	9,363,161
Due to Other Funds	3,046
Long-term Liabilities:	
Claims and Judgments Payable	2,302,665
Total Liabilities	<u>\$ 11,669,230</u>

NET ASSETS

Restricted for Advances to Other Funds	\$ 125,000
Unrestricted	24,742,219
Total Net Assets	<u>\$ 24,867,219</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, 2010

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 43,622,653
Other Employee Benefits Charges/Contributions	1,065,031
Service Charges	1,000
Other Local Revenues:	
Retirees' Insurance Payments	2,829,152
Cobra Insurance Payments	133,709
Contributions and Gifts	8,652
State of Tennessee:	
On-Behalf Contributions for OPEB	104,262
Federal Government:	
On-Behalf Contributions for OPEB	66,087
Total Operating Revenues	<u>\$ 47,830,546</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,665,074
Disability Insurance	468,712
Consultants	77,331
Contracts with Private Agencies	1,804,302
Drug and Medical Supplies	42,377
Premiums on Corporate Surety Bonds	7,500
Medical Claims	35,934,877
Workers' Compensation Insurance	7,271
Liability Claims	1,175,227
Other Self-Insured Claims	302,738
Other Charges	1,100
Other Fringe Benefits	184,748
Other Contracted Services	19,877
Total Operating Expenses	<u>\$ 42,691,134</u>
Operating Income (Loss)	<u>\$ 5,139,412</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 21,477
Miscellaneous Refunds	(936)
Total Nonoperating Revenues (Expenses)	<u>\$ 20,541</u>
Income (Loss) Before Transfers	\$ 5,159,953
Transfers Out	<u>(415,958)</u>
Change in Net Assets	\$ 4,743,995
Net Assets, July 1, 2009	1,076,502
Prior-period Adjustments	<u>19,046,722</u>
Net Assets, June 30, 2010	<u><u>\$ 24,867,219</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, 2010

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 47,904,802
Payments to Suppliers	(5,506,521)
Claims Paid	(38,068,752)
Insurance Recovery	21,477
Other Receipts	(936)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,350,070</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (415,958)
Advances to Other Funds	(125,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (540,958)</u>
Net Increase (Decrease) in Cash	\$ 3,809,112
Cash, July 1, 2009	<u>32,475,835</u>
Cash, June 30, 2010	<u><u>\$ 36,284,947</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 5,139,412
Insurance Recovery	21,477
Miscellaneous Payments	(936)
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	82,568
(Increase) Decrease in Due from Other Governments	(8,312)
Increase (Decrease) in Accounts Payable	(221,285)
Increase (Decrease) in Due to Other Funds	(13,888)
Increase (Decrease) in Claims and Judgments Payable	<u>(648,966)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 4,350,070</u></u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	\$ 1,109,575
Equity in Pooled Cash and Investments per Net Assets	<u>35,175,372</u>
Cash, June 30, 2010	<u><u>\$ 36,284,947</u></u>

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

Exhibit E-1

Rutherford County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 140,075	\$ 5,894,336
Equity in Pooled Cash and Investments	12,904	220,393
Investments	0	118,871
Accounts Receivable	38,668	85,328
Due from Other Governments	0	8,077,595
Taxes Receivable	0	11,608,339
Allowance for Uncollectible Taxes	0	(668,484)
Total Assets	<u>\$ 191,647</u>	<u>\$ 25,336,378</u>
<u>LIABILITIES</u>		
Advances Payable to Other Funds	\$ 125,000	\$ 0
Due to Other Taxing Units	0	19,217,322
Due to Joint Ventures	0	20,521
Due to Litigants, Heirs, and Others	0	6,098,535
Total Liabilities	<u>\$ 125,000</u>	<u>\$ 25,336,378</u>
<u>NET ASSETS</u>		
Held in Trust for Other Employee Benefits	<u>\$ 66,647</u>	

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

Exhibit E-2

Rutherford County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2010

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 434,072
Total Additions	<u>\$ 434,072</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 367,425
Total Deductions	<u>\$ 367,425</u>
Change in Net Assets	\$ 66,647
Net Assets, July 1, 2009	<u>0</u>
Net Assets, June 30, 2010	<u><u>\$ 66,647</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, 2010

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. No debt issues were contributed by the county to the School Department during the year ended June 30, 2010.

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.

Ambulance Service Fund – This fund accounts for the county’s ambulance service operations.

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

Additionally, Rutherford County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund is used to account for financial resources to be used in the acquisition or construction of major capital projects.

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

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Rutherford County, the city school system's share of educational revenues, 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 one 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 (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

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

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

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets (customer deposits payable) reflected in the primary government funds represent deposits placed with Rutherford County for building codes certificates of occupancy (\$63,557). Claims and judgments payable totaling \$11,665,826 are discussed in Note V.A. – Risk Management. Other postemployment benefits payable totaling \$5,420,880 are discussed in Note V.H. – Other Postemployment Benefits.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department totaling \$200,457 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 \$35,953 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 \$56,430,863 of restricted net assets for the primary government, of which \$4,235,403 is restricted by enabling legislation.

As of June 30, 2010, Rutherford County had \$325,449,443 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, 2010:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Animal shelter	\$ 117,830
Agriculture extension	72,131
Capital Projects	4,235,403
Highway/Public Works:	
Storm water easement	1,184,259
General Capital Projects:	
Beasley Road connector	149,304

8. Prior-period Adjustment

In prior years, the City of Murfreesboro Utility District borrowed \$1,820,785 from the Rutherford County General Capital Projects Fund. The terms of this loan provided for repayment from the City of Murfreesboro. Consequently, fund equity of the General Debt Service Fund was restated and increased as of the beginning of the year for the balance of the loan existing as of that date totaling \$1,820,785.

The Self-Insurance Fund (internal service fund) was restated \$19,046,722 due to other postemployment benefits liability being removed from the fund and shown only in the government-wide financial statements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net 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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, Personnel Office, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Shortages

During the year, it was discovered that an employee of the Sheriff's Department claimed two ineligible dependents on her county provided insurance plan. As a result, the county paid insurance benefits totaling \$14,551.56 for these ineligible persons. County officials and the employee have agreed to a restitution arrangement and the outstanding cash shortage amount was \$9,351.06 as of June 30, 2010. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

On October 19, 2010, Circuit, General Sessions, and Juvenile Courts Clerk, Laura Bohling, notified our office of missing cash collections of \$745.85 she had discovered in the Office of General Sessions Court when she was reviewing the work of an employee who had been terminated. On November 1, 2010, the former employee confessed to us about diverting office funds for her personal use. In each of the instances where the deputy diverted funds for her personal use, she did not issue a receipt for the funds and withdrew a like amount of funds. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

C. Appropriations Exceeded Estimated Available Funds

Appropriations exceeded estimated available funds by \$46,810 in the Adequate Facilities/Development Tax Fund. This budget deficiency resulted from a lack of management oversight while closing the fund into the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Rutherford County and the Rutherford County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net 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 Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2010, 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>\$ 95,382,157</u>
Nonpooled:		
Primary Government:		
General Capital Projects Fund:		
State Treasurer's Investment Pool	Daily	\$ 149,304
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	Daily	<u>118,871</u>
Total Nonpooled		<u>\$ 268,175</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, 2010, 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 \$813,101 from Wherry Housing on June 30, 2010.

The Industrial/Economic Development Fund had another long-term note receivable of \$536,027 on June 30, 2010, from financing projects for the Smyrna-Rutherford County Airport (Joint Venture).

The General Debt Service Fund had a long-term note receivable of \$1,820,785 on June 30, 2010, from financing projects for the City of Murfreesboro's Rockvale Utility District.

C. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 33,583,538	\$ 193,029	\$ (6,080)	\$ 33,770,487
Intangible Assets (Right-of-ways)	44,173,062	1,002,000	0	45,175,062
Construction in Progress	8,921,378	0	(7,365,392)	1,555,986
Total Capital Assets Not Depreciated	\$ 86,677,978	\$ 1,195,029	\$ (7,371,472)	\$ 80,501,535

Governmental Activities: (Cont.)

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 95,192,044	\$ 2,025,191	\$ (345,291)	\$ 96,871,944
Infrastructure	120,075,194	14,020,803	(464,149)	133,631,848
Intangible Assets	2,357,048	0	0	2,357,048
Other Capital Assets	27,327,579	1,204,715	(653,592)	27,878,702
Total Capital Assets				
Depreciated	\$ 244,951,865	\$ 17,250,709	\$ (1,463,032)	\$ 260,739,542
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 21,743,284	\$ 2,171,787	\$ (146,252)	\$ 23,768,819
Infrastructure	32,296,462	1,748,751	(121,510)	33,923,703
Intangible Assets	810,562	366,225	0	1,176,787
Other Capital Assets	20,109,736	1,930,370	(620,751)	21,419,355
Total Accumulated				
Depreciation	\$ 74,960,044	\$ 6,217,133	\$ (888,513)	\$ 80,288,664
Total Capital Assets				
Depreciated, Net	\$ 169,991,821	\$ 11,033,576	\$ (574,519)	\$ 180,450,878
Governmental Activities				
Capital Assets, Net	\$ 256,669,799	\$ 12,228,605	\$ (7,945,991)	\$ 260,952,413

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

Governmental Activities:

General Government	\$ 583,301
Finance	511,509
Administration of Justice	19,057
Public Safety	1,834,130
Public Health and Welfare	1,001,368
Agriculture and Natural Resources	185,651
Highways	2,082,117
Total Depreciation Expense - Governmental Activities	<u>\$ 6,217,133</u>

Discretely Presented Rutherford County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 8,505,440	\$ 0	\$ 0	\$ 8,505,440
Construction in Progress	27,682,548	34,817,998	(21,654,486)	40,846,060
Total Capital Assets Not Depreciated	<u>\$ 36,187,988</u>	<u>\$ 34,817,998</u>	<u>\$ (21,654,486)</u>	<u>\$ 49,351,500</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 421,384,093	\$ 22,056,171	\$ 0	\$ 443,440,264
Intangible Assets	590,820	0	0	590,820
Other Capital Assets	14,342,552	1,387,007	(275,569)	15,453,990
Total Capital Assets Depreciated	<u>\$ 436,317,465</u>	<u>\$ 23,443,178</u>	<u>\$ (275,569)</u>	<u>\$ 459,485,074</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 78,370,934	\$ 9,744,562	\$ 0	\$ 88,115,496
Intangible Assets	161,417	59,098	0	220,515
Other Capital Assets	8,259,787	1,127,306	(273,311)	9,113,782
Total Accumulated Depreciation	<u>\$ 86,792,138</u>	<u>\$ 10,930,966</u>	<u>\$ (273,311)</u>	<u>\$ 97,449,793</u>
Total Capital Assets Depreciated, Net	<u>\$ 349,525,327</u>	<u>\$ 12,512,212</u>	<u>\$ (2,258)</u>	<u>\$ 362,035,281</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 385,713,315</u></u>	<u><u>\$ 47,330,210</u></u>	<u><u>\$ (21,656,744)</u></u>	<u><u>\$ 411,386,781</u></u>

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

Governmental Activities:

Instruction	\$ 59,098
Support Services	10,510,794
Operation of Non-Instructional Services	<u>361,074</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 10,930,966</u></u>

D. Construction Commitments

At June 30, 2010, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$6,696,182 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, 2010, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Internal Service	\$ 3,046
General	Ambulance Service	2,532
General	Nonmajor governmental	72
School Department:		
General Purpose School	Nonmajor governmental	130,446

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

Interfund loans to/from other funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Employee Insurance - Health	Flexible Benefits	\$ 125,000

The Employee Insurance – Health Fund advanced the Flexible Benefits Fund \$125,000 for start-up funds.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit: Community Care of Rutherford Co., Inc.	\$ 1,988

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	General Debt Service Fund	Ambulance Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 400,000	\$ 0
Nonmajor governmental funds	4,871,760	628,125	0	97,295
Internal service funds	415,958	0	0	0
Total	\$ 5,287,718	\$ 628,125	\$ 400,000	\$ 97,295

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 500,000
Nonmajor governmental funds	223,695	0
Total	\$ 223,695	\$ 500,000

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

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

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes 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, 2010, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	2.5 to 5.58 %	\$ 334,610,066	\$ 239,897,650
General Obligation Bonds - Refunding	3 to 5	141,064,934	113,132,350
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, 2010, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2016-2020	111,270,000	41,648,529	152,918,529
2021-2025	78,735,000	18,452,231	97,187,231
2026-2030	39,770,000	4,283,875	44,053,875
Total	<u>\$ 353,030,000</u>	<u>\$ 134,445,780</u>	<u>\$ 487,475,780</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
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>\$ 1,950,000</u>	<u>\$ 32,950,000</u>

There is \$32,214,372 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,939, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$2,110, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2009	\$ 375,405,000	\$ 31,000,000
Additions	0	0
Deductions	(22,375,000)	0
Balance, June 30, 2010	<u>\$ 353,030,000</u>	<u>\$ 31,000,000</u>
Balance Due Within One Year	<u>\$ 21,935,000</u>	<u>\$ 10,000,000</u>

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2009	\$ 4,083,833	\$ 4,525,391
Additions	183,386	53,801
Deductions	(87,641)	(41,959)
Balance, June 30, 2010	<u>\$ 4,179,578</u>	<u>\$ 4,537,233</u>
Balance Due Within One Year	<u>\$ 125,387</u>	<u>\$ 184,600</u>

	Claims and Judgments	Other Postemployment
Balance, July 1, 2009	\$ 12,314,792	\$ 3,307,354
Additions	37,412,842	2,292,609
Deductions	(38,061,808)	(179,083)
Balance, June 30, 2010	<u>\$ 11,665,826</u>	<u>\$ 5,420,880</u>
Balance Due Within One Year	<u>\$ 9,363,161</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 409,833,517
Less: Due Within One Year	(41,608,148)
Add: Unamortized Premium on Debt	10,325,335
Less: Deferred Amount on Refunding	<u>(2,026,097)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 376,524,607</u></u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the above totals for governmental activities. At year-end, \$11,665,826 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, 2010, 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, 2010, will be retired from the General Purpose School Fund.

General obligation bonds and notes outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
Capital Outlay Notes	0 %	\$ 500,000	\$ 214,284
General Obligation Bonds	3.7 to 4	4,035,000	1,735,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 71,428	\$ 0	\$ 71,428
2012	71,428	0	71,428
2013	71,428	0	71,428
Total	\$ 214,284	\$ 0	\$ 214,284

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 555,000	\$ 67,600	\$ 622,600
2012	580,000	45,400	625,400
2013	600,000	22,200	622,200
Total	\$ 1,735,000	\$ 135,200	\$ 1,870,200

Bonded debt per capita totaled \$9, based on the 2000 federal census. Debt per capita, including bonds and notes totaled \$10, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Rutherford County School Department for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2009	\$ 2,265,000	\$ 285,713
Deductions	(530,000)	(71,429)
Balance, June 30, 2010	\$ 1,735,000	\$ 214,284
Balance Due Within One Year	\$ 555,000	\$ 71,428

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 1,030,527	\$ 15,309,004
Additions	1,639,946	10,404,613
Deductions	(1,553,872)	(818,663)
Balance, June 30, 2010	\$ 1,116,601	\$ 24,894,954
Balance Due Within One Year	\$ 33,498	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 27,960,839
Less: Due Within One Year	(659,926)
Add: Unamortized Premium on Debt	23,461
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 27,324,374</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, 2010, interest earned and expended totaled \$693 with no resulting effect on net assets.

H. Short-term Debt

Rutherford County issued revenue anticipation notes in advance of patient collections and deposited the proceeds in the Ambulance Service Fund. These notes were necessary because funds were not available to meet ambulance service payments coming due before current collections. Short-term debt activity for the year ended June 30, 2010, was as follows:

		<u>7-1-09</u>	<u>Issued</u>	<u>Paid</u>	<u>6-30-10</u>
Revenue Anticipation Notes	\$	0	\$ 3,000,000	\$ (3,000,000)	\$ 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
2008-09	\$	903,601	\$	1,978,196	\$	(1,686,307)	\$	1,195,490
2009-10		1,195,490		1,175,227		(1,236,693)		1,134,024

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2008-09	\$	7,633,083	\$	34,354,937	\$	(32,865,718)	\$	9,122,302
2009-10		9,122,302		35,934,877		(35,863,877)		9,193,302

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

2008-09	\$ 2,825,000	\$ 356,979	\$ (1,456,979)	\$ 1,725,000
2009-10	1,725,000	162,268	(701,268)	1,186,000

On-the-Job Injury Program

2008-09	\$ 0	\$ 386,735	\$ (114,735)	\$ 272,000
2009-10	272,000	140,470	(259,970)	152,500

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Rutherford County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Rutherford County had not participated in derivative transactions as June 30, 2010. However, it is reasonably expected that Rutherford County may enter into derivative transactions 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. Subsequent Events

The table below presents officials who left office on August 31, 2010, and their successors:

Office	Official	Successor
County Clerk	Georgia Lynch	Lisa Crowell
Circuit, General Sessions, and Juvenile Courts Clerk	Eloise Gaither	Laura Bohling
Sheriff	Truman Jones	Robert Arnold
Register	Jennifer Gerhart	Heather Dawborn

On September 28, 2010, Rutherford County sold general obligation refunding bonds totaling \$88,800,000.

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 \$4,537,233 reported as postclosure care liability at June 30, 2010, represents amounts based on what it would cost to perform all postclosure care in 2010. 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, 2010.

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 contributed \$96,500 to the operations of the board during the year ended June 30, 2010.

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

Plan Description

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

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

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

Funding Policy

Rutherford County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of their annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 12.79 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, the county's annual pension cost of \$8,964,352 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. The 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$8,964,352	100%	\$0
6-30-09	8,933,343	100	0
6-30-08	8,474,582	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 84.67 percent funded. The actuarial accrued liability for benefits was \$141.1 million, and the actuarial value of assets was \$119.47 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$21.64 million. The covered payroll (annual payroll of active employees covered by the plan) was \$68 million, and the ratio of the UAAL to the covered payroll was 31.82 percent.

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

The annual required contribution 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

The Rutherford County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of

service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are 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/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$8,233,806, \$8,048,135, and \$7,367,136, 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 and federal government contributed \$104,262 and \$66,087, respectively, 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, 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.

Annual OPEB Cost and Net
OPEB Obligation

	Primary Government	School Department
ARC	\$ 2,337,219	\$ 10,611,105
Interest on the NPO	165,368	765,450
Adjustment to the ARC	(209,978)	(971,942)
Annual OPEB cost	\$ 2,292,609	\$ 10,404,613
Amount of contribution	(179,083)	(818,663)
Increase/decrease in NPO	\$ 2,113,526	\$ 9,585,950
Net OPEB obligation, 7-1-09	3,307,354	15,309,004
Net OPEB obligation, 6-30-10	\$ 5,420,880	\$ 24,894,954

Fiscal Year Ended	Plans	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
6-30-10	"	2,292,609	7.81	5,420,880
6-30-09	School Department	16,140,884	5.15	15,309,004
6-30-10	"	10,404,613	7.87	24,894,954

* Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Primary Government	School Department
Actuarial valuation date	1-1-09	1-1-09
Actuarial accrued liability (AAL)	\$ 20,845,551	\$ 99,177,492
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 20,845,551	\$ 99,177,492
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 40,504,563	\$ 159,387,513
UAAL as a % of covered payroll	51%	62%

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

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

Actuarial Methods and Assumptions

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

In the January 1, 2009, 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 2009, 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, 2010.

I. Office of Central Accounting and Budgeting

Office of Director of Finance

Rutherford County operates under Chapter 49, Private Acts of 1979, as amended. This act provides for a central system of accounting and budgeting covering all funds of the county. Accounting records of all funds are maintained under the supervision of the director of finance.

J. Purchasing Laws

Office of County Mayor

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

Office of Highway Superintendent

Chapter 55, Private Acts of 1951, as amended, and Section 54-7-113, Tennessee Code Annotated (TCA), (Uniform Road Law), govern purchasing procedures for the Highway Department. These statutes require all

purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

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

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

Reporting Entity - Component Unit – 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 a private business. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

Cash, Cash Equivalents, and Investments – Cash and cash equivalents consist of cash, demand deposits, and short-term certificates of deposit with an original maturity of three months or less. At June 30, 2010, 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 is 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 is 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.

In the past, the board of directors chose to limit the investment of funds to certificates of deposit at banks and savings and loan institutions. Cash reserves for operations were held in bank checking and savings accounts.

Cash – At June 30, 2010, the carrying amount of cash was \$1,535,865, and the bank balance was \$1,733,721. At June 30, 2010, 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 \$1,135,808 as of June 30, 2010, were comprised of:

Resident service fees	\$ 1,230,808
Less: allowance for uncollectibles	<u>(95,000)</u>
Net resident service fees	<u><u>\$ 1,135,808</u></u>

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

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Description	Balance 7-1-09	Additions	Retirements	Balance 6-30-10
Capital assets not depreciated:				
Construction in progress	\$ 108,845	\$ 12,545	\$ (107,245)	\$ 14,145
Capital assets being depreciated:				
Land improvements	\$ 3,883	\$ 1,025	\$ 0	\$ 4,908
Buildings and improvements	200,464	108,770	0	309,234
Transportation equipment	51,460	0	0	51,460
Furniture, fixtures, and equipment	544,544	63,181	(12,123)	595,602
Total	\$ 800,351	\$ 172,976	\$ (12,123)	\$ 961,204
Accumulated depreciation:				
Land improvements	\$ 2,973	\$ 72	\$ 0	\$ 3,045
Buildings and improvements	55,677	20,543	0	76,220
Transportation equipment	51,335	125	0	51,460
Furniture, fixtures, and equipment	279,887	47,078	(8,562)	318,403
Total	\$ 389,872	\$ 67,818	\$ (8,562)	\$ 449,128
Net capital assets	\$ 519,324	\$ 117,703	\$ (110,806)	\$ 526,221

Depreciation expense for the fiscal year ended June 30, 2010, totaled \$67,818.

E. Resident Funds Held in Trust

At June 30, 2010, the nursing home had a fiduciary responsibility for funds totaling \$42,221 on behalf of residents. Of this amount, \$40,297 was held in a separate interest-bearing cash account, \$100 was held as cash on hand as resident trust petty cash, and \$1,824 was due from the facility's operating cash account as of June 30, 2010.

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, through June 30, 2011, and may be terminated by either party upon a 30 day written notice.

During the year ended June 30, 2010, the nursing home incurred and paid group health and life insurance premiums totaling \$941,625.

G. Litigation

The nursing home was a party to eight lawsuits at June 30, 2010. Four legal firms are separately defending the nursing home in these matters. In all but two, the nursing home's attorneys indicated that any loss, in those cases, would not exceed existing insurance coverage or they could not provide an evaluation of the likelihood of a favorable or unfavorable outcome. The other two cases involving assessed fines by the Tennessee Department of Health of \$711,850 and \$1,500 were settled in July 2010 for \$281,600 and \$1,350.

Additionally, during the year ended June 30, 2010, one professional liability suit was settled in finality for \$140,000. The nursing home accrued the liability for the deductible of \$25,000, and insurance coverage paid the remainder of the claim. This suit is not considered to be both unusual and infrequent in nature and, therefore, is stated as a separate line item in the Statement of Revenues, Expenses, and Changes in Net Assets.

H. Legal Fees

During the year ended June 30, 2010, legal expenses totaled \$117,934. These fees were incurred as the result of two major legal issues. The first being an appeal by the nursing home of penalties issued by the Center for Medicare and Medicaid Services ("CMS"), which has thus far resulted in an approximate \$200,000 abatement of those penalties. The nursing home is still appealing some of the CMS penalties and thus, expenses are expected to be ongoing. The second legal expense issue was incurred by the nursing home in obtaining a judgment that the nursing home is a government facility. Such classification as a government facility results in a cap on damages that can be claimed against the nursing home. Neither of these items are considered both unusual and infrequent and, therefore, are included in the administrative and general expense line item of the Statement of Revenues, Expenses, and Changes in Net Assets.

I. Concentration of Credit Risk

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

Medicaid	15.63 %
Medicare	35.24
Private	35.98
Insurance	13.15

Approximately 97.76 percent of net resident revenue is derived from third-party payers.

J. 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.

K. Pension Plan

Plan Description – Employees of Rutherford County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for Community Care of Rutherford County is included in the total retirement program for Rutherford County as noted in Note V.G. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information regarding the retirement plan can also be found in Note V.G. Contributions to the plan by the nursing home for the year ended June 30, 2010, totaled \$523,438.

L. Postemployment Benefits

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

Plan Description – 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.

Funding Policy – The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally by the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees' or retired employees' premiums. An employee who retires from Rutherford County becomes eligible for retiree health coverage upon the earlier of attaining: (1) age 55 with 15 years of service and active coverage for five continuous years, (2) age 62 with ten years of service and active coverage for five continuous years, or (3) any age with 30 years of service and active coverage for five continuous years. Employees who become disabled are eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employees must have had active coverage for a continuous five-year period, and must have filed and qualified for Medicare disability coverage. If a retiree is eligible for health insurance coverage, health coverage is also provided for the retiree's spouse and/or dependent children. In the event of the retiree's death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive.

Eligible retirees and dependents are required to share in the cost of health insurance coverage. 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 service as of December 31, 2009, will be required to contribute 25 percent of the adequate premiums for themselves and 50 percent of the adequate premiums for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, upon 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 (2010-13) such that contributions will be approximately 32 percent in 2010, 38 percent in 2011, 44 percent in 2012, 50 percent in 2013, and thereafter.

Adopted in May 2010 and effective January 1, 2011, the following changes take effect: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010 – no prescription drug coverage will be provided post age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than ten years of service as of December 31, 2010 – no prescription drug coverage will be provided post age 65 and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; (3) or employees hired prior to February 12, 2009, with less than seven years

of service as of December 31, 2010, – no prescription coverage will be provided post age 65, and Rutherford County’s contribution will be limited to the lesser of \$500 or the actual cost of coverage.

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

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

Annual required contributions (ARC)	\$ 217,707
Interest on the NPO	18,644
Adjustment to the ARC	<u>(23,674)</u>
Annual OPEB cost	\$ 212,677
Amount of contribution	<u>(562)</u>
Increase/decrease in NPO	\$ 212,115
Net OPEB obligation, July 1, 2009	<u>372,883</u>
 Net OPEB obligation, June 30, 2010	 <u><u>\$ 584,998</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of June 30, 2010, for Community Care of Rutherford County, Inc., is as follows:

Actuarial valuation date	1-1-09
Actuarial accrued liability (AAL)	\$ 1,995,503
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,995,503
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,744,232
UAAL as a % of covered payroll	42%

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.

Actuarial methods and assumptions – The discount rate as of January 1, 2009, is five percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the

investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore the discount rate is based on the expected return on Rutherford County's general assets.

The trend rate for health claims is 8.5 percent for 2009 grading down to 5.5 percent for 2015 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

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

M. 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.

N. Subsequent Events

As presented in Note VI.G., two legal settlements were reached in July 2010 involving assessed fines of \$711,850 and \$1,500 by the Tennessee Department of Health for \$281,600 and \$1,350.

**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, 2010, 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, 2010, 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 costs of prepaid insurance and any other applicable prepaid costs are charged to operations over the period of coverage. For the year ended June 30, 2010, prepaid insurance and service contract costs were \$34,081.

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
Office equipment	3-10
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, 2010, and is \$13,785.

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, 2010, 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, 2010, 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, 2010, the carrying amount of cash deposits was \$2,757,203, and the bank balance was \$2,819,652. All bank accounts earn a variable rate of interest. At June 30, 2010, 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	.22%	\$ 1,965,009	\$ 2,027,458
SunTrust Bank cash investment	.22	792,194	792,194
Total		<u>\$ 2,757,203</u>	<u>\$ 2,819,652</u>

Certificates of Deposit – At June 30, 2010, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-09	1.20 %	\$ 100,000
First Bank	3-2-11	2.00	100,000
Pinnacle National Bank	1-13-11	2.05	100,000
SunTrust Bank	12-16-10	1.59	135,567
First Tennessee Bank	2-8-11	1.00	112,801
First Nat'l Bank of Murfreesboro	4-13-11	2.00	100,000
U.S. Bank	10-20-10	1.75	100,000
F&M Bank	10-24-10	1.98	100,010
Bank of America	8-18-11	1.00	100,000
Regions Bank	7-22-11	0.50	100,000
Regions Bank	12-24-10	0.70	100,123
MidSouth Bank	2-16-11	1.49	103,447
Wilson Bank & Trust	10-19-10	2.50	100,000
Community First Bank	7-20-10	2.25	100,000
Total			<u>\$ 1,451,948</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, 2010:

AT&T	\$ 34,050
TN Telephone Company (TDS Telecom)	9,480
Others	<u>21,767</u>
Total	<u><u>\$ 65,297</u></u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-09	Additions	Balance 6-30-10
<u>Depreciable Assets</u>			
Buildings and Improvements	\$ 1,166,094	\$ 4,800	\$ 1,170,894
Communications Equipment	702,810	6,032	708,842
Furniture and Fixtures	45,975	0	45,975
Office Equipment	35,713	3,765	39,478
Vehicle	61,938	0	61,938
Other Capital Assets	252,430	68,911	321,341
Total	<u>\$ 2,264,960</u>	<u>\$ 83,508</u>	<u>\$ 2,348,468</u>

Less: Accumulated Depreciation

Buildings and Improvements	\$ (221,144)	\$ (29,152)	\$ (250,296)
Communications Equipment	(453,209)	(84,664)	(537,873)
Furniture and Fixtures	(34,595)	(3,953)	(38,548)
Office Equipment	(24,758)	(3,777)	(28,535)
Vehicle	(39,436)	(5,626)	(45,062)
Other Capital Assets	(62,830)	(29,699)	(92,529)
Total	<u>\$ (835,972)</u>	<u>\$ (156,871)</u>	<u>\$ (992,843)</u>

Capital Assets (Cont.)	Balance 7-1-09	Additions	Balance 6-30-10
<u>Non-depreciable Assets</u>			
Land	\$ 17,500	\$ 0	\$ 17,500
Total	\$ 17,500	\$ 0	\$ 17,500
Total Capital Assets	\$ 1,446,488	\$ (73,363)	\$ 1,373,125

E. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, consisted of an addition of the postemployment benefits obligation totaling \$12,446 to \$20,354 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/PS.

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

Rutherford County Emergency Communications District is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, 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, 2010, Rutherford County Emergency Communications District's annual pension cost of \$18,080 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$ 18,080	100 %	\$ 0
6-30-09	18,071	100	0
6-30-08	16,467	100	0

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date, the plan was 75.33 percent funded. The actuarial accrued liability for benefits was \$.4 million, and the actuarial value of assets

was \$.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.2 million, and the ratio of the UAAL to the covered payroll was 48.99 percent.

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

The annual required contribution 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 the Governmental Accounting Standards Board 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 health coverage is also provided for the retiree's spouse and/or dependent children. In the event of the retiree's death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree were alive.

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

Adopted in May 2010 and effective January 1, 2011, the follow changes take effect: (1) employees with at least ten years of service but less than 20 years of service as of December 31, 2010, no prescription drug coverage will be provided post age 65, and contributions will be 50 percent of the adequate premium rate for themselves and their spouses; (2) employees with at least seven years of service but less than 10 years of service as of December 31, 2010 – no prescription drug coverage will be provided post age 65, and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses; (3) employees hired prior to February 12, 2009, with less than seven years of service as of December 31, 2010 – no prescription drug coverage will be

provided post age 65, and the county contribution will be limited to the lesser of \$500 or the actual cost of coverage.

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

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

ARC	\$	8,076
Interest on the NPO		622
Adjustment to the ARC		(790)
Annual OPEB cost	\$	7,908
Amount of contribution		0
Increase/decrease in NPO	\$	7,908
Net OPEB obligation, 7-1-09		12,446
Net OPEB obligation, 6-30-10	\$	20,354

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

Actuarial valuation date		1-1-09
Actuarial accrued liability (AAL)	\$	63,830
Actuarial value of plan assets	\$	0
Unfunded actuarial accrued liability (UAAL)	\$	63,830
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	\$	201,558
UAAL as a % of covered payroll		31.67%

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

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

Actuarial Methods and Assumptions – The discount rate as of January 1, 2009, is five percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the

investments that are expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the ARC, and therefore, the discount rate is based on the expected return on the county's general assets.

The trend rate for health claims is 8.5 percent for 2009 grading down to 5.5 percent for 2015 and beyond. The trend rate is determined by the plan sponsor based on historical data and anticipated experience under the plan.

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

REQUIRED SUPPLEMENTARY INFORMATION

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	\$ 45,481,207	\$ 0	\$ 0	\$ 45,481,207	\$ 43,979,669	\$ 45,477,367	\$ 3,840
Licenses and Permits	1,295,317	0	0	1,295,317	1,293,000	1,307,000	(11,683)
Fines, Forfeitures, and Penalties	2,031,957	0	0	2,031,957	2,019,400	2,051,460	(19,503)
Charges for Current Services	731,015	0	0	731,015	717,850	709,500	21,515
Other Local Revenues	1,498,983	0	0	1,498,983	1,273,900	1,367,800	131,183
Fees Received from County Officials	6,621,307	0	0	6,621,307	6,455,000	6,550,600	70,707
State of Tennessee	5,583,461	0	0	5,583,461	6,600,336	6,239,580	(656,119)
Federal Government	1,080,487	0	0	1,080,487	616,188	1,670,378	(589,891)
Other Governments and Citizens Groups	454,894	0	0	454,894	379,000	432,400	22,494
Total Revenues	\$ 64,778,628	\$ 0	\$ 0	\$ 64,778,628	\$ 63,334,343	\$ 65,806,085	\$ (1,027,457)
Expenditures							
General Government							
County Commission	\$ 178,026	\$ 0	\$ 0	\$ 178,026	\$ 203,470	\$ 203,470	\$ 25,444
Board of Equalization	18,609	0	0	18,609	23,270	23,270	4,661
County Mayor/Executive	344,226	(3,355)	1,372	342,243	355,256	355,826	13,583
Personnel Office	176,815	(644)	0	176,171	185,188	185,188	9,017
County Attorney	259,047	(122)	0	258,925	262,073	262,293	3,368
Election Commission	549,121	(544)	8,747	557,324	685,399	717,899	160,575
Register of Deeds	84,335	0	1,598	85,933	103,650	103,650	17,717
Planning	638,768	(4,637)	3,742	637,873	692,777	722,777	84,904
Codes Compliance	48,269	0	0	48,269	48,905	48,905	636
Geographical Information Systems	653,054	(202,027)	335,127	786,154	821,292	821,732	35,578
County Buildings	1,675,006	(32,146)	120,280	1,763,140	1,726,581	1,794,881	31,741
Other General Administration	232,776	(1,350)	1,199	232,625	236,035	236,035	3,410

(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 7/1/2009	Add: Encumbrances 6/30/2010	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	\$ 114,836	\$ (5,926)	4,809	\$ 113,719	\$ 103,306	\$ 132,364	\$ 18,645
Risk Management	416,301	(600)	360	416,061	434,377	446,027	29,966
<u>Finance</u>							
Accounting and Budgeting	862,988	0	432	863,420	880,954	881,025	17,605
Property Assessor's Office	1,659,225	(9,884)	3,888	1,653,229	1,720,632	1,730,282	77,053
Reappraisal Program	574,910	(1,375)	956	574,491	607,026	598,157	23,666
County Trustee's Office	45,484	0	6,112	51,596	69,450	69,450	17,854
County Clerk's Office	147,777	(285)	1,749	149,241	171,200	177,200	27,959
Data Processing	1,396,303	(36,915)	22,848	1,382,236	1,423,363	1,425,088	42,852
<u>Administration of Justice</u>							
Circuit Court	389,929	(250)	0	389,679	438,786	438,786	49,107
Circuit Court Judge	236,682	(5)	980	237,657	233,978	241,850	4,193
General Sessions Court	1,198,831	0	0	1,198,831	1,221,593	1,223,118	24,287
Drug Court	410,391	(8)	4,700	415,083	437,905	444,375	29,292
Chancery Court	790,686	0	0	790,686	792,601	813,116	22,430
Juvenile Court	439,772	0	0	439,772	449,434	450,790	11,018
District Attorney General	65,362	0	0	65,362	65,433	65,433	71
Office of Public Defender	18,274	0	0	18,274	20,600	20,600	2,326
Probation Services	849,826	(300)	6	849,532	851,511	855,511	5,979
Victims Assistance Programs	155,271	0	225	155,496	163,256	168,156	12,660
<u>Public Safety</u>							
Sheriff's Department	16,133,652	(124,876)	132,944	16,141,720	17,049,908	17,124,406	982,686
Special Patrols	39,758	0	0	39,758	57,166	57,166	17,408
Traffic Control	6,048	0	0	6,048	20,000	20,000	13,952

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Administration of the Sexual Offender Registry	\$ 1,620	(285)	0	1,335	\$ 7,100	\$ 7,600	\$ 6,265
Jail	12,208,868	(63,690)	60,294	12,205,472	12,504,715	12,611,761	406,289
Workhouse	2,907,342	(2,865)	9,529	2,914,006	3,136,868	3,181,068	267,062
Juvenile Services	1,712,012	(1,158)	1,123	1,711,977	1,769,123	1,769,123	57,146
Rescue Squad	90,000	0	0	90,000	90,000	90,000	0
Disaster Relief	517,077	(10,771)	7,192	513,498	802,455	1,286,531	773,033
Inspection and Regulation	725,420	(1,233)	952	725,139	775,504	775,504	50,365
<u>Public Health and Welfare</u>							
Local Health Center	612,365	(4,725)	2,238	609,878	603,222	626,422	16,544
Rabies and Animal Control	1,082,768	(15,292)	12,466	1,079,942	1,337,401	1,286,401	206,459
Ambulance/Emergency Medical Services	15,818	(15,818)	0	0	0	0	0
Nursing Home	9,033	(9,033)	0	0	7,500	7,500	7,500
Dental Health Program	3,867	(232)	253	3,888	12,400	12,400	8,512
Other Local Health Services	1,463,732	(8,959)	20,700	1,475,473	1,702,735	2,275,800	800,327
General Welfare Assistance	43,000	0	0	43,000	43,000	43,000	0
Sanitation Management	27,500	0	0	27,500	30,000	30,000	2,500
Other Public Health and Welfare	173,281	0	0	173,281	167,400	182,400	9,119
<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	356,382	0	0	356,382	363,605	369,605	13,223
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	589,924	0	0	589,924	642,098	642,098	52,174
Soil Conservation	88,835	0	0	88,835	113,667	113,667	24,832
Storm Water Management	101,828	(581)	774	102,021	144,984	147,067	45,046

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations							
Tourism	\$ 328,000	\$ 0	\$ 0	\$ 328,000	\$ 310,000	\$ 328,000	\$ 0
Other Charges	225,321	(872)	1,605	226,054	269,295	269,295	43,241
Employee Benefits	638,914	0	0	638,914	711,960	657,657	18,743
Payments to Cities	1,928,146	0	0	1,928,146	1,908,484	1,928,146	0
ARRA Grant No. 1	24,374	0	0	24,374	0	28,000	3,626
ARRA Grant No. 2	28,746	0	0	28,746	0	32,310	3,564
ARRA Grant No. 3	40,511	0	0	40,511	0	103,718	63,207
ARRA Grant No. 4	36,618	0	0	36,618	0	51,172	14,554
ARRA Grant No. 5	445,384	0	4,465	449,849	0	538,165	88,316
ARRA Grant No. 6	114,037	0	80,604	194,641	0	418,600	223,959
ARRA Grant No. 7	4,935	0	0	4,935	0	4,935	0
Miscellaneous	4,327,020	(10,000)	1,490	4,318,510	3,704,862	4,538,009	219,499
Total Expenditures	\$ 62,748,684	\$ (570,763)	\$ 855,759	\$ 63,033,680	\$ 64,780,401	\$ 68,280,428	\$ 5,246,748
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,029,944	\$ 570,763	\$ (855,759)	\$ 1,744,948	\$ (1,446,058)	\$ (2,474,343)	\$ 4,219,291
Other Financing Sources (Uses)							
Insurance Recovery	\$ 12,300	\$ 0	\$ 0	\$ 12,300	\$ 0	\$ 12,300	\$ 0
Transfers In	5,287,718	0	0	5,287,718	999,377	5,313,943	(26,225)
Transfers Out	(400,000)	0	0	(400,000)	(400,000)	(400,000)	0
Total Other Financing Sources (Uses)	\$ 4,900,018	\$ 0	\$ 0	\$ 4,900,018	\$ 599,377	\$ 4,926,243	\$ (26,225)
Net Change in Fund Balance	\$ 6,929,962	\$ 570,763	\$ (855,759)	\$ 6,644,966	\$ (846,681)	\$ 2,451,900	\$ 4,193,066
Fund Balance, July 1, 2009	15,776,932	(570,763)	0	15,206,169	12,618,575	12,618,575	2,587,594
Fund Balance, June 30, 2010	\$ 22,706,894	\$ 0	\$ (855,759)	\$ 21,851,135	\$ 11,771,894	\$ 15,070,475	\$ 6,780,660

Exhibit F-2

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Local Taxes	\$ 5,109,027	\$ 0	\$ 5,109,027	\$ 5,064,838	\$ 5,085,089	\$ 23,938
Charges for Current Services	5,396,453	0	5,396,453	4,860,000	5,235,822	160,631
Other Local Revenues	14,570	0	14,570	0	8,441	6,129
Other Governments and Citizens Groups	320,025	0	320,025	0	320,025	0
Total Revenues	\$ 10,840,075	\$ 0	\$ 10,840,075	\$ 9,924,838	\$ 10,649,377	\$ 190,698
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Ambulance/Emergency Medical Services	\$ 9,727,296	\$ 37,627	\$ 9,764,923	\$ 9,890,087	\$ 10,323,606	\$ 558,683
Total Expenditures	\$ 9,727,296	\$ 37,627	\$ 9,764,923	\$ 9,890,087	\$ 10,323,606	\$ 558,683
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,112,779	\$ (37,627)	\$ 1,075,152	\$ 34,751	\$ 325,771	\$ 749,381
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,750	\$ (34,750)
Transfers In	400,000	0	400,000	400,000	400,000	0
Total Other Financing Sources (Uses)	\$ 400,000	\$ 0	\$ 400,000	\$ 400,000	\$ 434,750	\$ (34,750)
Net Change in Fund Balance	\$ 1,512,779	\$ (37,627)	\$ 1,475,152	\$ 434,751	\$ 760,521	\$ 714,631
Fund Balance, July 1, 2009	0	0	0	0	0	0
Fund Balance, June 30, 2010	\$ 1,512,779	\$ (37,627)	\$ 1,475,152	\$ 434,751	\$ 760,521	\$ 714,631

Exhibit F-3

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, 2010

(Dollar amounts in thousands)

Plans	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.	7-1-09 7-1-07	\$ 119,466 102,362	\$ 141,101 119,537	\$ 21,635 17,175	84.67 % 85.63	\$ 67,997 60,733	31.82 % 28.28
Discretely Presented Rutherford County Emergency Communications District	7-1-09 7-1-07	301 257	400 319	99 62	75.33 80.56	201 185	48.99 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 went into effect during the 2007 actuarial valuation, therefore, only the two most recent valuations are presented.

Exhibit F-4

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, 2010

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	1-1-08	\$	24,086	\$	0 %	\$	59 %
"	1-1-09	0	20,846	20,846	0	40,505	51
Rutherford County School Department	1-1-08	0	114,085	114,085	0	15,927	73
"	1-1-09	0	99,177	99,177	0	159,388	62
Community Care of Rutherford County, Inc.	1-1-08	0	2,210	2,210	0	4,390	50
"	1-1-09	0	1,996	1996	0	4,744	42
Emergency Communications District	1-1-08	0	75	75	0	201	37
"	1-1-09	0	64	64	0	202	32

* Data for three actuarial valuations will be presented when available.

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, Personnel Office, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

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.

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

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

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. This fund was closed during the year.

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 Fund

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.

Exhibit G-1

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue Funds				
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General
<u>ASSETS</u>					
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	3,937,451	223,988	25,955	859,885	240,098
Investments	0	0	0	0	0
Accounts Receivable	93,133	0	0	0	0
Allowance for Uncollectibles	0	(813,101)	0	0	0
Due from Other Governments	276,963	0	2	165	1,088
Property Taxes Receivable	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0
Notes Receivable - Long-term	0	1,349,128	0	0	0
Total Assets	\$ 4,307,947	\$ 760,015	\$ 25,957	\$ 860,050	\$ 241,186
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 24,510	\$ 0	\$ 0	\$ 996	\$ 0
Accrued Payroll	26,791	0	0	4,908	0
Due to Other Funds	72	0	0	0	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	114,197	0	0	0	0
Total Liabilities	\$ 165,570	\$ 0	\$ 0	\$ 5,904	\$ 0
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 9,380	\$ 0	\$ 80	\$ 17,559	\$ 0
Reserved for Long-term Notes Receivable	0	536,027	0	0	0
Unreserved	4,132,997	223,988	25,877	836,587	241,186
Total Fund Balances	\$ 4,142,377	\$ 760,015	\$ 25,957	\$ 854,146	\$ 241,186
Total Liabilities and Fund Balances	\$ 4,307,947	\$ 760,015	\$ 25,957	\$ 860,050	\$ 241,186

(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	\$ 1,028,354	\$ 0	\$ 1,028,754	\$ 0	\$ 1,028,754
Equity in Pooled Cash and Investments	0	6,355,668	11,643,045	1,081,113	12,724,158
Investments	0	0	0	149,304	149,304
Accounts Receivable	4,027	8,271	105,431	0	105,431
Allowance for Uncollectibles	0	0	(813,101)	0	(813,101)
Due from Other Governments	0	445,802	724,020	0	724,020
Property Taxes Receivable	0	569,633	569,633	0	569,633
Allowance for Uncollectible Property Taxes	0	(32,851)	(32,851)	0	(32,851)
Notes Receivable - Long-term	0	0	1,349,128	0	1,349,128
Total Assets	\$ 1,032,381	\$ 7,346,523	\$ 14,574,059	\$ 1,230,417	\$ 15,804,476
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 56,115	\$ 81,621	\$ 827,584	\$ 909,205
Accrued Payroll	0	0	31,699	0	31,699
Due to Other Funds	0	0	72	0	72
Due to Litigants, Heirs, and Others	317,244	0	317,244	0	317,244
Deferred Revenue - Current Property Taxes	0	520,703	520,703	0	520,703
Deferred Revenue - Delinquent Property Taxes	0	14,772	14,772	0	14,772
Other Deferred Revenues	0	30,066	144,263	0	144,263
Total Liabilities	\$ 317,244	\$ 621,656	\$ 1,110,374	\$ 827,584	\$ 1,937,958
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 27,019	\$ 206,570	\$ 233,589
Reserved for Long-term Notes Receivable	0	0	536,027	0	536,027
Unreserved	715,137	6,724,867	12,900,639	196,263	13,096,902
Total Fund Balances	\$ 715,137	\$ 6,724,867	\$ 13,463,685	\$ 402,833	\$ 13,866,518
Total Liabilities and Fund Balances	\$ 1,032,381	\$ 7,346,523	\$ 14,574,059	\$ 1,230,417	\$ 15,804,476

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds					Adequate Facilities/ Development Tax
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control		
Revenues						
Local Taxes	\$ 1,209,558	\$ 0	\$ 0	\$ 6,764	\$ 1,256,250	
Fines, Forfeitures, and Penalties	0	0	0	395,731	0	
Charges for Current Services	1,280,715	0	0	0	0	
Other Local Revenues	71,338	157,460	17	3,919	15,999	
State of Tennessee	324,037	0	0	0	0	
Federal Government	64,841	0	65,107	0	0	
Other Governments and Citizens Groups	0	0	0	0	0	
Total Revenues	\$ 2,950,489	\$ 157,460	\$ 65,124	\$ 406,414	\$ 1,272,249	
Expenditures						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,330	
Finance	0	0	0	0	0	
Administration of Justice	0	0	0	0	0	
Public Safety	0	0	39,167	690,677	0	
Public Health and Welfare	2,707,996	0	0	0	0	
Other Operations	173,140	219,891	0	0	0	
Highways	0	0	0	0	0	
Capital Projects	0	0	0	0	77,297	
Total Expenditures	\$ 2,881,136	\$ 219,891	\$ 39,167	\$ 690,677	\$ 90,627	
Excess (Deficiency) of Revenues Over Expenditures	\$ 69,353	\$ (62,431)	\$ 25,957	\$ (284,263)	\$ 1,181,622	
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Transfers Out	0	0	0	0	(5,450,693)	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,450,693)	
Net Change in Fund Balances	\$ 69,353	\$ (62,431)	\$ 25,957	\$ (284,263)	\$ (4,269,071)	
Fund Balance, July 1, 2009	4,073,024	822,446	0	1,138,409	4,269,071	
Fund Balance, June 30, 2010	\$ 4,142,377	\$ 760,015	\$ 25,957	\$ 854,146	\$ 0	

(Continued)

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

	Special Revenue Funds (Cont.)					Capital Projects Fund		Total Nonmajor Governmental Funds
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Total		General Capital Projects		
<u>Revenues</u>								
Local Taxes	\$ 0	\$ 0	\$ 4,032,785	\$ 6,505,357	\$ 0	\$ 0	\$ 6,505,357	
Fines, Forfeitures, and Penalties	62,362	0	0	458,093	0	0	458,093	
Charges for Current Services	0	5,102,706	0	6,383,421	0	0	6,383,421	
Other Local Revenues	0	0	205,925	454,658	251,943	0	706,601	
State of Tennessee	0	0	3,254,162	3,578,199	0	0	3,578,199	
Federal Government	0	0	87,047	216,995	0	0	216,995	
Other Governments and Citizens Groups	0	0	0	0	1,523,569	0	1,523,569	
Total Revenues	\$ 62,362	\$ 5,102,706	\$ 7,579,919	\$ 17,596,723	\$ 1,775,512	\$ 1,775,512	\$ 19,372,235	
<u>Expenditures</u>								
Current:								
General Government	\$ 612	\$ 875,822	\$ 0	\$ 889,764	\$ 0	\$ 0	\$ 889,764	
Finance	0	2,378,350	0	2,378,350	0	0	2,378,350	
Administration of Justice	30,610	1,901,384	0	1,931,994	0	0	1,931,994	
Public Safety	0	0	0	729,844	0	0	729,844	
Public Health and Welfare	0	0	0	2,707,996	0	0	2,707,996	
Other Operations	0	0	0	393,031	0	0	393,031	
Highways	0	0	7,810,579	7,810,579	0	0	7,810,579	
Capital Projects	0	0	0	77,297	4,631,824	0	4,709,121	
Total Expenditures	\$ 31,222	\$ 5,155,556	\$ 7,810,579	\$ 16,918,855	\$ 4,631,824	\$ 4,631,824	\$ 21,550,679	
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,140	\$ (52,850)	\$ (230,660)	\$ 677,868	\$ (2,856,312)	\$ (2,856,312)	\$ (2,178,444)	
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 97,295	\$ 97,295	\$ 97,295	
Transfers Out	0	0	0	(5,450,693)	(146,487)	(146,487)	(5,597,180)	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (5,450,693)	\$ (49,192)	\$ (49,192)	\$ (5,499,885)	
Net Change in Fund Balances	\$ 31,140	\$ (52,850)	\$ (230,660)	\$ (4,772,825)	\$ (2,905,504)	\$ (2,905,504)	\$ (7,678,329)	
Fund Balance, July 1, 2009	210,046	767,987	6,955,527	18,236,510	3,308,337	3,308,337	21,544,847	
Fund Balance, June 30, 2010	\$ 241,186	\$ 715,137	\$ 6,724,867	\$ 13,463,685	\$ 402,833	\$ 402,833	\$ 13,866,518	

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 1,209,558	\$ 0	\$ 0	\$ 1,209,558	\$ 1,200,000	\$ 1,182,000	\$ 27,558
Charges for Current Services	1,280,715	0	0	1,280,715	1,105,000	1,288,000	(7,285)
Other Local Revenues	71,338	0	0	71,338	36,000	57,010	14,328
State of Tennessee	324,037	0	0	324,037	320,005	339,292	(15,255)
Federal Government	64,841	0	0	64,841	0	64,845	(4)
Total Revenues	\$ 2,950,489	\$ 0	\$ 0	\$ 2,950,489	\$ 2,661,005	\$ 2,931,147	\$ 19,342
<u>Expenditures</u>							
Public Health and Welfare							
Sanitation Education/Information	\$ 113,195	\$ 0	\$ 520	\$ 113,715	\$ 134,689	\$ 134,689	\$ 20,974
Convenience Centers	1,605,676	(10,855)	3,485	1,598,306	1,886,404	1,905,459	307,153
Other Waste Collection	337,833	0	2,232	340,065	401,121	402,936	62,871
Landfill Operation and Maintenance	609,333	(2,945)	3,143	609,531	638,906	727,436	117,905
Postclosure Care Costs	41,959	(248)	0	41,711	91,500	91,500	49,789
Other Operations							
Employee Benefits	56,024	0	0	56,024	56,120	56,120	96
Miscellaneous	117,116	0	0	117,116	48,700	118,700	1,584
Total Expenditures	\$ 2,881,136	\$ (14,048)	\$ 9,380	\$ 2,876,468	\$ 3,257,440	\$ 3,436,840	\$ 560,372
Excess (Deficiency) of Revenues Over Expenditures	\$ 69,353	\$ 14,048	\$ (9,380)	\$ 74,021	\$ (596,435)	\$ (505,693)	\$ 579,714
Net Change in Fund Balance	\$ 69,353	\$ 14,048	\$ (9,380)	\$ 74,021	\$ (596,435)	\$ (505,693)	\$ 579,714
Fund Balance, July 1, 2009	4,073,024	(14,048)	0	4,058,976	4,058,975	4,058,975	1
Fund Balance, June 30, 2010	\$ 4,142,377	\$ 0	\$ (9,380)	\$ 4,132,997	\$ 3,462,540	\$ 3,553,282	\$ 579,715

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 157,460	\$ 113,366	\$ 163,890	\$ (6,430)
Total Revenues	\$ 157,460	\$ 113,366	\$ 163,890	\$ (6,430)
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 202,861	\$ 202,914	\$ 202,914	\$ 53
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 219,891	\$ 219,944	\$ 219,944	\$ 53
Excess (Deficiency) of Revenues Over Expenditures	\$ (62,431)	\$ (106,578)	\$ (56,054)	\$ (6,377)
Net Change in Fund Balance	\$ (62,431)	\$ (106,578)	\$ (56,054)	\$ (6,377)
Fund Balance, July 1, 2009	822,446	240,874	240,874	581,572
Fund Balance, June 30, 2010	\$ 760,015	\$ 134,296	\$ 184,820	\$ 575,195

Exhibit G-5

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Actual GAAP Basis	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Other Local Revenues	\$ 17	\$	0	\$ 17	\$ 0	\$ 13	\$ 4
Federal Government	65,107		0	65,107	0	50,119	14,988
Total Revenues	\$ 65,124	\$	0	\$ 65,124	\$ 0	\$ 50,132	\$ 14,992
<u>Expenditures</u>							
Public Safety							
Sheriff's Department	\$ 39,167	\$	80	\$ 39,247	\$ 0	\$ 46,840	\$ 7,593
Total Expenditures	\$ 39,167	\$	80	\$ 39,247	\$ 0	\$ 46,840	\$ 7,593
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,957	\$	(80)	\$ 25,877	\$ 0	\$ 3,292	\$ 22,585
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 25,957	\$	(80)	\$ 25,877	\$ 0	\$ 3,292	\$ 22,585
	0		0	0	0	0	0
Fund Balance, June 30, 2010	\$ 25,957	\$	(80)	\$ 25,877	\$ 0	\$ 3,292	\$ 22,585

Exhibit G-6

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 6,764	\$ 0	\$ 0	\$ 6,764	\$ 10,000	\$ 7,000	\$ (236)
Fines, Forfeitures, and Penalties	395,731	0	0	395,731	607,000	367,000	28,731
Other Local Revenues	3,919	0	0	3,919	11,000	3,900	19
Total Revenues	\$ 406,414	\$ 0	\$ 0	\$ 406,414	\$ 628,000	\$ 377,900	\$ 28,514
<u>Expenditures</u>							
Public Safety							
Drug Enforcement	\$ 690,677	\$ (60,111)	\$ 17,559	\$ 648,125	\$ 854,133	\$ 854,133	\$ 206,008
Total Expenditures	\$ 690,677	\$ (60,111)	\$ 17,559	\$ 648,125	\$ 854,133	\$ 854,133	\$ 206,008
Excess (Deficiency) of Revenues Over Expenditures	\$ (284,263)	\$ 60,111	\$ (17,559)	\$ (241,711)	\$ (226,133)	\$ (476,233)	\$ 234,522
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (284,263)	\$ 60,111	\$ (17,559)	\$ (241,711)	\$ (226,133)	\$ (476,233)	\$ 234,522
	1,138,409	(60,111)	0	1,078,298	1,078,298	1,078,298	0
Fund Balance, June 30, 2010	\$ 854,146	\$ 0	\$ (17,559)	\$ 836,587	\$ 852,165	\$ 602,065	\$ 234,522

Exhibit G-7

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,256,250	\$ 1,000,000	\$ 1,256,250	\$ 0
Other Local Revenues	15,999	50,000	17,062	(1,063)
Total Revenues	<u>\$ 1,272,249</u>	<u>\$ 1,050,000</u>	<u>\$ 1,273,312</u>	<u>\$ (1,063)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 13,330	\$ 10,500	\$ 13,500	\$ 170
<u>Capital Projects</u>				
Other General Government Projects	77,297	125,000	125,000	47,703
Total Expenditures	<u>\$ 90,627</u>	<u>\$ 135,500</u>	<u>\$ 138,500</u>	<u>\$ 47,873</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,181,622</u>	<u>\$ 914,500</u>	<u>\$ 1,134,812</u>	<u>\$ 46,810</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (5,450,693)	\$ (1,065,000)	\$ (5,450,693)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (5,450,693)</u>	<u>\$ (1,065,000)</u>	<u>\$ (5,450,693)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (4,269,071)	\$ (150,500)	\$ (4,315,881)	\$ 46,810
Fund Balance, July 1, 2009	<u>4,269,071</u>	<u>4,269,071</u>	<u>4,269,071</u>	<u>0</u>
Fund Balance, June 30, 2010	<u>\$ 0</u>	<u>\$ 4,118,571</u>	<u>\$ (46,810)</u>	<u>\$ 46,810</u>

Exhibit G-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,032,785	\$ 4,378,734	\$ 4,012,379	\$ 20,406
Other Local Revenues	205,925	102,500	175,800	30,125
State of Tennessee	3,254,162	3,499,295	3,228,011	26,151
Federal Government	87,047	0	87,048	(1)
Total Revenues	<u>\$ 7,579,919</u>	<u>\$ 7,980,529</u>	<u>\$ 7,503,238</u>	<u>\$ 76,681</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 609,843	\$ 704,825	\$ 704,825	\$ 94,982
Highway and Bridge Maintenance	5,157,910	5,450,745	5,450,745	292,835
Operation and Maintenance of Equipment	827,641	1,170,700	1,170,700	343,059
Quarry Operations	215,941	400,415	400,415	184,474
Other Charges	360,997	454,900	454,900	93,903
Employee Benefits	229,327	239,705	239,705	10,378
Capital Outlay	408,920	934,860	934,860	525,940
Total Expenditures	<u>\$ 7,810,579</u>	<u>\$ 9,356,150</u>	<u>\$ 9,356,150</u>	<u>\$ 1,545,571</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (230,660)</u>	<u>\$ (1,375,621)</u>	<u>\$ (1,852,912)</u>	<u>\$ 1,622,252</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 1,875	\$ (1,875)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,875</u>	<u>\$ (1,875)</u>
Net Change in Fund Balance	\$ (230,660)	\$ (1,375,621)	\$ (1,851,037)	\$ 1,620,377
Fund Balance, July 1, 2009	<u>6,955,527</u>	<u>6,954,396</u>	<u>6,954,396</u>	<u>1,131</u>
Fund Balance, June 30, 2010	<u>\$ 6,724,867</u>	<u>\$ 5,578,775</u>	<u>\$ 5,103,359</u>	<u>\$ 1,621,508</u>

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.

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,958,141	\$ 40,094,126	\$ 40,954,446	\$ 3,695
Other Local Revenues	446,845	780,200	492,200	(45,355)
Total Revenues	\$ 41,404,986	\$ 40,874,326	\$ 41,446,646	\$ (41,660)
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 811,232	\$ 1,087,000	\$ 1,105,845	\$ 294,613
<u>Principal on Debt</u>				
General Government	3,010,615	3,010,615	3,010,615	0
Education	19,364,385	19,364,385	19,364,385	0
<u>Interest on Debt</u>				
General Government	2,809,031	2,809,031	2,809,031	0
Education	15,005,602	15,005,603	15,005,603	1
<u>Other Debt Service</u>				
Education	0	112,459	112,459	112,459
Total Expenditures	\$ 41,000,865	\$ 41,389,093	\$ 41,407,938	\$ 407,073
Excess (Deficiency) of Revenues Over Expenditures	\$ 404,121	\$ (514,767)	\$ 38,708	\$ 365,413
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 628,125	\$ 500,000	\$ 628,125	\$ 0
Total Other Financing Sources (Uses)	\$ 628,125	\$ 500,000	\$ 628,125	\$ 0
Net Change in Fund Balance	\$ 1,032,246	\$ (14,767)	\$ 666,833	\$ 365,413
Fund Balance, July 1, 2009	32,182,126	32,097,974	32,097,974	84,152
Prior-period Adjustment	1,820,785	0	0	1,820,785
Fund Balance, June 30, 2010	\$ 35,035,157	\$ 32,083,207	\$ 32,764,807	\$ 2,270,350

Proprietary Funds

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

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

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

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

Exhibit I-1

Rutherford County, Tennessee
Combining Statement of Net Assets
Proprietary Funds
June 30, 2010

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>ASSETS</u>				
Cash	\$ 171,579	\$ 800,000	\$ 137,996	\$ 1,109,575
Equity in Pooled Cash and Investments	1,122,756	31,334,830	2,717,786	35,175,372
Accounts Receivable	10,996	103,419	3,775	118,190
Due from Other Governments	0	8,312	0	8,312
Advances to Other Funds	0	125,000	0	125,000
Total Assets	\$ 1,305,331	\$ 32,371,561	\$ 2,859,557	\$ 36,536,449
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 358	\$ 0	\$ 358
Claims and Judgments Payable	907,219	7,354,642	1,101,300	9,363,161
Due to Other Funds	0	1,523	1,523	3,046
Long-term Liabilities:				
Claims and Judgments Payable	226,805	1,838,660	237,200	2,302,665
Total Liabilities	\$ 1,134,024	\$ 9,195,183	\$ 1,340,023	\$ 11,669,230
<u>NET ASSETS</u>				
Restricted for Advances to Other Funds	\$ 0	\$ 125,000	\$ 0	\$ 125,000
Unrestricted	171,307	23,051,378	1,519,534	24,742,219
Total Net Assets	\$ 171,307	\$ 23,176,378	\$ 1,519,534	\$ 24,867,219

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,618,447	\$ 40,327,798	\$ 1,676,408	\$ 43,622,653
Other Employee Benefit Charges/Contributions	0	1,065,031	0	1,065,031
Service Charges	0	1,000	0	1,000
Other Local Revenues:				
Retirees' Insurance Payments	0	2,829,152	0	2,829,152
Cobra Insurance Payments	0	133,709	0	133,709
Contributions and Gifts	0	8,652	0	8,652
State of Tennessee:				
On-Behalf Contributions for OPEB	0	104,262	0	104,262
Federal Government:				
On-Behalf Contributions for OPEB	0	66,087	0	66,087
Total Operating Revenues	\$ 1,618,447	\$ 44,535,691	\$ 1,676,408	\$ 47,830,546
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 52,875	\$ 2,572,384	\$ 39,815	\$ 2,665,074
Disability Insurance	0	0	468,712	468,712
Consultants	0	77,331	0	77,331
Contracts with Private Agencies	0	1,804,302	0	1,804,302
Drug and Medical Supplies	0	42,377	0	42,377
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Medical Claims	0	35,934,877	0	35,934,877
Workers' Compensation Insurance	0	0	7,271	7,271
Liability Claims	1,175,227	0	0	1,175,227
Other Self-Insured Claims	0	0	302,738	302,738
Other Charges	0	1,100	0	1,100
Other Fringe Benefits	0	184,748	0	184,748
Other Contracted Services	0	19,877	0	19,877
Total Operating Expenses	\$ 1,228,102	\$ 40,636,996	\$ 826,036	\$ 42,691,134
Operating Income (Loss)	\$ 390,345	\$ 3,898,695	\$ 850,372	\$ 5,139,412
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 20,610	\$ 0	\$ 867	\$ 21,477
Miscellaneous Payments	0	(936)	0	(936)
Total Nonoperating Revenues (Expenses)	\$ 20,610	\$ (936)	\$ 867	\$ 20,541
Income (Loss) Before Transfers	\$ 410,955	\$ 3,897,759	\$ 851,239	\$ 5,159,953
Transfers Out	0	(207,979)	(207,979)	(415,958)
Change in Net Assets	\$ 410,955	\$ 3,689,780	\$ 643,260	\$ 4,743,995
Net Assets, July 1, 2009	(239,648)	439,876	876,274	1,076,502
Prior-period Adjustments	0	19,046,722	0	19,046,722
Net Assets, June 30, 2010	\$ 171,307	\$ 23,176,378	\$ 1,519,534	\$ 24,867,219

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

Cash Flows from Operating Activities

Receipts for Self-Insurance Premiums
 Payments to Suppliers
 Claims Paid
 Insurance Recovery
 Other Receipts

Net Cash Provided By (Used In) Operating Activities

Cash Flows from Noncapital Financing Activities

Transfers to Other Funds
 Advances to Other Funds

Net Cash Provided By (Used In) Noncapital Financing Activities

Net Increase (Decrease) in Cash
 Cash, July 1, 2009

Cash, June 30, 2010

Internal Service Funds				
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
\$	1,687,637	\$ 44,543,602	\$ 1,673,563	\$ 47,904,802
	(196,901)	(4,786,322)	(523,298)	(5,506,521)
	(1,236,693)	(35,863,877)	(968,182)	(38,068,752)
	20,610	0	867	21,477
	0	(936)	0	(936)
\$	274,653	\$ 3,892,467	\$ 182,950	\$ 4,350,070
\$	0	\$ (207,979)	\$ (207,979)	\$ (415,958)
	0	(125,000)	0	(125,000)
\$	0	\$ (332,979)	\$ (207,979)	\$ (540,958)
\$	274,653	\$ 3,559,488	\$ (25,029)	\$ 3,809,112
	1,019,682	28,575,342	2,880,811	32,475,835
\$	1,294,335	\$ 32,134,830	\$ 2,855,782	\$ 36,284,947

(Continued)

Exhibit I-3

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

<u>Reconciliation of Operating Income (Loss)</u> to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	
Insurance Recovery	
Miscellaneous Payments	
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	
(Increase) Decrease in Due from Other Governments	
Increase (Decrease) in Accounts Payable	
Increase (Decrease) in Due to Other Funds	
Increase (Decrease) in Claims and Judgments Payable	
Net Cash Provided By (Used In) Operating Activities	
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	
Equity in Pooled Cash and Investments per Net Assets	
Cash, June 30, 2010	

Internal Service Funds				
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
\$	390,345	\$ 3,898,695	\$ 850,372	\$ 5,139,412
	20,610	0	867	21,477
	0	(936)	0	(936)
	69,190	16,223	(2,845)	82,568
	0	(8,312)	0	(8,312)
	(144,026)	(77,259)	0	(221,285)
	0	(6,944)	(6,944)	(13,888)
	(61,466)	71,000	(658,500)	(648,966)
\$	274,653	\$ 3,892,467	\$ 182,950	\$ 4,350,070
\$	171,579	\$ 800,000	\$ 137,996	\$ 1,109,575
	1,122,756	31,334,830	2,717,786	35,175,372
\$	1,294,335	\$ 32,134,830	\$ 2,855,782	\$ 36,284,947

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.

Rutherford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

ASSETS

Cash
Equity in Pooled Cash and Investments
Investments
Accounts Receivable
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 \$	5,894,336 \$	5,894,336
	0	199,872	20,521	0	220,393
	0	0	0	118,871	118,871
	0	0	0	85,328	85,328
6,853,548	1,224,047	0	0	0	8,077,595
0	11,608,339	0	0	0	11,608,339
0	(668,484)	0	0	0	(668,484)
\$	6,853,548 \$	12,363,774 \$	20,521 \$	6,098,535 \$	25,336,378
\$	6,853,548 \$	12,363,774 \$	0 \$	0 \$	19,217,322
	0	0	20,521	0	20,521
	0	0	0	6,098,535	6,098,535
\$	6,853,548 \$	12,363,774 \$	20,521 \$	6,098,535 \$	25,336,378

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 39,742,289	\$ 39,742,289	\$ 0
Due from Other Governments	7,429,556	6,853,548	7,429,556	6,853,548
Total Assets	<u>\$ 7,429,556</u>	<u>\$ 46,595,837</u>	<u>\$ 47,171,845</u>	<u>\$ 6,853,548</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 7,429,556</u>	<u>\$ 46,595,837</u>	<u>\$ 47,171,845</u>	<u>\$ 6,853,548</u>
Total Liabilities	<u>\$ 7,429,556</u>	<u>\$ 46,595,837</u>	<u>\$ 47,171,845</u>	<u>\$ 6,853,548</u>
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 209,100	\$ 18,141,240	\$ 18,150,468	\$ 199,872
Due from Other Governments	1,124,081	1,224,047	1,124,081	1,224,047
Taxes Receivable	11,265,373	11,608,339	11,265,373	11,608,339
Allowance for Uncollectible Taxes	(623,625)	(668,484)	(623,625)	(668,484)
Total Assets	<u>\$ 11,974,929</u>	<u>\$ 30,305,142</u>	<u>\$ 29,916,297</u>	<u>\$ 12,363,774</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 11,974,929</u>	<u>\$ 30,305,142</u>	<u>\$ 29,916,297</u>	<u>\$ 12,363,774</u>
Total Liabilities	<u>\$ 11,974,929</u>	<u>\$ 30,305,142</u>	<u>\$ 29,916,297</u>	<u>\$ 12,363,774</u>
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 23,961	\$ 0	\$ 3,440	\$ 20,521
Total Assets	<u>\$ 23,961</u>	<u>\$ 0</u>	<u>\$ 3,440</u>	<u>\$ 20,521</u>
<u>Liabilities</u>				
Due to Joint Ventures	<u>\$ 23,961</u>	<u>\$ 0</u>	<u>\$ 3,440</u>	<u>\$ 20,521</u>
Total Liabilities	<u>\$ 23,961</u>	<u>\$ 0</u>	<u>\$ 3,440</u>	<u>\$ 20,521</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,500,699	\$ 53,583,274	\$ 54,189,637	\$ 5,894,336
Investments	500,763	118,871	500,763	118,871
Accounts Receivable	0	85,328	0	85,328
Total Assets	<u>\$ 7,001,462</u>	<u>\$ 53,787,473</u>	<u>\$ 54,690,400</u>	<u>\$ 6,098,535</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 7,001,462</u>	<u>\$ 53,787,473</u>	<u>\$ 54,690,400</u>	<u>\$ 6,098,535</u>
Total Liabilities	<u>\$ 7,001,462</u>	<u>\$ 53,787,473</u>	<u>\$ 54,690,400</u>	<u>\$ 6,098,535</u>

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 6,500,699	\$ 53,583,274	\$ 54,189,637	\$ 5,894,336
Equity in Pooled Cash and Investments	233,061	57,883,529	57,896,197	220,393
Investments	500,763	118,871	500,763	118,871
Accounts Receivable	0	85,328	0	85,328
Due from Other Governments	8,553,637	8,077,595	8,553,637	8,077,595
Taxes Receivable	11,265,373	11,608,339	11,265,373	11,608,339
Allowance for Uncollectible Taxes	(623,625)	(668,484)	(623,625)	(668,484)
Total Assets	<u>\$ 26,429,908</u>	<u>\$ 130,688,452</u>	<u>\$ 131,781,982</u>	<u>\$ 25,336,378</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 19,404,485	\$ 76,900,979	\$ 77,088,142	\$ 19,217,322
Due to Joint Ventures	23,961	0	3,440	20,521
Due to Litigants, Heirs, and Others	7,001,462	53,787,473	54,690,400	6,098,535
Total Liabilities	<u>\$ 26,429,908</u>	<u>\$ 130,688,452</u>	<u>\$ 131,781,982</u>	<u>\$ 25,336,378</u>

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.

Rutherford County, Tennessee
Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction	\$ 177,406,343	\$ 20,883,859	0	\$ (156,363,299)
Support Services	95,278,994	354,681	0	(94,837,059)
Operation of Non-Instructional Services	15,856,853	8,709,572	0	(700,480)
Interest on Long-term Debt	79,092	0	0	(79,092)
Other Debt Service	250	0	0	(250)
Total Governmental Activities	\$ 288,621,532	\$ 29,948,112	0	\$ (251,980,180)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 59,596,916
Payments in-lieu-of Tax				827,905
Local Option Sales Tax				35,408,415
Wheel Tax				3,213,834
Business Tax				1,119,853
Interstate Telecommunications Tax				13,370
Grants and Contributions Not Restricted for Specific Programs				140,710,928
Interest Income				327,479
Miscellaneous				196,976
Total General Revenues				\$ 241,415,676
Change in Net Assets				\$ (10,564,504)
Net Assets, July 1, 2009				434,605,318
Net Assets, June 30, 2010				\$ 424,040,814

Exhibit K-2

Rutherford County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Rutherford County School Department
 June 30, 2010

	Major Funds		Nonmajor Funds	Total
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 150	\$ 0	\$ 1,301,257	\$ 1,301,407
Equity in Pooled Cash and Investments	34,988,827	9,504,693	5,116,837	49,610,357
Inventories	0	0	200,457	200,457
Accounts Receivable	63,182	0	12,788	75,970
Due from Other Governments	6,863,237	0	1,528,641	8,391,878
Due from Other Funds	130,446	0	0	130,446
Property Taxes Receivable	61,158,504	0	2,414,022	63,572,526
Allowance for Uncollectible Property Taxes	(3,524,795)	0	(139,140)	(3,663,935)
Total Assets	\$ 99,679,551	\$ 9,504,693	\$ 10,434,862	\$ 119,619,106
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 3,246,612	\$ 0	\$ 103,074	\$ 3,349,686
Accrued Payroll	16,584,527	0	612,105	17,196,632
Payroll Deductions Payable	1,084	0	0	1,084
Contracts Payable	0	0	159,521	159,521
Retainage Payable	0	0	17,221	17,221
Due to Other Funds	0	0	130,446	130,446
Deferred Revenue - Current Property Taxes	55,912,337	0	2,206,166	58,118,503
Deferred Revenue - Delinquent Property Taxes	1,583,146	0	57,773	1,640,919
Other Deferred Revenues	2,910,679	0	0	2,910,679
Total Liabilities	\$ 80,238,385	\$ 0	\$ 3,286,306	\$ 83,524,691
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 2,787,928	\$ 6,696,182	\$ 1,512,916	\$ 10,997,026
Reserved for Inventory	0	0	200,457	200,457
Reserved for Career Ladder Program	335,648	0	0	335,648
Unreserved, Reported In:				
General Fund	16,317,590	0	0	16,317,590
Special Revenue Funds	0	0	4,694,774	4,694,774
Capital Projects Funds	0	2,808,511	740,409	3,548,920
Total Fund Balances	\$ 19,441,166	\$ 9,504,693	\$ 7,148,556	\$ 36,094,415
Total Liabilities and Fund Balances	\$ 99,679,551	\$ 9,504,693	\$ 10,434,862	\$ 119,619,106

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, 2010

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)		\$ 36,094,415
(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	40,846,060	
Add: buildings and improvements net of accumulated depreciation	355,324,768	
Add: intangible assets net of accumulated depreciation	370,305	
Add: other capital assets net of accumulated depreciation	<u>6,340,208</u>	411,386,781
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		4,551,598
(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.		20,487
(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.		(28,167)
(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	\$ (1,735,000)	
Less: notes payable	(214,284)	
Less: compensated absences payable	(1,116,601)	
Less: other postemployment benefits liability	(24,894,954)	
Less: unamortized debt premiums	<u>(23,461)</u>	<u>(27,984,300)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 424,040,814</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, 2010

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Other Capital Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 97,595,371	\$ 0	\$ 2,311,326	\$ 99,906,697
Licenses and Permits	10,832	0	0	10,832
Charges for Current Services	147,213	0	6,446,801	6,594,014
Other Local Revenues	690,979	0	52,618	743,597
State of Tennessee	144,309,081	0	157,722	144,466,803
Federal Government	1,041,976	0	23,915,659	24,957,635
Total Revenues	<u>\$ 243,795,452</u>	<u>\$ 0</u>	<u>\$ 32,884,126</u>	<u>\$ 276,679,578</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 156,439,900	\$ 0	\$ 11,321,395	\$ 167,761,295
Support Services	77,212,122	0	5,142,296	82,354,418
Operation of Non-Instructional Services	1,775,717	0	13,293,887	15,069,604
Capital Outlay	123,725	0	0	123,725
Debt Service:				
Principal on Debt	601,429	0	0	601,429
Interest on Debt	88,800	0	0	88,800
Other Debt Service	250	0	0	250
Capital Projects	0	35,988,049	2,148,869	38,136,918
Total Expenditures	<u>\$ 236,241,943</u>	<u>\$ 35,988,049</u>	<u>\$ 31,906,447</u>	<u>\$ 304,136,439</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,553,509</u>	<u>\$ (35,988,049)</u>	<u>\$ 977,679</u>	<u>\$ (27,456,861)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 223,695	\$ 0	\$ 500,000	\$ 723,695
Transfers Out	(500,000)	0	(223,695)	(723,695)
Total Other Financing Sources (Uses)	<u>\$ (276,305)</u>	<u>\$ 0</u>	<u>\$ 276,305</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ 7,277,204</u>	<u>\$ (35,988,049)</u>	<u>\$ 1,253,984</u>	<u>\$ (27,456,861)</u>
Fund Balance, July 1, 2009	<u>12,163,962</u>	<u>45,492,742</u>	<u>5,894,572</u>	<u>63,551,276</u>
Fund Balance, June 30, 2010	<u>\$ 19,441,166</u>	<u>\$ 9,504,693</u>	<u>\$ 7,148,556</u>	<u>\$ 36,094,415</u>

Exhibit K-5

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2010

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)		\$ (27,456,861)
(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	\$ 36,606,690	
Less: current year depreciation expense	<u>(10,930,966)</u>	25,675,724
(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		(2,258)
(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, 2009	\$ (4,271,820)	
Add: deferred delinquent property taxes and other deferred June 30, 2010	<u>4,551,598</u>	279,778
(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>530,000</u>	601,429
(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	\$ 8,833	
Change in other postemployment benefits liability	(9,585,950)	
Change in compensated absences payable	<u>(86,074)</u>	(9,663,191)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (10,564,504)</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2010

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,301,257	\$ 1,301,257	\$ 0	\$ 1,301,257
Equity in Pooled Cash and Investments	244,759	3,302,926	3,547,685	1,569,152	5,116,837
Inventories	0	200,457	200,457	0	200,457
Accounts Receivable	2,965	3,449	6,414	6,374	12,788
Due from Other Governments	1,423,551	95,921	1,519,472	9,169	1,528,641
Property Taxes Receivable	0	0	0	2,414,022	2,414,022
Allowance for Uncollectible Property Taxes	0	0	0	(139,140)	(139,140)
Total Assets	<u>\$ 1,671,275</u>	<u>\$ 4,904,010</u>	<u>\$ 6,575,285</u>	<u>\$ 3,859,577</u>	<u>\$ 10,434,862</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 101,481	\$ 1,593	\$ 103,074	\$ 0	\$ 103,074
Accrued Payroll	612,105	0	612,105	0	612,105
Contracts Payable	0	0	0	159,521	159,521
Retainage Payable	0	0	0	17,221	17,221
Due to Other Funds	129,881	565	130,446	0	130,446
Deferred Revenue - Current Property Taxes	0	0	0	2,206,166	2,206,166
Deferred Revenue - Delinquent Property Taxes	0	0	0	57,773	57,773
Total Liabilities	<u>\$ 843,467</u>	<u>\$ 2,158</u>	<u>\$ 845,625</u>	<u>\$ 2,440,681</u>	<u>\$ 3,286,306</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 494,606	\$ 339,823	\$ 834,429	\$ 678,487	\$ 1,512,916
Reserved for Inventory	0	200,457	200,457	0	200,457
Unreserved	333,202	4,361,572	4,694,774	740,409	5,435,183
Total Fund Balances	<u>\$ 827,808</u>	<u>\$ 4,901,852</u>	<u>\$ 5,729,660</u>	<u>\$ 1,418,896</u>	<u>\$ 7,148,556</u>
Total Liabilities and Fund Balances	<u>\$ 1,671,275</u>	<u>\$ 4,904,010</u>	<u>\$ 6,575,285</u>	<u>\$ 3,859,577</u>	<u>\$ 10,434,862</u>

Exhibit K-7

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2010

	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	\$ 2,311,326	\$ 2,311,326
Charges for Current Services	0	6,446,801	6,446,801	0	6,446,801
Other Local Revenues	0	52,618	52,618	0	52,618
State of Tennessee	0	157,722	157,722	0	157,722
Federal Government	16,461,481	7,454,178	23,915,659	0	23,915,659
Total Revenues	<u>\$ 16,461,481</u>	<u>\$ 14,111,319</u>	<u>\$ 30,572,800</u>	<u>\$ 2,311,326</u>	<u>\$ 32,884,126</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 11,321,395	\$ 0	\$ 11,321,395	\$ 0	\$ 11,321,395
Support Services	5,024,773	72,000	5,096,773	45,523	5,142,296
Operation of Non-Instructional Services	0	13,293,887	13,293,887	0	13,293,887
Capital Projects	0	0	0	2,148,869	2,148,869
Total Expenditures	<u>\$ 16,346,168</u>	<u>\$ 13,365,887</u>	<u>\$ 29,712,055</u>	<u>\$ 2,194,392</u>	<u>\$ 31,906,447</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 115,313</u>	<u>\$ 745,432</u>	<u>\$ 860,745</u>	<u>\$ 116,934</u>	<u>\$ 977,679</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 500,000	\$ 0	\$ 500,000	\$ 0	\$ 500,000
Transfers Out	(181,818)	(41,877)	(223,695)	0	(223,695)
Total Other Financing Sources (Uses)	<u>\$ 318,182</u>	<u>\$ (41,877)</u>	<u>\$ 276,305</u>	<u>\$ 0</u>	<u>\$ 276,305</u>
Net Change in Fund Balances	\$ 433,495	\$ 703,555	\$ 1,137,050	\$ 116,934	\$ 1,253,984
Fund Balance, July 1, 2009	<u>394,313</u>	<u>4,198,297</u>	<u>4,592,610</u>	<u>1,301,962</u>	<u>5,894,572</u>
Fund Balance, June 30, 2010	<u>\$ 827,808</u>	<u>\$ 4,901,852</u>	<u>\$ 5,729,660</u>	<u>\$ 1,418,896</u>	<u>\$ 7,148,556</u>

Exhibit K-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
General Purpose School Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 97,595,371	\$ 0	\$ 0	\$ 97,595,371	\$ 97,759,365	\$ 97,801,865	\$ (206,494)
Licenses and Permits	10,832	0	0	10,832	13,000	11,000	(168)
Charges for Current Services	147,213	0	0	147,213	198,500	168,500	(21,287)
Other Local Revenues	690,979	0	0	690,979	771,000	651,314	39,665
State of Tennessee	144,309,081	0	0	144,309,081	142,865,283	143,640,238	668,843
Federal Government	1,041,976	0	0	1,041,976	973,333	1,069,042	(27,066)
Total Revenues	\$ 243,795,452	\$ 0	\$ 0	\$ 243,795,452	\$ 242,580,481	\$ 243,341,959	\$ 453,493

<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 124,910,117	\$ (394,224)	\$ 2,123,142	\$ 126,639,035	\$ 127,787,553	\$ 128,286,820	\$ 1,647,785
Alternative Instruction Program	1,553,738	(1,024)	346	1,553,060	1,594,353	1,570,876	17,816
Special Education Program	20,249,556	(29,051)	941	20,221,446	20,473,780	20,594,192	372,746
Vocational Education Program	9,340,705	(33,896)	24,782	9,331,591	9,148,462	9,402,312	70,721
Adult Education Program	385,784	(13,357)	1,442	373,869	497,470	496,405	122,536
<u>Support Services</u>							
Attendance	618,550	(45,955)	396	572,991	563,320	633,030	60,039
Health Services	2,949,331	(1,465)	8,546	2,956,412	2,826,816	2,995,517	39,105
Other Student Support	7,151,065	(6,200)	17,420	7,162,285	6,931,499	7,239,023	76,738
Regular Instruction Program	8,027,411	(29,178)	51,683	8,049,916	8,162,651	8,157,692	107,776
Alternative Instruction Program	643,949	(2,999)	2,500	643,450	683,844	678,261	34,811
Special Education Program	948,041	(3,810)	2,025	946,256	1,017,517	1,075,686	129,430
Vocational Education Program	124,114	(1,108)	3,358	126,364	161,221	143,670	17,306
Adult Programs	164,138	0	210	164,348	187,909	186,764	22,416
Board of Education	4,036,677	(4,304)	3,056	4,035,429	4,448,607	4,422,486	387,057
Director of Schools	439,267	(8,075)	21,913	453,105	532,322	522,877	69,772
Office of the Principal	13,678,553	(121,017)	12,837	13,570,373	14,184,203	13,980,779	410,406
Fiscal Services	752,697	(1,145)	1,475	753,027	776,471	771,973	18,946

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 364,151	\$ 0	\$ 1,745	\$ 365,896	\$ 386,305	\$ 388,017	\$ 22,121
Operation of Plant	18,884,684	(15,137)	70,200	18,939,747	20,563,653	20,154,210	1,214,463
Maintenance of Plant	5,207,109	(150,842)	398,767	5,455,034	5,845,045	5,792,141	337,107
Transportation	11,298,878	0	7,216	11,306,094	11,389,283	11,384,763	78,669
Central and Other	1,923,507	(67,525)	33,928	1,889,910	1,949,983	1,938,898	48,988
<u>Operation of Non-Instructional Services</u>							
Community Services	22,045	0	0	22,045	40,000	40,000	17,955
Early Childhood Education	1,753,672	0	0	1,753,672	1,839,009	1,838,804	85,132
<u>Capital Outlay</u>							
Regular Capital Outlay	123,725	0	0	123,725	75,000	125,446	1,721
Principal on Debt							
Education	601,429	0	0	601,429	601,429	601,429	0
Interest on Debt							
Education	88,800	0	0	88,800	88,800	88,800	0
<u>Other Debt Service</u>							
Education	250	0	0	250	250	250	0
Total Expenditures	\$ 236,241,943	\$ (930,312)	\$ 2,787,928	\$ 238,099,559	\$ 242,756,755	\$ 243,511,121	\$ 5,411,562
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 7,553,509	\$ 930,312	\$ (2,787,928)	\$ 5,695,893	\$ (176,274)	\$ (169,162)	\$ 5,865,055
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 223,695	\$ 0	\$ 0	\$ 223,695	\$ 190,000	\$ 169,887	\$ 53,808
Transfers Out	(500,000)	0	0	(500,000)	0	(500,000)	0
Total Other Financing Sources (Uses)	\$ (276,305)	\$ 0	\$ 0	\$ (276,305)	\$ 190,000	\$ (330,113)	\$ 53,808
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2009</u>	\$ 7,277,204	\$ 930,312	\$ (2,787,928)	\$ 5,419,588	\$ 13,726	\$ (499,275)	\$ 5,918,863
	12,163,962	(930,312)	0	11,233,650	9,824,745	9,824,745	1,408,905
<u>Fund Balance, June 30, 2010</u>	\$ 19,441,166	\$ 0	\$ (2,787,928)	\$ 16,653,238	\$ 9,838,471	\$ 9,325,470	\$ 7,327,768

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 180,000	\$ (180,000)
Federal Government	16,461,481	0	0	16,461,481	0	26,711,532	(10,250,051)
Total Revenues	\$ 16,461,481	\$ 0	\$ 0	\$ 16,461,481	\$ 0	\$ 26,891,532	\$ (10,430,051)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 5,175,850	(2,965)	7,000	\$ 5,179,885	\$ 0	\$ 5,702,759	\$ 522,874
Special Education Program	5,638,800	(29,041)	84,541	5,694,300	0	10,592,073	4,897,773
Vocational Education Program	506,745	(13,892)	46,845	539,698	0	540,806	1,108
<u>Support Services</u>							
Health Services	197,490	0	0	197,490	0	430,958	233,468
Other Student Support	1,054,613	0	8,159	1,062,772	0	1,492,819	430,047
Regular Instruction Program	1,723,018	(293,537)	341,803	1,771,284	0	2,396,135	624,851
Special Education Program	1,920,257	(6,923)	6,258	1,919,592	0	5,193,974	3,274,382
Vocational Education Program	32,460	(803)	0	31,657	0	32,384	727
Transportation	96,935	0	0	96,935	0	248,105	151,170
Total Expenditures	\$ 16,346,168	\$ (347,161)	\$ 494,606	\$ 16,493,613	\$ 0	\$ 26,630,013	\$ 10,136,400
Excess (Deficiency) of Revenues Over Expenditures	\$ 115,313	\$ 347,161	\$ (494,606)	\$ (32,132)	\$ 0	\$ 261,519	\$ (293,651)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 500,000	0	0	500,000	0	253,859	\$ 246,141
Transfers Out	(181,818)	0	0	(181,818)	0	(515,373)	333,555
Total Other Financing Sources (Uses)	\$ 318,182	\$ 0	\$ 0	\$ 318,182	\$ 0	\$ (261,514)	\$ 579,696
Net Change in Fund Balance	\$ 433,495	\$ 347,161	\$ (494,606)	\$ 286,050	\$ 0	\$ 5	\$ 286,045
Fund Balance, July 1, 2009	394,313	(347,161)	0	47,152	0	394,313	(347,161)
Fund Balance, June 30, 2010	\$ 827,808	\$ 0	\$ (494,606)	\$ 333,202	\$ 0	\$ 394,318	\$ (61,116)

Exhibit K-10

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Charges for Current Services	\$ 6,446,801	\$ 0	\$ 0	\$ 6,446,801	\$ 7,355,410	\$ 6,454,631	\$ (7,830)
Other Local Revenues	52,618	0	0	52,618	118,910	51,152	1,466
State of Tennessee	157,722	0	0	157,722	176,300	157,722	0
Federal Government	7,454,178	0	0	7,454,178	6,868,530	7,405,920	48,258
Total Revenues	\$ 14,111,319	\$ 0	\$ 0	\$ 14,111,319	\$ 14,519,150	\$ 14,069,425	\$ 41,894
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 72,000	\$ 0	\$ 0	\$ 72,000	\$ 76,000	\$ 76,000	\$ 4,000
<u>Operation of Non-Instructional Services</u>							
Food Service	13,293,887	(226,282)	339,823	13,407,428	13,981,670	13,781,670	374,242
Total Expenditures	\$ 13,365,887	\$ (226,282)	\$ 339,823	\$ 13,479,428	\$ 14,057,670	\$ 13,857,670	\$ 378,242
Excess (Deficiency) of Revenues Over Expenditures	\$ 745,432	\$ 226,282	\$ (339,823)	\$ 631,891	\$ 461,480	\$ 211,755	\$ 420,136
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (41,877)	\$ 0	\$ 0	\$ (41,877)	\$ (66,630)	\$ (51,630)	\$ 9,753
Total Other Financing Sources (Uses)	\$ (41,877)	\$ 0	\$ 0	\$ (41,877)	\$ (66,630)	\$ (51,630)	\$ 9,753
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 703,555	\$ 226,282	\$ (339,823)	\$ 590,014	\$ 394,850	\$ 160,125	\$ 429,889
	4,198,297	(226,282)	0	3,972,015	3,972,016	3,972,016	(1)
Fund Balance, June 30, 2010	\$ 4,901,852	\$ 0	\$ (339,823)	\$ 4,562,029	\$ 4,366,866	\$ 4,132,141	\$ 429,888

Exhibit K-11

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 2,311,326	\$ 0	\$ 0	\$ 2,311,326	\$ 2,255,024	\$ 2,278,349	\$ 32,977
Total Revenues	\$ 2,311,326	\$ 0	\$ 0	\$ 2,311,326	\$ 2,255,024	\$ 2,278,349	\$ 32,977
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 45,523	\$ 0	\$ 0	\$ 45,523	\$ 44,329	\$ 45,737	\$ 214
Capital Projects	2,148,869	(394,019)	678,487	2,433,337	2,189,875	2,840,623	407,286
Education Capital Projects	\$ 2,194,392	\$ (394,019)	\$ 678,487	\$ 2,478,860	\$ 2,234,204	\$ 2,886,360	\$ 407,500
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,934	\$ 394,019	\$ (678,487)	\$ (167,534)	\$ 20,820	\$ (608,011)	\$ 440,477
Net Change in Fund Balance	\$ 116,934	\$ 394,019	\$ (678,487)	\$ (167,534)	\$ 20,820	\$ (608,011)	\$ 440,477
Fund Balance, July 1, 2009	1,301,962	(394,019)	0	907,943	1,297,164	1,297,164	(389,221)
Fund Balance, June 30, 2010	\$ 1,418,896	\$ 0	\$ (678,487)	\$ 740,409	\$ 1,317,984	\$ 689,153	\$ 51,256

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2010

		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, 2010

		Private- Purpose Trust Fund <hr/> Endowment Fund <hr/>
	<u>ADDITIONS</u>	
Investment Income:		
Interest		\$ 693
Total Additions		<hr/> \$ 693 <hr/>
	<u>DEDUCTIONS</u>	
Education:		
Scholarship		\$ 693
Total Deductions		<hr/> \$ 693 <hr/>
Change in Net Assets		\$ 0
Net Assets, July 1, 2009		<hr/> 28,783 <hr/>
Net Assets, June 30, 2010		<hr/> \$ 28,783 <hr/>

MISCELLANEOUS SCHEDULES

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, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Paid and/or Matured During Period	Outstanding 6-30-10
<u>PRIMARY GOVERNMENT</u>							
<u>NOTES PAYABLE</u>							
Payable through General Debt Service Fund							
School Facilities and Public Improvement	\$ 10,000,000	2.7 %	11-21-08	4-11-11	\$ 10,000,000	\$ 0	\$ 10,000,000
School Facilities and Public Improvement	21,000,000	1.98	5-28-09	4-1-12	21,000,000	0	21,000,000
Total Notes Payable					\$ 31,000,000	\$ 0	\$ 31,000,000
<u>BONDS PAYABLE</u>							
Payable through General Debt Service Fund							
School Facilities	34,000,000	5.5764981	3-8-00	4-1-10	\$ 2,500,000	\$ 2,500,000	\$ 0
Refunding Bonds	73,585,000	4 to 5	3-22-01	4-1-20	56,130,000	3,870,000	52,260,000
School Facilities	30,850,000	4 to 5	3-22-01	4-1-11	2,625,000	1,280,000	1,345,000
School Facilities and Public Improvement	30,610,000	4 to 5	10-24-01	4-1-11	3,900,000	1,900,000	2,000,000
School Facilities and Public Improvement	23,610,000	4 to 5	6-1-02	4-1-23	16,610,000	1,100,000	15,510,000
Various Purpose and Refunding (24.29 percent)	30,115,000	4.1446	4-1-03	4-1-23	22,500,000	1,000,000	21,500,000
School Facilities and Public Improvement	24,995,000	2.75 to 4.5	12-10-03	6-1-23	24,200,000	800,000	23,400,000
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-21	40,665,000	2,780,000	37,885,000
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	4-1-30	48,000,000	1,500,000	46,500,000
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	4-1-21	17,765,000	0	17,765,000
General Obligation Bonds	64,220,000	4.375 to 5	6-1-06	6-1-26	57,935,000	2,255,000	55,680,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-28	41,250,000	1,500,000	39,750,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	6-30-30	41,325,000	1,890,000	39,435,000
Total Bonds Payable					\$ 375,405,000	\$ 22,375,000	\$ 353,030,000

(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 7-1-09	Paid and/or Matured During Period	Outstanding 6-30-10
<u>DISCRETELY PRESENTED RUTHERFORD</u>							
<u>COUNTY SCHOOL DEPARTMENT</u>							
<u>NOTES PAYABLE</u>							
<u>Payable through Education Debt Service Fund</u>							
Energy Efficiency Note	\$ 500,000	0	%	7-17-06	8-16-12	\$ 285,713	\$ 214,284
Total Notes Payable						\$ 285,713	\$ 214,284
<u>BONDS PAYABLE</u>							
<u>Payable through Education Debt Service Fund</u>							
School Facilities and Improvement	4,035,000	3.7 to 4		12-1-05	2-1-13	\$ 2,265,000	\$ 1,735,000
Total Bonds Payable						\$ 2,265,000	\$ 1,735,000

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	Notes		
	Principal	Interest	Total
2011	\$ 10,000,000	\$ 1,110,000	\$ 11,110,000
2012	21,000,000	840,000	21,840,000
Total	\$ 31,000,000	\$ 1,950,000	\$ 32,950,000

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	\$ 353,030,000	\$ 134,445,780	\$ 487,475,780

(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	Notes		
	Principal	Interest	Total
2011	\$ 71,428	\$ 0	\$ 71,428
2012	71,428	0	71,428
2013	71,428	0	71,428
Total	\$ 214,284	\$ 0	\$ 214,284

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 555,000	\$ 67,600	\$ 622,600
2012	580,000	45,400	625,400
2013	600,000	22,200	622,200
Total	\$ 1,735,000	\$ 135,200	\$ 1,870,200

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2010

<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	\$ 149,304
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>118,871</u>
Total Investments				<u><u>\$ 268,175</u></u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2010

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 %	\$ 813,101
Construction/Renovations	Smyrna/Rutherford County Airport	639,724	8-17-06	8-17-19	6	536,027
						<u>\$ 1,349,128</u>
General Debt Service Fund:						
Rockvale Utility District Waterlines	City of Murfreesboro, Tennessee	1,820,785	Various	Various	0	\$ 1,820,785
Total						<u>\$ 3,169,913</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, 2010

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Ambulance Service	Start Ambulance Service Fund	\$ 400,000
General Capital Projects	General	Capital projects	146,487
Adequate Facilities/Development Tax	"	Vehicles for sheriff	140,000
"	"	GIS mapping	354,745
"	"	Capital projects	64,500
"	"	Close fund	4,166,028
"	General Debt Service	Transfer one-half development tax	628,125
"	General Capital Projects	Purchase land	97,295
Employee Insurance - Health	General	Operations	207,979
Workers' Compensation	"	Operations	207,979
Total Transfers Primary Government			<u>\$ 6,413,138</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	\$ 181,818
General Purpose School	School Federal Projects	Cash flow	500,000
Central Cafeteria	General Purpose School	Salaries	41,877
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 723,695</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, 2010

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 Farmers Insurance Company
Director of Schools	State Board of Education and Local Board of Education			132,097 (1)	50,000	Hartford Fire Insurance Company
Trustee	Section 8-24-102, <u>TCA</u>			87,082	7,768,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>			87,082	10,000	Ohio Farmers Insurance Company
Director of Finance	County Commission			93,925 (2)	100,000	Hartford Fire Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>			87,082	100,000	"
Circuit, General Sessions, and Juvenile Courts 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			87,482 (4)	50,000	Ohio Farmers 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 \$325 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 \$12,780. Includes longevity pay of \$400.
(5) Does not include a law enforcement training supplement of \$600.

Exhibit L-7

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2010

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
County Property Taxes						
Current Property Tax	\$ 29,397,401	\$ 0	\$ 5,000,227	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	545,823	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	320,194	0	0	0	0	0
Interest and Penalty	123,777	0	933	0	0	0
Pick-up Taxes	92,714	0	9,672	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,169	0	539	0	0	0
Payments in-Lieu-of Taxes - Other	7,480,428	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	403,186	1,209,558	0	0	0	0
Hotel/Motel Tax	951,042	0	0	0	0	0
Wheel Tax	2,847,750	0	0	0	0	0
Litigation Tax - General	217,304	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	821,486	0	0	0	0	0
Litigation Tax - Courtroom Security	575,428	0	0	0	0	0
Business Tax	574,142	0	97,656	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	69,375	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	219,297	0	0	0	0	0
Wholesale Beer Tax	837,269	0	0	0	0	0
Interstate Telecommunications Tax	1,422	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0	6,764
Total Local Taxes	\$ 45,481,207	\$ 1,209,558	\$ 5,109,027	\$ 0	\$ 0	\$ 6,764
<u>Licenses and Permits</u>						
Licenses						
Animal Registration	\$ 96,439	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	25,183	0	0	0	0	0
Cable TV Franchise	677,616	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Building Permits	\$ 399,674	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plumbing Permits	55,565	0	0	0	0	0
Food Handling Permits	1,350	0	0	0	0	0
Other Permits	39,490	0	0	0	0	0
Total Licenses and Permits	\$ 1,295,317	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 47,614	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	423,548	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	89,869
Drug Court Fees	19,936	0	0	0	0	0
Jail Fees	295,761	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,816	0	0	0	0	0
Courtroom Security Fee	518	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	6,372	0	0	0	0	0
Data Entry Fee - Criminal Court	2,128	0	0	0	0	0
Courtroom Security Fee	1,769	0	0	0	0	0
Victims Assistance Assessments	13,577	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	430,136	0	0	0	0	0
Game and Fish Fines	623	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	110,289
Drug Court Fees	51,477	0	0	0	0	0
DUI Treatment Fines	47,885	0	0	0	0	0
Data Entry Fee - General Sessions Court	45,952	0	0	0	0	0
Courtroom Security Fee	12,629	0	0	0	0	0
Victims Assistance Assessments	120,677	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 5,771	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	266	0	0	0	0	0
Drug Court Fees	9,180	0	0	0	0	0
Jail Fees	322,390	0	0	0	0	0
Data Entry Fee - Juvenile Court	5,969	0	0	0	0	0
Courtroom Security Fee	5,592	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	11,176	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	112,553	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	35,632	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	10	0	0	0	0	195,573
Total Fines, Forfeitures, and Penalties	\$ 2,031,957	\$ 0	\$ 0	\$ 0	\$ 0	\$ 395,731
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 435,861	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	844,854	0	0	0	0
Patient Charges	0	0	5,136,871	0	0	0
Past Due Collections - Ambulance	0	0	173,457	0	0	0
Zoning Studies	58,650	0	0	0	0	0
Work Release Charges for Board	21,499	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	22,300	0	0	0	0	0
Recreation Fees	759	0	0	0	0	0

(Continued)

Exhibit L-7

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

Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Greenbelt Late Application Fee	\$ 550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	206,793	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	98,832	0	0	0	0	0
Probation Fees	12,608	0	0	0	0	0
Data Processing Fee - Sheriff	23,962	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,250	0	0	0	0	0
Data Processing Fee - County Clerk	31,583	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEAs	218,934	0	0	0	0	0
TBI Criminal Background Fees	29,295	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	86,125	0	0	0
Total Charges for Current Services	\$ 731,015	\$ 1,280,715	\$ 5,396,453	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						

Other Local Revenues

<u>Recurring Items</u>						
Investment Income	\$ 711,515	\$ 0	\$ 0	\$ 106,936	\$ 17	\$ 3,919
Lease/Rentals	149,139	0	0	0	0	0
Sale of Materials and Supplies	8,035	0	2,130	0	0	0
Commissary Sales	94,324	0	0	0	0	0
Sale of Maps	13,380	0	0	0	0	0
Sale of Recycled Materials	623	71,320	0	0	0	0
Sale of Animals/Livestock	148,935	0	0	0	0	0
Miscellaneous Refunds	30,200	18	215	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	12,100	0	0	0	0	0
Sale of Property	0	0	0	50,524	0	0
Damages Recovered from Individuals	59	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 40,940	\$ 0	\$ 12,225	\$ 0	\$ 0	\$ 0
Performance Bond Forfeitures	72,058	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	217,675	0	0	0	0	0
Total Other Local Revenues	\$ 1,498,983	\$ 71,338	\$ 14,570	\$ 157,460	\$ 17	\$ 3,919
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 450,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	1,053,530	0	0	0	0	0
Register	436,835	0	0	0	0	0
Trustee	3,987,209	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Clerk and Master	632,621	0	0	0	0	0
Sheriff	61,112	0	0	0	0	0
Total Fees Received from County Officials	\$ 6,621,307	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	48,492	0	0	0	0	0
Solid Waste Grants	0	16,732	0	0	0	0
Other General Government Grants	16,488	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	109,200	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	1,463,682	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	0	77,649	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial/ Economic Development	Special Purpose	Drug Control
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Flood Control	\$	0 \$	0 \$	0 \$	0 \$	0
Income Tax	211,814	0	0	0	0	0
Beer Tax	17,778	0	0	0	0	0
Alcoholic Beverage Tax	210,437	0	0	0	0	0
Mixed Drink Tax	18,856	0	0	0	0	0
Contracted Prisoner Boarding	2,768,145	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	20,475	0	0	0	0	0
Other State Grants	78,157	10,555	0	0	0	0
Other State Revenues	610,937	219,101	0	0	0	0
Total State of Tennessee	\$ 5,583,461	\$ 324,037	0 \$	0 \$	0 \$	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$	24,338 \$	0 \$	0 \$	0 \$	0
Breakfast	15,764	0	0	0	0	0
Disaster Relief	68,550	64,841	0	0	0	0
Homeland Security Grants	100,873	0	0	0	0	0
Law Enforcement Grants	46,721	0	0	0	0	0
ARRA Grant No. 1	24,374	0	0	0	0	0
ARRA Grant No. 2	28,746	0	0	0	0	0
ARRA Grant No. 3	35,233	0	0	0	0	0
ARRA Grant No. 4	26,803	0	0	0	0	0
ARRA Grant No. 5	382,319	0	0	0	0	0
ARRA Grant A	4,935	0	0	0	0	0
Other Federal through State	100,259	0	0	0	0	0
Direct Federal Revenue						
Police Service (Lake Area)	33,593	0	0	0	0	0
Asset Forfeiture Funds	15,999	0	0	0	65,107	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Federal Government (Cont.)</u>						
Direct Federal Revenue (Cont.)						
ARRA Grant No. 6	\$ 110,884	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	61,096	0	0	0	0	0
Total Federal Government	\$ 1,080,487	\$ 64,841	\$ 0	\$ 0	\$ 65,107	\$ 0
<u>Other Governments and Citizens Groups</u>						
Other Governments						
Prisoner Board	\$ 30,625	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	49,000	0	320,025	0	0	0
Contracted Services	374,694	0	0	0	0	0
Other	575	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 454,894	\$ 0	\$ 320,025	\$ 0	\$ 0	\$ 0
Total	\$ 64,778,628	\$ 2,950,489	\$ 10,840,075	\$ 157,460	\$ 65,124	\$ 406,414

(Continued)

Exhibit L-7

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

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total	
	Adequate Facilities/ Development Tax	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects				
Local Taxes										
County Property Taxes										
Current Property Tax	\$	0 \$	0 \$	0 \$	519,687 \$	38,007,343 \$	0	0	\$	72,924,658
Trustee's Collections - Prior Year		0	0	0	10,284	762,306	0	0		1,318,413
Circuit/Clerk & Master Collections - Prior Years		0	0	0	6,033	447,188	0	0		773,415
Interest and Penalty		0	0	0	2,326	174,113	0	0		301,149
Pick-up Taxes		0	0	0	1,681	123,588	0	0		227,655
Payments in-Lieu-of Taxes - T.V.A.		0	0	0	56	4,097	0	0		7,861
Payments in-Lieu-of Taxes - Other		0	0	0	0	0	0	0		7,480,428
County Local Option Taxes										
Local Option Sales Tax		0	0	0	403,186	0	0	0		2,015,930
Hotel/Motel Tax		0	0	0	0	0	0	0		951,042
Wheel Tax		0	0	0	2,847,750	0	0	0		5,695,500
Litigation Tax - General		0	0	0	0	627,834	0	0		845,138
Litigation Tax - Jail, Workhouse, or Courthouse		0	0	0	0	0	0	0		821,486
Litigation Tax - Courtroom Security		0	0	0	0	0	0	0		575,428
Business Tax		0	0	0	10,150	742,297	0	0		1,424,245
Mineral Severance Tax		0	0	0	231,632	0	0	0		231,632
Adequate Facilities/Development Tax	1,256,250	0	0	0	0	69,375	0	0		1,395,000
Statutory Local Taxes										
Bank Excise Tax	0	0	0	0	0	0	0	0		219,297
Wholesale Beer Tax	0	0	0	0	0	0	0	0		837,269
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0		1,422
Other Statutory Local Taxes	0	0	0	0	0	0	0	0		6,764
Total Local Taxes	\$ 1,256,250	\$ 0	\$ 0	\$ 0	\$ 4,032,785	\$ 40,958,141	\$ 0	\$ 0	\$ 6,764	\$ 98,053,732
Licenses and Permits										
Licenses										
Animal Registration	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0	0	\$	96,439
Animal Vaccination		0	0	0	0	0	0	0		25,183
Cable TV Franchise		0	0	0	0	0	0	0		677,616

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	Adequate Facilities/Development Tax	District Attorney General	Constitutional 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 \$	0 \$	0 \$	399,674
Plumbing Permits	0	0	0	0	0	0	0	0	55,565
Food Handling Permits	0	0	0	0	0	0	0	0	1,350
Other Permits	0	0	0	0	0	0	0	0	39,490
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,295,317
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	47,614
Officers Costs	0	0	0	0	0	0	0	0	423,548
Drug Control Fines	0	0	0	0	0	0	0	0	89,869
Drug Court Fees	0	0	0	0	0	0	0	0	19,936
Jail Fees	0	0	0	0	0	0	0	0	295,761
District Attorney General Fees	0	48,348	0	0	0	0	0	0	48,348
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	2,816
Courtroom Security Fee	0	0	0	0	0	0	0	0	518
<u>Criminal Court</u>									
DUI Treatment Fines	0	0	0	0	0	0	0	0	6,372
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	0	2,128
Courtroom Security Fee	0	0	0	0	0	0	0	0	1,769
Victims Assistance Assessments	0	0	0	0	0	0	0	0	13,577
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	430,136
Game and Fish Fines	0	0	0	0	0	0	0	0	623
Drug Control Fines	0	0	0	0	0	0	0	0	110,289
Drug Court Fees	0	0	0	0	0	0	0	0	51,477
DUI Treatment Fines	0	0	0	0	0	0	0	0	47,885
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	45,952
Courtroom Security Fee	0	0	0	0	0	0	0	0	12,629
Victims Assistance Assessments	0	0	0	0	0	0	0	0	120,677

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	Adequate Facilities/Development Tax	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Juvenile Court</u>									
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	5,771
Drug Control Fines	0	0	0	0	0	0	0	0	266
Drug Court Fees	0	0	0	0	0	0	0	0	9,180
Jail Fees	0	0	0	0	0	0	0	0	322,390
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	0	5,969
Courtroom Security Fee	0	0	0	0	0	0	0	0	5,592
<u>Chancery Court</u>									
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	11,176
<u>Other Courts - In-county</u>									
Fines	0	0	0	0	0	0	0	0	112,553
District Attorney General Fees	0	12,423	0	0	0	0	0	0	12,423
<u>Courts in Other District Counties</u>									
District Attorney General Fees	0	1,591	0	0	0	0	0	0	1,591
<u>Judicial District Drug Program</u>									
Victims Assistance Assessments	0	0	0	0	0	0	0	0	35,632
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	195,583
Total Fines, Forfeitures, and Penalties	\$ 0 \$	62,362 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,490,050
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Tipping Fees	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	435,861
Surcharge - Host Agency	0	0	0	0	0	0	0	0	844,854
Patient Charges	0	0	0	0	0	0	0	0	5,136,871
Past Due Collections - Ambulance	0	0	0	0	0	0	0	0	173,457
Zoning Studies	0	0	0	0	0	0	0	0	58,650
Work Release Charges for Board	0	0	0	0	0	0	0	0	21,499
<u>Fees</u>									
Subdivision Lot Fees	0	0	0	0	0	0	0	0	22,300
Recreation Fees	0	0	0	0	0	0	0	0	759

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	Adequate Facilities/Development Tax	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects		
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Greenbelt Late Application Fee	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	550
Telephone Commissions	0	0	0	0	0	0	0	0	206,793
Constitutional Officers' Fees and Commissions	0	0	5,089,926	0	0	0	0	0	5,089,926
Special Commissioner Fees/Special Master Fees	0	0	12,780	0	0	0	0	0	12,780
Data Processing Fee - Register	0	0	0	0	0	0	0	0	98,832
Probation Fees	0	0	0	0	0	0	0	0	12,608
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	23,962
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	5,250
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	31,583
<u>Education Charges</u>									
Contract for Administrative Services with Other LEAs	0	0	0	0	0	0	0	0	218,934
TBI Criminal Background Fees	0	0	0	0	0	0	0	0	29,295
<u>Other Charges for Services</u>									
Other Charges for Services	0	0	0	0	0	0	0	0	86,125
Total Charges for Current Services	\$ 0 \$	0 \$	5,102,706 \$	0 \$	0 \$	0 \$	0 \$	0 \$	12,510,889
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 13,937 \$	0 \$	0 \$	63,484 \$	316,645 \$	1,211 \$	1,217,664		
Lease/Rentals	0	0	0	0	130,200	0	279,339		
Sale of Materials and Supplies	0	0	0	140,566	0	0	150,731		
Commissary Sales	0	0	0	0	0	0	94,324		
Sale of Maps	0	0	0	0	0	0	13,380		
Sale of Recycled Materials	0	0	0	0	0	0	71,943		
Sale of Animals/Livestock	0	0	0	0	0	0	148,935		
Miscellaneous Refunds	2,062	0	0	1,875	0	2,402	36,772		
<u>Nonrecurring Items</u>									
Sale of Equipment	0	0	0	0	0	0	12,100		
Sale of Property	0	0	0	0	0	0	50,524		
Damages Recovered from Individuals	0	0	0	0	0	0	59		

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	Adequate Facilities/Development Tax	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 \$	0 \$	53,165
Performance Bond Forfeitures	0	0	0	0	0	0	248,330	0	320,388
Other Local Revenues	0	0	0	0	0	0	0	0	217,675
Total Other Local Revenues	\$ 15,999 \$	0 \$	0 \$	205,925 \$	446,845 \$	0 \$	251,943 \$	0 \$	2,666,999
Fees Received from County Officials									
Excess Fees									
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	450,000
Circuit Court Clerk	0	0	0	0	0	0	0	0	1,053,530
Register	0	0	0	0	0	0	0	0	436,835
Trustee	0	0	0	0	0	0	0	0	3,987,209
Fees in-Lieu-of Salary	0	0	0	0	0	0	0	0	632,621
Clerk and Master	0	0	0	0	0	0	0	0	61,112
Sheriff	0	0	0	0	0	0	0	0	61,112
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	6,621,307
State of Tennessee									
General Government Grants									
Juvenile Services Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
State Reappraisal Grant	0	0	0	0	0	0	0	0	48,492
Solid Waste Grants	0	0	0	0	0	0	0	0	16,732
Other General Government Grants	0	0	0	0	0	0	0	0	16,488
Public Safety Grants									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	109,200
Health and Welfare Grants									
Health Department Programs	0	0	0	0	0	0	0	0	1,463,682
Public Works Grants									
Litter Program	0	0	0	0	0	0	0	0	77,649

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	Adequate Facilities/Development Tax	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects		
\$	0 \$	0 \$	0 \$	11,874 \$	0 \$	0 \$	0 \$	0 \$	11,874
Flood Control	0	0	0	0	0	0	0	0	211,814
Income Tax	0	0	0	0	0	0	0	0	17,778
Beer Tax	0	0	0	0	0	0	0	0	210,437
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	18,856
Mixed Drink Tax	0	0	0	0	0	0	0	0	2,768,145
Contracted Prisoner Boarding	0	0	0	3,081,863	0	0	0	0	3,081,863
Gasoline and Motor Fuel Tax	0	0	0	146,184	0	0	0	0	146,184
Petroleum Special Tax	0	0	0	0	0	0	0	0	20,475
Registrar's Salary Supplement	0	0	0	14,241	0	0	0	0	102,953
Other State Grants	0	0	0	0	0	0	0	0	830,038
Other State Revenues	0	0	0	0	0	0	0	0	9,161,660
Total State of Tennessee	0 \$	0 \$	0 \$	3,254,162 \$	0 \$	0 \$	0 \$	0 \$	

Federal Government	
Federal Through State	
USDA School Lunch Program	
Breakfast	0 \$
Disaster Relief	0
Homeland Security Grants	0
Law Enforcement Grants	87,047
ARRA Grant No. 1	0
ARRA Grant No. 2	0
ARRA Grant No. 3	0
ARRA Grant No. 4	0
ARRA Grant No. 5	0
ARRA Grant A	0
Other Federal through State	0
Direct Federal Revenue	0
Police Service (Lake Area)	0
Asset Forfeiture Funds	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	Adequate Facilities/Development Tax	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects		
Federal Government (Cont.)									
Direct Federal Revenue (Cont.)									
ARRA Grant No. 6	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	110,884
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	61,096
Total Federal Government	\$ 0 \$	0 \$	0 \$	87,047 \$	0 \$	0 \$	0 \$	0 \$	1,297,482
Other Governments and Citizens Groups									
Other Governments									
Prisoner Board	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	30,625
Contributions	0	0	0	0	0	0	0	0	369,025
Contracted Services	0	0	0	0	0	0	1,523,569	1,898,263	
Other	0	0	0	0	0	0	0	0	575
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,523,569 \$	2,298,488	
Total	\$ 1,272,249 \$	62,362 \$	5,102,706 \$	7,579,919 \$	41,404,986 \$	1,775,512 \$	136,395,924		

Exhibit L-8

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 54,973,343	\$ 0	\$ 0	\$ 2,182,534	\$ 57,155,877
Trustee's Collections - Prior Year	1,071,079	0	0	43,508	1,114,587
Circuit/Clerk & Master Collections - Prior Years	631,670	0	0	25,523	657,193
Interest and Penalty	245,006	0	0	9,938	254,944
Pick-up Taxes	176,641	0	0	7,069	183,710
Payments in-Lieu-of Taxes - T.V.A.	5,947	0	0	235	6,182
Payments in-Lieu-of Taxes - Local Utilities	827,905	0	0	0	827,905
<u>County Local Option Taxes</u>					
Local Option Sales Tax	35,359,242	0	0	0	35,359,242
Wheel Tax	3,213,834	0	0	0	3,213,834
Business Tax	1,077,334	0	0	42,519	1,119,853
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	13,370	0	0	0	13,370
Total Local Taxes	\$ 97,595,371	\$ 0	\$ 0	\$ 2,311,326	\$ 99,906,697
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 10,832	\$ 0	\$ 0	\$ 0	\$ 10,832
Total Licenses and Permits	\$ 10,832	\$ 0	\$ 0	\$ 0	\$ 10,832
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 76,400	\$ 0	\$ 0	\$ 0	\$ 76,400
Tuition - Other	65,061	0	0	0	65,061
Lunch Payments - Children	0	0	4,614,645	0	4,614,645
Lunch Payments - Adults	0	0	310,143	0	310,143
Income from Breakfast	0	0	823,435	0	823,435
A la carte Sales	0	0	695,857	0	695,857
Contract for Administrative Services with Other LEAs	5,752	0	0	0	5,752
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	2,721	0	2,721
Total Charges for Current Services	\$ 147,213	\$ 0	\$ 6,446,801	\$ 0	\$ 6,594,014
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 317,423	\$ 0	\$ 10,056	\$ 0	\$ 327,479
Sale of Materials and Supplies	18,785	0	0	0	18,785
Refund of Telecommunication and Internet Fees (E-Rate)	68,469	0	0	0	68,469
Miscellaneous Refunds	100,059	0	42,320	0	142,379
<u>Nonrecurring Items</u>					
Sale of Equipment	4,355	0	242	0	4,597
Sale of Property	50,000	0	0	0	50,000
Contributions and Gifts	119,916	0	0	0	119,916
<u>Other Local Revenues</u>					
Other Local Revenues	11,972	0	0	0	11,972
Total Other Local Revenues	\$ 690,979	\$ 0	\$ 52,618	\$ 0	\$ 743,597

(Continued)

Exhibit L-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 132,700,498	\$ 0	\$ 0	\$ 0	\$ 132,700,498
Basic Education Program - ARRA	6,523,500	0	0	0	6,523,500
Early Childhood Education	948,106	0	0	0	948,106
School Food Service	0	0	157,722	0	157,722
Driver Education	140,543	0	0	0	140,543
Other State Education Funds	127,744	0	0	0	127,744
Coordinated School Health - ARRA	179,996	0	0	0	179,996
Statewide Student Management System (SSMS) - ARRA	88,885	0	0	0	88,885
Career Ladder Program	1,112,684	0	0	0	1,112,684
Career Ladder - Extended Contract - ARRA	225,000	0	0	0	225,000
<u>Other State Revenues</u>					
Mixed Drink Tax	244,564	0	0	0	244,564
State Revenue Sharing - T.V.A.	1,776,458	0	0	0	1,776,458
Other State Grants	155,303	0	0	0	155,303
Safe Schools - ARRA	85,800	0	0	0	85,800
Total State of Tennessee	\$ 144,309,081	\$ 0	\$ 157,722	\$ 0	\$ 144,466,803
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 5,855,647	\$ 0	\$ 5,855,647
Breakfast	0	0	1,566,947	0	1,566,947
USDA - Other	0	0	16,584	0	16,584
USDA Food Service Equipment Grant - ARRA	0	0	15,000	0	15,000
Vocational Education - Basic Grants to States	0	599,456	0	0	599,456
Title I Grants to Local Education Agencies	0	5,852,478	0	0	5,852,478
Special Education - Grants to States	294,874	8,318,936	0	0	8,613,810
Special Education Preschool Grants	4,835	248,209	0	0	253,044
English Language Acquisition Grants	0	265,676	0	0	265,676
Safe and Drug-free Schools - State Grants	0	80,512	0	0	80,512
Education for Homeless Children and Youth	0	81,970	0	0	81,970
Eisenhower Professional Development State Grants	0	979,722	0	0	979,722
Other Federal through State	229,989	34,522	0	0	264,511
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	512,278	0	0	0	512,278
Total Federal Government	\$ 1,041,976	\$ 16,461,481	\$ 7,454,178	\$ 0	\$ 24,957,635
Total	\$ 243,795,452	\$ 16,461,481	\$ 14,111,319	\$ 2,311,326	\$ 276,679,578

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	90,075	
Other Per Diem and Fees		75,300	
Social Security		10,253	
Employer Medicare		2,398	
Total County Commission			\$ 178,026

Board of Equalization

Board and Committee Members Fees	\$	11,900	
Social Security		738	
Employer Medicare		172	
Consultants		3,479	
Legal Notices, Recording, and Court Costs		2,320	
Total Board of Equalization			18,609

County Mayor/Executive

County Official/Administrative Officer	\$	110,637	
Secretary(ies)		132,779	
Part-time Personnel		7,200	
Longevity Pay		1,800	
Social Security		14,664	
State Retirement		31,361	
Employee and Dependent Insurance		25,475	
Disability Insurance		529	
Employer Medicare		3,485	
Communication		1,062	
Dues and Memberships		25	
Legal Notices, Recording, and Court Costs		6,908	
Maintenance Agreements		1,860	
Postal Charges		1,772	
Travel		468	
Duplicating Supplies		1,203	
Office Supplies		2,998	
Total County Mayor/Executive			344,226

Personnel Office

County Official/Administrative Officer	\$	81,653	
Assistant(s)		38,495	
Part-time Personnel		11,440	
In-Service Training		1,572	
Social Security		8,088	

(Continued)

Exhibit L-9

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

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

State Retirement	\$	15,366	
Employee and Dependent Insurance		2,979	
Disability Insurance		263	
Employer Medicare		1,892	
Advertising		899	
Communication		487	
Dues and Memberships		780	
Maintenance Agreements		275	
Postal Charges		720	
Printing, Stationery, and Forms		185	
Travel		489	
Library Books/Media		117	
Office Supplies		2,603	
Other Charges		8,512	
Total Personnel Office			\$ 176,815

County Attorney

County Official/Administrative Officer	\$	109,778	
Secretary(ies)		79,901	
Longevity Pay		1,375	
Social Security		11,446	
State Retirement		24,435	
Employee and Dependent Insurance		24,062	
Disability Insurance		403	
Employer Medicare		2,677	
Communication		417	
Dues and Memberships		2,500	
Maintenance and Repair Services - Equipment		245	
Postal Charges		457	
Travel		425	
Office Supplies		926	
Total County Attorney			259,047

Election Commission

County Official/Administrative Officer	\$	78,374	
Part-time Personnel		4,691	
Longevity Pay		1,475	
Other Salaries and Wages		213,879	
Election Commission		10,920	
Election Workers		29,260	

(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.)

In-Service Training	\$	975	
Social Security		19,570	
State Retirement		37,564	
Employee and Dependent Insurance		44,763	
Disability Insurance		641	
Employer Medicare		4,578	
Communication		11,322	
Data Processing Services		649	
Dues and Memberships		1,187	
Legal Services		25,000	
Legal Notices, Recording, and Court Costs		10,186	
Maintenance Agreements		12,533	
Maintenance and Repair Services - Vehicles		821	
Postal Charges		12,409	
Printing, Stationery, and Forms		6,314	
Rentals		200	
Travel		1,309	
Data Processing Supplies		2,987	
Diesel Fuel		127	
Office Supplies		9,887	
Other Charges		7,500	
Total Election Commission			\$ 549,121

Register of Deeds

In-Service Training	\$	175	
Communication		1,743	
Data Processing Services		42,062	
Maintenance Agreements		4,150	
Postal Charges		9,046	
Other Contracted Services		11,011	
Data Processing Supplies		2,817	
Office Supplies		6,013	
Data Processing Equipment		7,318	
Total Register of Deeds			84,335

Planning

County Official/Administrative Officer	\$	84,180	
Assistant(s)		160,218	
Supervisor/Director		63,292	
Secretary(ies)		71,805	

(Continued)

Exhibit L-9

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

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

Part-time Personnel	\$	11,398	
Longevity Pay		1,200	
Board and Committee Members Fees		28,600	
In-Service Training		6,372	
Social Security		25,455	
State Retirement		48,686	
Employee and Dependent Insurance		50,581	
Disability Insurance		833	
Employer Medicare		5,954	
Communication		4,262	
Consultants		32,415	
Dues and Memberships		10,429	
Legal Notices, Recording, and Court Costs		3,676	
Maintenance Agreements		8,284	
Maintenance and Repair Services - Office Equipment		348	
Postal Charges		1,566	
Printing, Stationery, and Forms		1,130	
Data Processing Supplies		4,587	
Gasoline		2,862	
Office Supplies		8,262	
Periodicals		1,519	
Other Supplies and Materials		854	
Total Planning			\$ 638,768

Codes Compliance

Secretary(ies)	\$	30,465	
Longevity Pay		500	
Social Security		1,797	
State Retirement		3,960	
Employee and Dependent Insurance		9,192	
Disability Insurance		67	
Employer Medicare		420	
Communication		1,868	
Total Codes Compliance			48,269

Geographical Information Systems

Data Processing Personnel	\$	192,226	
Part-time Personnel		24,602	
Longevity Pay		975	
Overtime Pay		1,419	

(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.)

Social Security	\$	13,174	
State Retirement		24,887	
Employee and Dependent Insurance		21,618	
Disability Insurance		421	
Employer Medicare		3,081	
Data Processing Services		36,246	
Dues and Memberships		300	
Maintenance Agreements		45,244	
Postal Charges		64	
Travel		2,872	
Data Processing Supplies		33,239	
Data Processing Equipment		48,642	
Other Capital Outlay		204,044	
Total Geographical Information Systems			\$ 653,054

County Buildings

Supervisor/Director	\$	62,248	
Clerical Personnel		28,630	
Custodial Personnel		78,822	
Maintenance Personnel		136,791	
Part-time Personnel		191,518	
Longevity Pay		1,700	
Overtime Pay		6,184	
Social Security		30,514	
State Retirement		40,146	
Employee and Dependent Insurance		84,956	
Disability Insurance		726	
Employer Medicare		7,137	
Communication		32,270	
Maintenance and Repair Services - Buildings		37,517	
Travel		1,163	
Other Contracted Services		83,918	
Custodial Supplies		34,176	
Gasoline		12,609	
Utilities		554,230	
Other Supplies and Materials		72,206	
Building Improvements		150,953	
Maintenance Equipment		26,592	
Total County Buildings			1,675,006

(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		1,225	
Social Security		10,727	
State Retirement		22,758	
Employee and Dependent Insurance		14,060	
Disability Insurance		377	
Employer Medicare		2,509	
Communication		1	
Maintenance Agreements		1,004	
Travel		184	
Riprap		2,341	
Other Supplies and Materials		851	
Total Other General Administration			\$ 232,776

Preservation of Records

County Official/Administrative Officer	\$	43,205	
Part-time Personnel		14,838	
Other Salaries and Wages		3,408	
Social Security		3,644	
State Retirement		5,525	
Employee and Dependent Insurance		11,038	
Disability Insurance		95	
Employer Medicare		852	
Communication		754	
Dues and Memberships		504	
Maintenance Agreements		258	
Postal Charges		238	
Travel		1,696	
Library Books/Media		132	
Office Supplies		1,174	
Other Supplies and Materials		4,088	
Other Charges		22,683	
Data Processing Equipment		704	
Total Preservation of Records			114,836

Risk Management

Supervisor/Director	\$	65,336
Clerical Personnel		136,804

(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.)

Part-time Personnel	\$	10,544	
Longevity Pay		525	
Other Salaries and Wages		83,911	
Board and Committee Members Fees		4,800	
Social Security		18,141	
State Retirement		36,647	
Employee and Dependent Insurance		37,926	
Disability Insurance		607	
Employer Medicare		4,250	
Communication		1,618	
Maintenance Agreements		1,261	
Postal Charges		1,461	
Travel		1,094	
Gasoline		175	
Office Supplies		5,759	
Other Charges		5,442	
Total Risk Management			\$ 416,301

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	91,800
Accountants/Bookkeepers		394,295
Salary Supplements		7,200
Clerical Personnel		24,504
Part-time Personnel		19,359
Longevity Pay		4,975
Overtime Pay		1,227
Other Salaries and Wages		59,320
Social Security		35,855
State Retirement		74,600
Employee and Dependent Insurance		91,975
Disability Insurance		1,251
Employer Medicare		8,385
Communication		1,380
Dues and Memberships		2,342
Maintenance Agreements		1,315
Maintenance and Repair Services - Equipment		741
Postal Charges		10,751
Travel		5,079
Other Contracted Services		1,015

(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	\$	25,619	
Total Accounting and Budgeting			\$ 862,988

Property Assessor's Office

County Official/Administrative Officer	\$	87,082	
Deputy(ies)		845,444	
Salary Supplements		5,031	
Part-time Personnel		6,426	
Longevity Pay		4,775	
Overtime Pay		7,524	
In-Service Training		7,105	
Social Security		56,372	
State Retirement		121,029	
Employee and Dependent Insurance		170,757	
Disability Insurance		2,059	
Employer Medicare		13,277	
Communication		5,184	
Data Processing Services		89,302	
Maintenance Agreements		20,219	
Maintenance and Repair Services - Equipment		2,165	
Postal Charges		6,993	
Travel		1,567	
Other Contracted Services		137,591	
Data Processing Supplies		2,755	
Office Supplies		22,869	
Other Supplies and Materials		2,028	
Data Processing Equipment		41,671	
Total Property Assessor's Office			1,659,225

Reappraisal Program

Deputy(ies)	\$	332,314
Longevity Pay		2,875
Overtime Pay		2,968
Social Security		19,810
State Retirement		43,248
Employee and Dependent Insurance		69,420
Disability Insurance		732
Employer Medicare		4,633
Communication		9,918
Postal Charges		45,126

(Continued)

Exhibit L-9

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

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

Data Processing Supplies	\$	1,843	
Gasoline		18,161	
Other Supplies and Materials		1,772	
Motor Vehicles		22,090	
Total Reappraisal Program			\$ 574,910

County Trustee's Office

Communication	\$	271	
Legal Notices, Recording, and Court Costs		100	
Maintenance Agreements		690	
Postal Charges		39,026	
Office Supplies		5,397	
Total County Trustee's Office			45,484

County Clerk's Office

Communication	\$	18,464	
Data Processing Services		16,981	
Operating Lease Payments		24,067	
Maintenance Agreements		6,524	
Postal Charges		38,690	
Gasoline		2,896	
Office Supplies		32,434	
Uniforms		494	
Other Supplies and Materials		1,998	
Data Processing Equipment		4,961	
Law Enforcement Equipment		268	
Total County Clerk's Office			147,777

Data Processing

County Official/Administrative Officer	\$	94,643	
Data Processing Personnel		537,715	
Part-time Personnel		55,252	
Longevity Pay		1,900	
Overtime Pay		1,980	
Social Security		41,906	
State Retirement		79,658	
Employee and Dependent Insurance		85,132	
Disability Insurance		1,379	
Employer Medicare		9,801	
Communication		110,899	

(Continued)

Exhibit L-9

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

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

Data Processing Services	\$	111,750	
Dues and Memberships		2,039	
Maintenance Agreements		43,601	
Postal Charges		56	
Travel		3,377	
Data Processing Supplies		25,051	
Gasoline		1,656	
Data Processing Equipment		188,508	
Total Data Processing			\$ 1,396,303

Administration of JusticeCircuit Court

Jury and Witness Expense	\$	39,978	
Communication		3,499	
Data Processing Services		81,048	
Legal Services		34,408	
Maintenance Agreements		17,490	
Postal Charges		31,446	
Office Supplies		55,125	
Other Supplies and Materials		2,067	
Other Charges		124,868	
Total Circuit Court			389,929

Circuit Court Judge

Assistant(s)	\$	46,337	
Deputy(ies)		121,616	
Longevity Pay		175	
Social Security		9,995	
State Retirement		21,252	
Employee and Dependent Insurance		33,804	
Disability Insurance		356	
Employer Medicare		2,337	
Postal Charges		24	
Travel		679	
Other Supplies and Materials		107	
Total Circuit Court Judge			236,682

General Sessions Court

Judge(s)	\$	437,982	
Assistant(s)		46,030	

(Continued)

Exhibit L-9

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

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

Deputy(ies)	\$	95,746	
Part-time Personnel		22,899	
Longevity Pay		1,875	
Overtime Pay		659	
Other Salaries and Wages		286,572	
Social Security		47,443	
State Retirement		111,159	
Employee and Dependent Insurance		98,788	
Disability Insurance		1,647	
Employer Medicare		12,594	
Communication		2,264	
Data Processing Services		14,000	
Dues and Memberships		2,400	
Maintenance Agreements		2,772	
Maintenance and Repair Services - Office Equipment		174	
Postal Charges		125	
Travel		6,126	
Library Books/Media		707	
Office Supplies		6,309	
Uniforms		560	
Total General Sessions Court			\$ 1,198,831

Drug Court

Assistant(s)	\$	38,819
Supervisor/Director		53,980
Secretary(ies)		26,291
Longevity Pay		575
Overtime Pay		672
Other Salaries and Wages		149,926
Social Security		16,124
State Retirement		33,842
Employee and Dependent Insurance		38,268
Disability Insurance		590
Employer Medicare		3,771
Communication		4,277
Dues and Memberships		200
Maintenance Agreements		1,180
Postal Charges		642
Travel		4,399
Office Supplies		4,283

(Continued)

Exhibit L-9

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

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

Other Supplies and Materials	\$	31,562	
Data Processing Equipment		990	
Total Drug Court			\$ 410,391

Chancery Court

County Official/Administrative Officer	\$	87,082	
Deputy(ies)		374,617	
Attendants		30,877	
Part-time Personnel		35,847	
Longevity Pay		2,950	
Overtime Pay		4,145	
Jury and Witness Expense		3,305	
Social Security		32,031	
State Retirement		63,901	
Employee and Dependent Insurance		72,043	
Disability Insurance		1,074	
Employer Medicare		7,491	
Communication		1,455	
Data Processing Services		5,594	
Dues and Memberships		720	
Maintenance Agreements		8,221	
Maintenance and Repair Services - Equipment		581	
Postal Charges		19,577	
Travel		1,200	
Other Contracted Services		269	
Office Supplies		25,766	
Data Processing Equipment		11,940	
Total Chancery Court			790,686

Juvenile Court

Judge(s)	\$	145,994	
Deputy(ies)		28,103	
Secretary(ies)		33,219	
Part-time Personnel		24,249	
Other Salaries and Wages		81,340	
Social Security		16,709	
State Retirement		36,916	
Employee and Dependent Insurance		32,005	
Disability Insurance		557	
Employer Medicare		4,357	

(Continued)

Exhibit L-9

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

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

Communication	\$	801	
Dues and Memberships		2,258	
Maintenance Agreements		776	
Postal Charges		50	
Travel		898	
Other Contracted Services		24,780	
Library Books/Media		2,742	
Office Supplies		1,880	
Uniforms		182	
Other Supplies and Materials		1,956	
Total Juvenile Court			\$ 439,772

District Attorney General

Assistant(s)	\$	50,132	
Longevity Pay		125	
Social Security		3,076	
State Retirement		6,427	
Employee and Dependent Insurance		58	
Disability Insurance		110	
Employer Medicare		719	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			65,362

Office of Public Defender

Postal Charges	\$	274	
Other Contracted Services		18,000	
Total Office of Public Defender			18,274

Probation Services

County Official/Administrative Officer	\$	58,564	
Assistant(s)		41,690	
Youth Service Officer(s)		136,648	
Secretary(ies)		28,158	
Longevity Pay		1,450	
In-Service Training		930	
Social Security		15,862	
State Retirement		34,081	
Employee and Dependent Insurance		52,025	
Disability Insurance		581	

(Continued)

Exhibit L-9

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

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

Employer Medicare	\$	3,710	
Communication		1,902	
Contracts with Private Agencies		464,096	
Data Processing Services		3,900	
Maintenance Agreements		1,159	
Postal Charges		147	
Travel		2,147	
Office Supplies		2,298	
Other Supplies and Materials		478	
Total Probation Services			\$ 849,826

Victims Assistance Programs

Assistant(s)	\$	43,477	
Part-time Personnel		23,715	
Longevity Pay		100	
Other Salaries and Wages		40,234	
Social Security		6,370	
State Retirement		10,718	
Employee and Dependent Insurance		17,860	
Disability Insurance		183	
Employer Medicare		1,490	
Communication		734	
Dues and Memberships		170	
Maintenance Agreements		1,260	
Postal Charges		2	
Other Contracted Services		4,315	
Office Supplies		1,693	
Office Equipment		2,950	
Total Victims Assistance Programs			155,271

Public SafetySheriff's Department

County Official/Administrative Officer	\$	105,370	
Salary Supplements		109,200	
Part-time Personnel		373,812	
Longevity Pay		52,450	
Overtime Pay		448,831	
Other Salaries and Wages		9,335,995	
In-Service Training		69,085	
Other Per Diem and Fees		6,983	

(Continued)

Exhibit L-9

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

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

Social Security	\$	626,389	
State Retirement		1,283,750	
Employee and Dependent Insurance		1,691,620	
Disability Insurance		20,713	
Employer Medicare		146,494	
Communication		123,281	
Contracts with Private Agencies		2,800	
Data Processing Services		30,194	
Dues and Memberships		7,020	
Maintenance Agreements		7,370	
Maintenance and Repair Services - Equipment		37,689	
Maintenance and Repair Services - Vehicles		84,130	
Medical and Dental Services		11,345	
Postal Charges		10,386	
Printing, Stationery, and Forms		7,019	
Other Contracted Services		12,361	
Data Processing Supplies		11,003	
Gasoline		508,342	
Instructional Supplies and Materials		16,710	
Law Enforcement Supplies		77,348	
Office Supplies		32,517	
Periodicals		4,027	
Uniforms		121,149	
Vehicle Parts		139,603	
Other Supplies and Materials		32,955	
Judgments		18,281	
Other Charges		12,236	
Communication Equipment		24,338	
Data Processing Equipment		6,441	
Law Enforcement Equipment		52,782	
Motor Vehicles		469,638	
Office Equipment		1,995	
Total Sheriff's Department			\$ 16,133,652

Special Patrols

Nightwatchmen	\$	33,018	
Social Security		2,047	
State Retirement		4,214	
Employer Medicare		479	
Total Special Patrols			39,758

(Continued)

Exhibit L-9

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

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

Utilities	\$	6,048	
Total Traffic Control			\$ 6,048

Administration of the Sexual Offender Registry

Other Charges	\$	1,620	
Total Administration of the Sexual Offender Registry			1,620

Jail

Maintenance Personnel	\$	86,953
Part-time Personnel		6,638
Longevity Pay		16,775
Overtime Pay		127,169
Other Salaries and Wages		4,592,034
In-Service Training		9,496
Social Security		288,200
State Retirement		616,359
Employee and Dependent Insurance		1,021,864
Disability Insurance		10,331
Employer Medicare		67,406
Dues and Memberships		1,074
Maintenance Agreements		38,024
Maintenance and Repair Services - Buildings		136,833
Maintenance and Repair Services - Equipment		50,163
Printing, Stationery, and Forms		3,758
Transportation - Other than Students		57,095
Other Contracted Services		3,140,289
Custodial Supplies		87,503
Data Processing Supplies		8,333
Food Preparation Supplies		46,766
Food Supplies		989,054
Law Enforcement Supplies		8,446
Office Supplies		12,097
Prisoners Clothing		65,211
Uniforms		35,477
Utilities		582,999
Other Supplies and Materials		2,571
Building Improvements		37,184
Communication Equipment		2,880
Data Processing Equipment		44,985
Food Service Equipment		4,184

(Continued)

Exhibit L-9

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

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

Maintenance Equipment	\$	5,884	
Office Equipment		4,833	
Total Jail			\$ 12,208,868

Workhouse

County Official/Administrative Officer	\$	59,446
Captain(s)		7,100
Sergeant(s)		182,651
Guards		912,989
Secretary(ies)		42,382
Clerical Personnel		109,961
Part-time Personnel		12,492
Longevity Pay		3,725
Overtime Pay		15,172
Board and Committee Members Fees		4,500
In-Service Training		2,749
Social Security		80,037
State Retirement		167,587
Employee and Dependent Insurance		302,740
Disability Insurance		2,789
Employer Medicare		18,720
Communication		6,589
Dues and Memberships		300
Evaluation and Testing		3,806
Operating Lease Payments		780
Maintenance Agreements		12,429
Maintenance and Repair Services - Buildings		4,279
Maintenance and Repair Services - Equipment		8,896
Medical and Dental Services		584
Postal Charges		437
Printing, Stationery, and Forms		365
Other Contracted Services		660,411
Custodial Supplies		21,413
Data Processing Supplies		4,826
Equipment and Machinery Parts		2,392
Gasoline		12,235
Law Enforcement Supplies		3,442
Office Supplies		4,640
Prisoners Clothing		16,029
Uniforms		4,982

(Continued)

Exhibit L-9

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

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

Utilities	\$	189,070	
Other Supplies and Materials		18,088	
Maintenance Equipment		6,309	
Total Workhouse			\$ 2,907,342

Juvenile Services

County Official/Administrative Officer	\$	60,692	
Captain(s)		50,463	
Lieutenant(s)		45,090	
Sergeant(s)		201,054	
Guards		213,399	
Secretary(ies)		34,068	
Attendants		482,614	
Part-time Personnel		19,126	
Longevity Pay		1,825	
Overtime Pay		22,127	
In-Service Training		2,842	
Social Security		67,745	
State Retirement		141,500	
Employee and Dependent Insurance		208,256	
Disability Insurance		2,413	
Employer Medicare		15,845	
Communication		2,712	
Data Processing Services		6,965	
Evaluation and Testing		1,665	
Maintenance Agreements		1,939	
Maintenance and Repair Services - Buildings		206	
Maintenance and Repair Services - Equipment		221	
Maintenance and Repair Services - Vehicles		336	
Medical and Dental Services		36,050	
Postal Charges		462	
Printing, Stationery, and Forms		1,578	
Other Contracted Services		53,351	
Gasoline		340	
Office Supplies		811	
Uniforms		9,407	
Other Supplies and Materials		26,910	
Total Juvenile Services			1,712,012

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public Safety (Cont.)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		875	
Overtime Pay		6,513	
In-Service Training		41	
Social Security		14,381	
State Retirement		31,003	
Employee and Dependent Insurance		39,009	
Disability Insurance		515	
Employer Medicare		3,363	
Communication		29,356	
Contributions		2,000	
Dues and Memberships		584	
Maintenance Agreements		4,598	
Maintenance and Repair Services - Vehicles		1,244	
Postal Charges		112	
Printing, Stationery, and Forms		300	
Travel		238	
Other Contracted Services		2,630	
Data Processing Supplies		1,833	
Electricity		3,400	
Gasoline		9,024	
Instructional Supplies and Materials		2,434	
Office Supplies		2,035	
Uniforms		1,643	
Other Supplies and Materials		12,959	
Communication Equipment		3,596	
Office Equipment		7,478	
Other Equipment		100,873	
Total Disaster Relief			517,077

Inspection and Regulation

County Official/Administrative Officer	\$	72,176	
Deputy(ies)		327,794	

(Continued)

Exhibit L-9

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

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

Clerical Personnel	\$	94,831	
Longevity Pay		3,500	
Social Security		29,988	
State Retirement		63,724	
Employee and Dependent Insurance		82,155	
Disability Insurance		1,076	
Employer Medicare		7,014	
Communication		6,906	
Dues and Memberships		1,048	
Maintenance Agreements		2,723	
Postal Charges		963	
Printing, Stationery, and Forms		1,440	
Travel		3,948	
Other Contracted Services		7,638	
Gasoline		11,779	
Office Supplies		4,207	
Uniforms		284	
Other Supplies and Materials		1,198	
In Service/Staff Development		1,028	
Total Inspection and Regulation			\$ 725,420

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,625	
Other Salaries and Wages		212,312	
Social Security		12,636	
State Retirement		27,360	
Employee and Dependent Insurance		48,992	
Disability Insurance		465	
Employer Medicare		2,955	
Communication		12,664	
Contracts with Government Agencies		128,375	
Maintenance and Repair Services - Buildings		11,752	
Maintenance and Repair Services - Equipment		2,909	
Travel		1,626	
Other Contracted Services		48,170	
Drugs and Medical Supplies		14,001	
Utilities		68,189	
Other Supplies and Materials		18,334	
Total Local Health Center			612,365

(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

County Official/Administrative Officer	\$	62,891	
Supervisor/Director		42,220	
Secretary(ies)		34,442	
Attendants		352,626	
Part-time Personnel		39,466	
Longevity Pay		1,525	
Overtime Pay		17,997	
Social Security		33,354	
State Retirement		65,438	
Employee and Dependent Insurance		99,006	
Disability Insurance		1,077	
Employer Medicare		7,801	
Advertising		160	
Communication		15,220	
Dues and Memberships		244	
Evaluation and Testing		1,365	
Maintenance Agreements		13,240	
Maintenance and Repair Services - Buildings		7,271	
Maintenance and Repair Services - Vehicles		7,682	
Medical and Dental Services		3,830	
Postal Charges		94	
Travel		2,701	
Veterinary Services		58,903	
Other Contracted Services		65,000	
Animal Food and Supplies		10,418	
Custodial Supplies		8,565	
Drugs and Medical Supplies		42,170	
Gasoline		32,594	
Office Supplies		4,895	
Uniforms		2,095	
Utilities		43,409	
Other Supplies and Materials		4,155	
Refunds		864	
Communication Equipment		50	
Total Rabies and Animal Control			\$ 1,082,768

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	1,395
Maintenance and Repair Services - Buildings		58
Data Processing Supplies		306

(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	\$	1,120	
Instructional Supplies and Materials		276	
Office Supplies		403	
Uniforms		6,170	
Other Supplies and Materials		277	
Other Charges		1,698	
Other Equipment		4,115	
Total Ambulance/Emergency Medical Services			\$ 15,818

Nursing Home

Site Development	\$	9,033	
Total Nursing Home			9,033

Dental Health Program

Medical and Dental Services	\$	3,867	
Total Dental Health Program			3,867

Other Local Health Services

Medical Personnel	\$	974,237	
Longevity Pay		4,925	
Overtime Pay		3,386	
Social Security		57,810	
State Retirement		118,533	
Employee and Dependent Insurance		265,650	
Disability Insurance		1,946	
Employer Medicare		13,521	
Maintenance and Repair Services - Buildings		1,590	
Travel		14,060	
Other Contracted Services		6,077	
Other Supplies and Materials		1,447	
Health Equipment		550	
Total Other Local Health Services			1,463,732

General Welfare Assistance

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

Sanitation Management

Contracts with Private Agencies	\$	27,500	
Total Sanitation Management			27,500

(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		156,625	
Liability Insurance		<u>2,256</u>	
Total Other Public Health and Welfare			\$ 173,281

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		134,640	
Board and Committee Members Fees		2,800	
Social Security		8,521	
Employer Medicare		2,374	
Contributions		95,910	
Maintenance and Repair Services - Buildings		2,974	
Matching Share		25,000	
Postal Charges		106	
Travel		2,055	
Other Contracted Services		40,000	
Equipment and Machinery Parts		13,973	
Office Supplies		243	
Other Supplies and Materials		<u>1,536</u>	
Total Parks and Fair Boards			356,382

Agriculture and Natural ResourcesAgriculture Extension Service

Teachers	\$	67,760	
Secretary(ies)		89,172	
Part-time Personnel		27,145	

(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	\$	725	
Overtime Pay		100	
Board and Committee Members Fees		2,450	
Social Security		11,433	
State Retirement		20,162	
Employee and Dependent Insurance		27,958	
Disability Insurance		344	
Employer Medicare		2,674	
Communication		4,395	
Contracts with Government Agencies		224,602	
Data Processing Services		263	
Postal Charges		1,540	
Travel		3,328	
Other Contracted Services		2,962	
Fertilizer, Lime, and Seed		212	
Gasoline		2,122	
Office Supplies		4,997	
Utilities		87,878	
Other Supplies and Materials		7,702	
Total Agriculture Extension Service			\$ 589,924

Soil Conservation

Assistant(s)	\$	36,932	
Part-time Personnel		21,286	
Longevity Pay		275	
Social Security		3,494	
State Retirement		4,758	
Employee and Dependent Insurance		9,192	
Disability Insurance		81	
Employer Medicare		817	
Contributions		12,000	
Total Soil Conservation			88,835

Storm Water Management

Assistant(s)	\$	50,463	
Part-time Personnel		13,144	
Longevity Pay		100	
In-Service Training		1,478	
Social Security		3,890	
State Retirement		6,466	

(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.)

Employee and Dependent Insurance	\$	7,883	
Disability Insurance		111	
Employer Medicare		910	
Communication		2,162	
Contracts with Private Agencies		8,306	
Dues and Memberships		777	
Postal Charges		72	
Travel		150	
Other Contracted Services		175	
Data Processing Supplies		400	
Gasoline		1,041	
Office Supplies		1,779	
Other Supplies and Materials		2,521	
Total Storm Water Management			\$ 101,828

Other OperationsTourism

Contributions	\$	328,000	
Total Tourism			328,000

Other Charges

Mechanic(s)	\$	42,814	
Laborers		66,515	
Longevity Pay		775	
Overtime Pay		461	
Social Security		6,770	
State Retirement		14,139	
Employee and Dependent Insurance		20,908	
Disability Insurance		240	
Employer Medicare		1,583	
Communication		743	
Maintenance Agreements		318	
Gasoline		14,339	
Utilities		19,824	
Vehicle Parts		28,316	
Other Supplies and Materials		7,576	
Total Other Charges			225,321

Employee Benefits

Unemployment Compensation	\$	59,000	
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(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.)

Other Fringe Benefits	\$ 157,954	
Workers' Compensation Insurance	421,960	
Total Employee Benefits		\$ 638,914

Payments to Cities

Contracts with Government Agencies	\$ 1,928,146	
Total Payments to Cities		1,928,146

ARRA Grant No. 1

Consultants	\$ 18,689	
Travel	5,554	
Office Supplies	131	
Total ARRA Grant No. 1		24,374

ARRA Grant No. 2

Part-time Personnel	\$ 19,530	
Social Security	1,211	
Employer Medicare	283	
Printing, Stationery, and Forms	225	
Travel	1,845	
Data Processing Equipment	2,629	
Furniture and Fixtures	3,023	
Total ARRA Grant No. 2		28,746

ARRA Grant No. 3

Temporary Personnel	\$ 35,008	
Social Security	2,170	
Employer Medicare	508	
Travel	2,825	
Total ARRA Grant No. 3		40,511

ARRA Grant No. 4

Other Salaries and Wages	\$ 27,525	
Social Security	1,671	
State Retirement	3,527	
Employee and Dependent Insurance	3,445	
Disability Insurance	59	
Employer Medicare	391	
Total ARRA Grant No. 4		36,618

(Continued)

Exhibit L-9

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

General Fund (Cont.)Other Operations (Cont.)ARRA Grant No. 5

Law Enforcement Equipment	\$ 445,384	
Total ARRA Grant No. 5		\$ 445,384

ARRA Grant No. 6

Maintenance and Repair Services - Buildings	\$ 4,037	
Solid Waste Equipment	110,000	
Total ARRA Grant No. 6		114,037

ARRA Grant No. 7

Data Processing Equipment	\$ 4,935	
Total ARRA Grant No. 7		4,935

Miscellaneous

Audit Services	\$ 54,607	
Consultants	1,998	
Contributions	740,498	
Dues and Memberships	33,855	
Legal Services	28,163	
Maintenance Agreements	2,106	
Maintenance and Repair Services - Buildings	65,630	
Travel	323	
Building and Contents Insurance	86,458	
Judgments	1,502,447	
Liability Insurance	424,686	
Trustee's Commission	860,417	
Tax Relief Program	494,638	
Other Charges	27,905	
Other Capital Outlay	3,289	
Total Miscellaneous		4,327,020

Total General Fund		\$ 62,748,684
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Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$ 20,797	
Part-time Personnel	13,171	
Longevity Pay	675	
Other Salaries and Wages	40,234	
Social Security	4,516	

(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.)

State Retirement	\$	7,891	
Employee and Dependent Insurance		11,617	
Disability Insurance		118	
Employer Medicare		1,056	
Travel		47	
Gasoline		3,683	
Instructional Supplies and Materials		2,482	
Other Supplies and Materials		6,908	
Total Sanitation Education/Information			\$ 113,195

Convenience Centers

Supervisor/Director	\$	58,113
Foremen		35,766
Truck Drivers		353,292
Laborers		361,448
Clerical Personnel		32,986
Longevity Pay		3,775
Overtime Pay		18,363
Social Security		50,537
State Retirement		67,267
Employee and Dependent Insurance		109,807
Disability Insurance		1,142
Employer Medicare		12,205
Communication		10,796
Contracts with Government Agencies		2,637
Contracts with Private Agencies		16,443
Evaluation and Testing		154
Maintenance and Repair Services - Buildings		9,015
Maintenance and Repair Services - Equipment		14,049
Maintenance and Repair Services - Vehicles		81,854
Postal Charges		46
Rentals		27,035
Tow-in Services		802
Travel		485
Asphalt		46,487
Crushed Stone		2,258
Data Processing Supplies		211
Diesel Fuel		131,602
Equipment and Machinery Parts		57,511
Gasoline		9,339

(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.)

Office Supplies	\$	608	
Tires and Tubes		46,717	
Uniforms		4,663	
Utilities		15,866	
Fencing		5,175	
Other Supplies and Materials		9,526	
Solid Waste Equipment		7,696	
Total Convenience Centers			\$ 1,605,676

Other Waste Collection

Laborers	\$	23,651	
Overtime Pay		634	
Social Security		1,506	
State Retirement		3,086	
Employee and Dependent Insurance		48	
Disability Insurance		52	
Employer Medicare		352	
Advertising		752	
Contracts with Private Agencies		254,330	
Maintenance and Repair Services - Equipment		2,345	
Other Contracted Services		4,398	
Other Supplies and Materials		1,060	
Solid Waste Equipment		45,619	
Total Other Waste Collection			337,833

Landfill Operation and Maintenance

Mechanic(s)	\$	34,442	
Laborers		61,180	
Clerical Personnel		27,626	
Part-time Personnel		7,180	
Longevity Pay		575	
Overtime Pay		3,917	
Social Security		7,931	
State Retirement		16,307	
Employee and Dependent Insurance		38,177	
Disability Insurance		270	
Employer Medicare		1,855	
Communication		2,752	
Contracts with Private Agencies		136,729	
Maintenance and Repair Services - Equipment		3,261	

(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.)

Maintenance and Repair Services - Vehicles	\$	1,742	
Postal Charges		3	
Travel		65	
Disposal Fees		193,314	
Other Contracted Services		1,578	
Crushed Stone		12,231	
Data Processing Supplies		914	
Diesel Fuel		16,492	
Electricity		2,880	
Equipment Parts - Light		382	
Equipment and Machinery Parts		26,021	
Garage Supplies		1,165	
Propane Gas		3,680	
Tires and Tubes		1,951	
Uniforms		3,002	
Other Supplies and Materials		1,711	
Total Landfill Operation and Maintenance			\$ 609,333

Postclosure Care Costs

Contracts with Private Agencies	\$	25,710	
Contracts for Postclosure Care Costs		2,109	
Crushed Stone		1,740	
Testing		12,400	
Total Postclosure Care Costs			41,959

Other OperationsEmployee Benefits

Unemployment Compensation	\$	14,904	
Workers' Compensation Insurance		41,120	
Total Employee Benefits			56,024

Miscellaneous

Building and Contents Insurance	\$	3,024	
Judgments		81,000	
Liability Insurance		7,487	
Trustee's Commission		25,605	
Total Miscellaneous			117,116

Total Solid Waste/Sanitation Fund \$ 2,881,136

(Continued)

Exhibit L-9

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

<u>Ambulance Service Fund</u>	
<u>Public Health and Welfare</u>	
<u>Ambulance/Emergency Medical Services</u>	
County Official/Administrative Officer	\$ 83,340
Supervisor/Director	1,190,242
Accountants/Bookkeepers	183,296
Paraprofessionals	3,703,027
Dispatchers/Radio Operators	392,497
Custodial Personnel	21,884
Part-time Personnel	268,311
Longevity Pay	25,225
Overtime Pay	155,272
In-Service Training	40,527
Social Security	360,681
State Retirement	732,596
Employee and Dependent Insurance	945,504
Disability Insurance	9,033
Employer Medicare	84,352
Communication	96,305
Contracts with Private Agencies	61,286
Evaluation and Testing	9,082
Maintenance and Repair Services - Buildings	23,904
Maintenance and Repair Services - Vehicles	101,549
Medical and Dental Services	12,103
Pest Control	4,829
Postal Charges	25,949
Printing, Stationery, and Forms	5,750
Travel	1,747
Other Contracted Services	9,334
Custodial Supplies	11,825
Data Processing Supplies	4,399
Drugs and Medical Supplies	271,567
Gasoline	119,353
Instructional Supplies and Materials	8,203
Office Supplies	15,016
Uniforms	64,526
Utilities	86,804
Other Supplies and Materials	22,637
Refunds	39,563
Trustee's Commission	153,472
In Service/Staff Development	8,839
Other Charges	53,652
Communication Equipment	5,217

(Continued)

Exhibit L-9

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

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

Data Processing Equipment	\$	9,780	
Motor Vehicles		300,000	
Office Equipment		<u>4,818</u>	
Total Ambulance/Emergency Medical Services	\$		<u>9,727,296</u>

Total Ambulance Service Fund \$ 9,727,296

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	105,280	
Contributions		96,500	
Trustee's Commission		<u>1,081</u>	
Total Industrial Development	\$		202,861

Payments to Cities

Contracts with Government Agencies	\$	<u>17,030</u>	
Total Payments to Cities			<u>17,030</u>

Total Industrial/Economic Development Fund 219,891

Special Purpose FundPublic SafetySheriff's Department

In-Service Training	\$	147	
Confidential Drug Enforcement Payments		22,500	
Instructional Supplies and Materials		6,897	
Other Supplies and Materials		780	
Other Equipment		<u>8,843</u>	
Total Sheriff's Department	\$		<u>39,167</u>

Total Special Purpose Fund 39,167

Drug Control FundPublic SafetyDrug Enforcement

Longevity Pay	\$	1,825	
Overtime Pay		89,713	
Other Salaries and Wages		278,625	
In-Service Training		<u>14,154</u>	

(Continued)

Exhibit L-9

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

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

Social Security	\$	22,226	
State Retirement		47,336	
Employee and Dependent Insurance		58,996	
Disability Insurance		623	
Employer Medicare		5,198	
Confidential Drug Enforcement Payments		100,000	
Maintenance and Repair Services - Vehicles		16,795	
Veterinary Services		486	
Animal Food and Supplies		665	
Law Enforcement Supplies		1,732	
Other Supplies and Materials		4,801	
Trustee's Commission		3,007	
Law Enforcement Equipment		750	
Motor Vehicles		43,745	
Total Drug Enforcement			\$ 690,677

Total Drug Control Fund \$ 690,677

Adequate Facilities/Development Tax FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	13,330	
Total Other General Administration			\$ 13,330

Capital ProjectsOther General Government Projects

Consultants	\$	77,297	
Total Other General Government Projects			77,297

Total Adequate Facilities/Development Tax Fund 90,627

District Attorney General FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	612	
Total Other General Administration			\$ 612

Administration of JusticeDistrict Attorney General

Part-time Personnel	\$	4,177	
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(Continued)

Exhibit L-9

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

District Attorney General Fund (Cont.)Administration of Justice (Cont.)District Attorney General (Cont.)

Overtime Pay	\$	5	
Social Security		259	
Employer Medicare		61	
Other Supplies and Materials		26,108	
Total District Attorney General			\$ 30,610

Total District Attorney General Fund

\$ 31,222

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$	875,822	
Total Register of Deeds			\$ 875,822

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	454,119	
Total County Trustee's Office			454,119

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	1,924,231	
Total County Clerk's Office			1,924,231

Administration of JusticeCircuit Court Clerk

Constitutional Officers' Operating Expenses	\$	1,882,791	
Total Circuit Court Clerk			1,882,791

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	12,780	
Constitutional Officers' Operating Expenses		5,665	
Total Chancery Court			18,445

Juvenile Court

Constitutional Officers' Operating Expenses	\$	148	
Total Juvenile Court			148

Total Constitutional Officers - Fees Fund

5,155,556

(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		1,225	
Board and Committee Members Fees		25,200	
Social Security		16,321	
State Retirement		31,244	
Employee and Dependent Insurance		34,271	
Disability Insurance		532	
Employer Medicare		3,817	
Communication		4,795	
Dues and Memberships		6,880	
Janitorial Services		4,500	
Legal Notices, Recording, and Court Costs		1,005	
Maintenance and Repair Services - Office Equipment		540	
Postal Charges		704	
Printing, Stationery, and Forms		1,495	
Travel		95	
Electricity		18,617	
Natural Gas		12,324	
Office Supplies		1,508	
Water and Sewer		7,228	
Building and Contents Insurance		8,675	
Liability Insurance		100,961	
Trustee's Commission		78,290	
Other Charges		4,671	
Office Equipment		1,886	
Total Administration			\$ 609,843

Highway and Bridge Maintenance

Foremen	\$	238,069
Equipment Operators		709,943
Truck Drivers		283,243
Longevity Pay		11,125
Overtime Pay		14,929
Social Security		73,357
State Retirement		159,063
Employee and Dependent Insurance		307,043
Disability Insurance		2,715
Employer Medicare		17,156

(Continued)

Exhibit L-9

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

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

Engineering Services	\$	4,858	
Other Contracted Services		93,705	
Asphalt		3,138,920	
General Construction Materials		9,194	
Pipe - Metal		28,039	
Road Signs		21,908	
Salt		26,942	
Uniforms		17,701	
Total Highway and Bridge Maintenance			\$ 5,157,910

Operation and Maintenance of Equipment

Foremen	\$	43,920	
Mechanic(s)		173,140	
Laborers		59,415	
Longevity Pay		2,325	
Overtime Pay		4,987	
Social Security		16,987	
State Retirement		36,296	
Employee and Dependent Insurance		58,107	
Disability Insurance		598	
Employer Medicare		3,973	
Maintenance and Repair Services - Equipment		60,271	
Other Contracted Services		15,468	
Diesel Fuel		116,553	
Equipment and Machinery Parts		105,395	
Garage Supplies		5,837	
Gasoline		42,240	
Lubricants		14,644	
Tires and Tubes		51,537	
Other Supplies and Materials		15,948	
Total Operation and Maintenance of Equipment			827,641

Quarry Operations

Mechanic(s)	\$	29,401	
Equipment Operators		36,243	
Truck Drivers		52,090	
Clerical Personnel		23,229	
Longevity Pay		1,525	
Overtime Pay		104	
Social Security		8,452	

(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.)

State Retirement	\$	18,238	
Employee and Dependent Insurance		31,977	
Disability Insurance		310	
Employer Medicare		1,977	
Communication		573	
Explosive and Drilling Services		5,190	
Electricity		1,764	
Equipment and Machinery Parts		4,503	
Water and Sewer		365	
Total Quarry Operations			\$ 215,941

Other Charges

Assistant(s)	\$	55,743	
Salary Supplements		10,000	
Foremen		39,610	
Equipment Operators		85,115	
Secretary(ies)		36,434	
Longevity Pay		750	
In-Service Training		4,004	
Social Security		13,227	
State Retirement		29,117	
Employee and Dependent Insurance		49,580	
Disability Insurance		476	
Employer Medicare		3,093	
Communication		1,111	
Legal Notices, Recording, and Court Costs		178	
Maintenance and Repair Services - Equipment		6,898	
Printing, Stationery, and Forms		40	
Travel		2,987	
Diesel Fuel		9,646	
Equipment and Machinery Parts		3,689	
Gasoline		3,208	
General Construction Materials		45	
Lubricants		363	
Pipe - Metal		235	
Other Supplies and Materials		305	
Other Equipment		5,143	
Total Other Charges			360,997

(Continued)

Exhibit L-9

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

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

Unemployment Compensation	\$ 5,201	
Other Fringe Benefits	83,676	
Workers' Compensation Insurance	<u>140,450</u>	
Total Employee Benefits		\$ 229,327

Capital Outlay

Bridge Construction	\$ 83,044	
Building Improvements	685	
Highway Equipment	<u>325,191</u>	
Total Capital Outlay		<u>408,920</u>

Total Highway/Public Works Fund \$ 7,810,579

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 806,503	
Other Debt Service	<u>4,729</u>	
Total Other General Administration		\$ 811,232

Principal on DebtGeneral Government

Principal on Bonds	\$ <u>3,010,615</u>	
Total General Government		3,010,615

Education

Principal on Bonds	\$ <u>19,364,385</u>	
Total Education		19,364,385

Interest on DebtGeneral Government

Interest on Bonds	\$ 2,734,948	
Interest on Notes	<u>74,083</u>	
Total General Government		2,809,031

Education

Interest on Bonds	\$ 14,102,684	
Interest on Notes	<u>902,918</u>	
Total Education		<u>15,005,602</u>

Total General Debt Service Fund 41,000,865

(Continued)

Exhibit L-9

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

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Architects	\$	9,669	
Other Charges		13,921	
Building Construction		706,984	
Data Processing Equipment		31,046	
Furniture and Fixtures		35,483	
Total General Administration Projects			\$ 797,103

Administration of Justice Projects

Legal Services	\$	277,718	
Other Equipment		2,091	
Total Administration of Justice Projects			279,809

Public Safety Projects

Architects	\$	5,000	
Legal Services		59,790	
Building Construction		18,736	
Other Construction		616,234	
Total Public Safety Projects			699,760

Social, Cultural, and Recreation Projects

Contributions	\$	723,647	
Total Social, Cultural, and Recreation Projects			723,647

Agriculture and Natural Resource Projects

Architects	\$	3,144	
Engineering Services		235	
Other Contracted Services		26,517	
Other Supplies and Materials		33,646	
Building Construction		50,497	
Furniture and Fixtures		5,755	
Site Development		3,636	
Other Equipment		51,071	
Total Agriculture and Natural Resource Projects			174,501

Highway and Street Capital Projects

Contracts with Government Agencies	\$	833,222	
Engineering Services		1,725	
Legal Services		16,377	
Legal Notices, Recording, and Court Costs		225	
Highway Construction		1,104,075	
Right-of-Way		1,380	
Total Highway and Street Capital Projects			1,957,004

Total General Capital Projects Fund \$ 4,631,824

Total Governmental Funds - Primary Government \$ 135,027,524

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 85,128,863	
Career Ladder Program	542,892	
Career Ladder Extended Contracts	154,000	
Educational Assistants	3,355,551	
Other Salaries and Wages	1,030,295	
Social Security	5,414,487	
State Retirement	6,278,914	
Life Insurance	123,913	
Medical Insurance	15,340,485	
Unemployment Compensation	167,382	
Employer Medicare	1,268,758	
Other Fringe Benefits	202,292	
Contracts for Substitute Teachers - Certified	524,625	
Contracts for Substitute Teachers - Non-certified	958,530	
Other Contracted Services	65,704	
Instructional Supplies and Materials	2,014,430	
Textbooks	1,457,238	
Other Supplies and Materials	233,344	
Fee Waivers	52,933	
Other Charges	145,512	
Regular Instruction Equipment	449,969	
Total Regular Instruction Program		\$ 124,910,117

Alternative Instruction Program

Teachers	\$ 1,039,091	
Career Ladder Program	7,000	
Educational Assistants	106,007	
Social Security	69,385	
State Retirement	84,731	
Life Insurance	1,728	
Medical Insurance	181,838	
Employer Medicare	16,226	
Other Fringe Benefits	2,609	
Contracts for Substitute Teachers - Certified	6,655	
Contracts for Substitute Teachers - Non-certified	8,960	
Other Contracted Services	4,557	
Instructional Supplies and Materials	23,370	
Other Equipment	1,581	
Total Alternative Instruction Program		1,553,738

(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	\$ 9,703,197	
Career Ladder Program	100,092	
Educational Assistants	2,690,908	
Speech Pathologist	1,331,011	
Other Salaries and Wages	91,664	
Social Security	829,648	
State Retirement	1,101,597	
Life Insurance	23,741	
Medical Insurance	2,796,138	
Unemployment Compensation	26,520	
Employer Medicare	194,282	
Other Fringe Benefits	32,552	
Contracts for Substitute Teachers - Certified	52,920	
Contracts for Substitute Teachers - Non-certified	197,681	
Other Contracted Services	838,403	
Instructional Supplies and Materials	138,810	
Textbooks	12,335	
Other Supplies and Materials	10,008	
Other Charges	16,920	
Special Education Equipment	61,129	
Total Special Education Program		\$ 20,249,556

Vocational Education Program

Teachers	\$ 6,496,648
Career Ladder Program	34,900
Clerical Personnel	82,234
Other Salaries and Wages	9,943
In-Service Training	500
Social Security	398,358
State Retirement	451,778
Life Insurance	8,476
Medical Insurance	1,042,790
Unemployment Compensation	20,462
Employer Medicare	93,231
Other Fringe Benefits	14,959
Maintenance and Repair Services - Equipment	43,480
Contracts for Substitute Teachers - Certified	37,981
Contracts for Substitute Teachers - Non-certified	106,856
Other Contracted Services	58,856

(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.)

Instructional Supplies and Materials	\$	208,018	
T&I Construction Materials		8,972	
Textbooks		63,612	
Other Supplies and Materials		35,918	
Vocational Instruction Equipment		122,733	
Total Vocational Education Program			\$ 9,340,705

Adult Education Program

Teachers	\$	277,535	
Other Salaries and Wages		24,556	
Social Security		18,535	
State Retirement		12,553	
Life Insurance		197	
Medical Insurance		18,733	
Employer Medicare		4,336	
Other Fringe Benefits		435	
Other Contracted Services		3,904	
Instructional Supplies and Materials		18,645	
Other Supplies and Materials		5,455	
Other Equipment		900	
Total Adult Education Program			385,784

Support Services

Attendance

Supervisor/Director	\$	73,717	
Career Ladder Program		5,200	
Social Workers		220,586	
Clerical Personnel		68,097	
Social Security		19,763	
State Retirement		25,695	
Life Insurance		351	
Medical Insurance		50,726	
Employer Medicare		5,209	
Other Fringe Benefits		821	
Travel		7,294	
Other Contracted Services		133,754	
Other Supplies and Materials		6,339	
Attendance Equipment		998	
Total Attendance			618,550

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$ 1,713,116	
Other Salaries and Wages	365,016	
Social Security	125,347	
State Retirement	258,973	
Life Insurance	2,650	
Medical Insurance	289,702	
Employer Medicare	29,315	
Other Fringe Benefits	4,781	
Travel	24,671	
Contracts for Substitute Teachers - Certified	282	
Contracts for Substitute Teachers - Non-certified	1,448	
Drugs and Medical Supplies	10,615	
Other Supplies and Materials	46,189	
In Service/Staff Development	3,669	
Other Charges	7,188	
Health Equipment	66,369	
Total Health Services		\$ 2,949,331

Other Student Support

Career Ladder Program	\$ 38,000
Guidance Personnel	3,855,172
Clerical Personnel	163,863
Attendants	272,727
Other Salaries and Wages	481,922
Social Security	287,916
State Retirement	340,897
Life Insurance	7,782
Medical Insurance	841,799
Unemployment Compensation	18,984
Employer Medicare	67,409
Other Fringe Benefits	10,593
Contracts with Government Agencies	229,492
Evaluation and Testing	332,894
Travel	15,021
Contracts for Substitute Teachers - Certified	9,584
Contracts for Substitute Teachers - Non-certified	15,954
Other Contracted Services	59,328
Other Supplies and Materials	22,762
In Service/Staff Development	238

(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 Equipment	\$ 78,728	
Total Other Student Support		\$ 7,151,065

Regular Instruction Program

Supervisor/Director	\$ 601,289	
Career Ladder Program	86,962	
Career Ladder Extended Contracts	18,000	
Librarians	2,361,655	
Materials Supervisor	38,156	
Instructional Computer Personnel	1,589,723	
Secretary(ies)	65,916	
Clerical Personnel	67,040	
Educational Assistants	484,602	
Other Salaries and Wages	551,115	
Social Security	351,859	
State Retirement	435,561	
Life Insurance	7,307	
Medical Insurance	903,593	
Unemployment Compensation	11,684	
Employer Medicare	82,290	
Other Fringe Benefits	13,651	
Travel	43,672	
Contracts for Substitute Teachers - Certified	8,518	
Contracts for Substitute Teachers - Non-certified	20,273	
Other Contracted Services	99,223	
Library Books/Media	93,529	
Other Supplies and Materials	29,635	
In Service/Staff Development	49,771	
Other Equipment	12,387	
Total Regular Instruction Program		8,027,411

Alternative Instruction Program

Supervisor/Director	\$ 163,501
Career Ladder Program	8,000
Guidance Personnel	95,285
Librarians	50,530
Clerical Personnel	47,104
Other Salaries and Wages	117,259
Social Security	28,874

(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.)

State Retirement	\$	36,379	
Life Insurance		612	
Medical Insurance		76,380	
Unemployment Compensation		2,760	
Employer Medicare		6,753	
Other Fringe Benefits		1,107	
Contracts for Substitute Teachers - Certified		686	
Contracts for Substitute Teachers - Non-certified		741	
Library Books/Media		1,149	
Other Supplies and Materials		5,195	
In Service/Staff Development		234	
Other Equipment		1,400	
Total Alternative Instruction Program			\$ 643,949

Special Education Program

Supervisor/Director	\$	148,345	
Career Ladder Program		21,400	
Psychological Personnel		443,506	
Career Ladder Extended Contracts		6,000	
Clerical Personnel		31,274	
Social Security		38,981	
State Retirement		42,206	
Life Insurance		591	
Medical Insurance		76,604	
Employer Medicare		9,116	
Other Fringe Benefits		1,382	
Travel		78,290	
Other Contracted Services		13,161	
Other Supplies and Materials		17,275	
In Service/Staff Development		10,286	
Other Charges		4,894	
Other Equipment		4,730	
Total Special Education Program			948,041

Vocational Education Program

Supervisor/Director	\$	58,724	
Clerical Personnel		23,503	
Social Security		4,999	
State Retirement		6,776	

(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.)

Life Insurance	\$	81	
Medical Insurance		6,473	
Employer Medicare		1,169	
Other Fringe Benefits		209	
Travel		14,651	
Other Supplies and Materials		180	
In Service/Staff Development		7,349	
Total Vocational Education Program			\$ 124,114

Adult Programs

Supervisor/Director	\$	86,593	
Clerical Personnel		44,370	
Social Security		2,714	
State Retirement		11,234	
Life Insurance		148	
Medical Insurance		14,268	
Employer Medicare		635	
Other Fringe Benefits		333	
Travel		834	
Other Supplies and Materials		1,362	
In Service/Staff Development		1,236	
Other Charges		20	
Other Equipment		391	
Total Adult Programs			164,138

Board of Education

Secretary to Board	\$	110,990	
Board and Committee Members Fees		66,058	
Social Security		10,905	
State Retirement		11,860	
Life Insurance		91	
Medical Insurance		1,296,599	
Employer Medicare		2,550	
Other Fringe Benefits		282	
Audit Services		44,000	
Dues and Memberships		9,065	
Legal Services		34,449	
Other Contracted Services		4,000	
Liability Insurance		98,122	

(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.)

Trustee's Commission	\$	1,764,796	
Workers' Compensation Insurance		542,499	
In Service/Staff Development		14,067	
Criminal Investigation of Applicants - TBI		26,344	
Total Board of Education			\$ 4,036,677

Director of Schools

County Official/Administrative Officer	\$	132,097	
Other Salaries and Wages		29,936	
Social Security		8,303	
State Retirement		14,609	
Life Insurance		115	
Medical Insurance		20,422	
Employer Medicare		2,387	
Other Fringe Benefits		7,554	
Communication		111,573	
Dues and Memberships		1,150	
Postal Charges		41,259	
Travel		170	
Other Contracted Services		32,672	
In Service/Staff Development		3,460	
Other Charges		30,866	
Administration Equipment		2,694	
Total Director of Schools			439,267

Office of the Principal

Principals	\$	3,429,175	
Career Ladder Program		108,200	
Accountants/Bookkeepers		611,523	
Career Ladder Extended Contracts		108,690	
Assistant Principals		3,752,780	
Secretary(ies)		992,181	
Clerical Personnel		1,035,678	
Social Security		604,374	
State Retirement		801,440	
Life Insurance		12,146	
Medical Insurance		1,459,405	
Unemployment Compensation		1,011	
Employer Medicare		141,345	

(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.)

Other Fringe Benefits	\$	22,678	
Communication		319,099	
Dues and Memberships		24,550	
Contracts for Substitute Teachers - Certified		8,445	
Contracts for Substitute Teachers - Non-certified		10,540	
Other Contracted Services		88,530	
Office Supplies		6,434	
Other Charges		118,456	
Administration Equipment		21,873	
Total Office of the Principal			\$ 13,678,553

Fiscal Services

Supervisor/Director	\$	201,959	
Accountants/Bookkeepers		247,779	
Purchasing Personnel		83,410	
Social Security		32,031	
State Retirement		68,462	
Life Insurance		686	
Medical Insurance		79,724	
Employer Medicare		7,554	
Other Fringe Benefits		1,349	
Travel		1,362	
Other Contracted Services		916	
Office Supplies		21,908	
Other Supplies and Materials		619	
In Service/Staff Development		3,930	
Administration Equipment		1,008	
Total Fiscal Services			752,697

Human Services/Personnel

Supervisor/Director	\$	96,382	
Clerical Personnel		100,210	
Other Salaries and Wages		74,688	
Social Security		16,427	
State Retirement		23,800	
Life Insurance		288	
Medical Insurance		38,788	
Employer Medicare		3,842	
Other Fringe Benefits		681	

(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.)

Travel	\$	775	
Other Contracted Services		1,098	
Other Supplies and Materials		3,255	
In Service/Staff Development		2,263	
Administration Equipment		1,654	
Total Human Services/Personnel			\$ 364,151

Operation of Plant

Custodial Personnel	\$	4,952,684	
Social Security		296,127	
State Retirement		589,986	
Life Insurance		11,148	
Medical Insurance		1,076,200	
Unemployment Compensation		48,213	
Employer Medicare		69,250	
Other Fringe Benefits		11,487	
Other Contracted Services		653,912	
Custodial Supplies		577,299	
Electricity		7,499,812	
Natural Gas		1,652,536	
Water and Sewer		1,044,423	
Other Supplies and Materials		19,695	
Building and Contents Insurance		287,080	
Other Charges		34,969	
Plant Operation Equipment		59,863	
Total Operation of Plant			18,884,684

Maintenance of Plant

Supervisor/Director	\$	384,034	
Secretary(ies)		109,857	
Maintenance Personnel		1,732,095	
Social Security		133,334	
State Retirement		284,704	
Life Insurance		3,263	
Medical Insurance		429,871	
Unemployment Compensation		235	
Employer Medicare		31,184	
Other Fringe Benefits		5,603	
Laundry Service		17,428	

(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	\$	463,054	
Maintenance and Repair Services - Equipment		449,769	
Travel		5,829	
Other Contracted Services		340,627	
Other Supplies and Materials		739,397	
Vehicle and Equipment Insurance		47,434	
In Service/Staff Development		2,973	
Other Charges		9,753	
Maintenance Equipment		16,665	
Total Maintenance of Plant			\$ 5,207,109

Transportation

Supervisor/Director	\$	64,304	
Clerical Personnel		80,594	
Other Salaries and Wages		35,931	
Social Security		10,730	
State Retirement		23,128	
Life Insurance		282	
Medical Insurance		31,921	
Employer Medicare		2,509	
Other Fringe Benefits		471	
Contracts with Private Agencies		333,736	
Contracts with Vehicle Owners		10,519,656	
Travel		4,214	
Other Contracted Services		34,687	
Other Supplies and Materials		5,728	
Vehicle and Equipment Insurance		44,849	
Other Charges		23,898	
Administration Equipment		8,286	
Transportation Equipment		73,954	
Total Transportation			11,298,878

Central and Other

Supervisor/Director	\$	156,240	
Computer Programmer(s)		806,947	
Clerical Personnel		62,614	
Other Salaries and Wages		171,115	
Social Security		72,549	
State Retirement		153,086	

(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.)

Life Insurance	\$	1,382	
Medical Insurance		155,798	
Employer Medicare		16,967	
Other Fringe Benefits		3,068	
Data Processing Services		21,006	
Maintenance and Repair Services - Equipment		15,832	
Travel		11,468	
Other Contracted Services		40,600	
Data Processing Supplies		118,966	
Other Supplies and Materials		84,354	
In Service/Staff Development		5,319	
Data Processing Equipment		4,129	
Other Equipment		22,067	
Total Central and Other			\$ 1,923,507

Operation of Non-Instructional Services

Community Services

Other Charges	\$	22,045	
Total Community Services			22,045

Early Childhood Education

Teachers	\$	863,144	
Career Ladder Program		7,000	
Educational Assistants		329,448	
Social Security		70,778	
State Retirement		100,293	
Life Insurance		2,362	
Medical Insurance		294,885	
Unemployment Compensation		3,540	
Employer Medicare		16,587	
Other Fringe Benefits		2,878	
Travel		485	
Contracts for Substitute Teachers - Certified		8,579	
Contracts for Substitute Teachers - Non-certified		28,634	
Other Contracted Services		915	
Food Supplies		4,228	
Instructional Supplies and Materials		11,774	
Other Supplies and Materials		1,468	
In Service/Staff Development		6,674	
Total Early Childhood Education			1,753,672

(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	\$	1,446	
Land		<u>122,279</u>	
Total Regular Capital Outlay			\$ 123,725

Principal on Debt

Education

Principal on Bonds	\$	530,000	
Principal on Notes		<u>71,429</u>	
Total Education			601,429

Interest on Debt

Education

Interest on Bonds	\$	<u>88,800</u>	
Total Education			88,800

Other Debt Service

Education

Other Debt Service	\$	<u>250</u>	
Total Education			<u>250</u>

Total General Purpose School Fund \$ 236,241,943

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,443,975	
Educational Assistants		542,501	
Other Salaries and Wages		175,638	
Social Security		128,475	
State Retirement		164,573	
Life Insurance		3,742	
Medical Insurance		450,228	
Unemployment Compensation		903	
Employer Medicare		30,383	
Other Fringe Benefits		4,892	
Contracts for Substitute Teachers - Non-certified		141,658	
Other Contracted Services		43,052	
Instructional Supplies and Materials		358,883	
Other Supplies and Materials		198,217	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)Regular Instruction Program (Cont.)

Other Charges	\$	27,442	
Regular Instruction Equipment		<u>1,461,288</u>	
Total Regular Instruction Program			\$ 5,175,850

Special Education Program

Teachers	\$	1,051,335	
Educational Assistants		1,175,419	
Speech Pathologist		168,338	
Other Salaries and Wages		161,696	
Social Security		148,891	
State Retirement		251,287	
Life Insurance		6,315	
Medical Insurance		702,972	
Employer Medicare		34,991	
Other Fringe Benefits		6,210	
Contracts for Substitute Teachers - Certified		14,274	
Contracts for Substitute Teachers - Non-certified		71,742	
Other Contracted Services		228,368	
Instructional Supplies and Materials		970,082	
Special Education Equipment		<u>646,880</u>	
Total Special Education Program			5,638,800

Vocational Education Program

Clerical Personnel	\$	59,694	
Social Security		3,622	
State Retirement		7,635	
Life Insurance		173	
Medical Insurance		17,735	
Employer Medicare		847	
Other Fringe Benefits		137	
Instructional Supplies and Materials		63,263	
Other Supplies and Materials		21,464	
Vocational Instruction Equipment		<u>332,175</u>	
Total Vocational Education Program			506,745

Support ServicesHealth Services

Other Salaries and Wages	\$	150,399	
Social Security		9,073	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

State Retirement	\$	17,945	
Life Insurance		167	
Medical Insurance		17,407	
Employer Medicare		2,122	
Other Fringe Benefits		377	
Total Health Services			\$ 197,490

Other Student Support

Social Workers	\$	374,710	
Attendants		165,455	
Other Salaries and Wages		87,919	
Social Security		36,482	
State Retirement		47,000	
Life Insurance		1,097	
Medical Insurance		128,894	
Employer Medicare		8,761	
Other Fringe Benefits		1,385	
Travel		551	
Other Contracted Services		2,150	
Other Supplies and Materials		161,313	
In Service/Staff Development		38,896	
Total Other Student Support			1,054,613

Regular Instruction Program

Supervisor/Director	\$	84,556	
Secretary(ies)		32,794	
Other Salaries and Wages		69,777	
In-Service Training		61,476	
Social Security		14,513	
State Retirement		19,385	
Life Insurance		201	
Medical Insurance		31,518	
Employer Medicare		3,395	
Other Fringe Benefits		461	
Travel		7,978	
Other Contracted Services		79,797	
Other Supplies and Materials		73,997	
In Service/Staff Development		1,230,289	
Other Equipment		12,881	
Total Regular Instruction Program			1,723,018

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Special Education Program

Psychological Personnel	\$	631,466	
Clerical Personnel		39,631	
Other Salaries and Wages		634,795	
Social Security		78,588	
State Retirement		91,288	
Life Insurance		1,374	
Medical Insurance		154,783	
Employer Medicare		18,381	
Other Fringe Benefits		3,033	
Other Supplies and Materials		41,585	
In Service/Staff Development		185,913	
Other Equipment		39,420	
Total Special Education Program			\$ 1,920,257

Vocational Education Program

Clerical Personnel	\$	6,936	
Social Security		402	
State Retirement		887	
Life Insurance		17	
Medical Insurance		2,639	
Employer Medicare		94	
Other Fringe Benefits		19	
In Service/Staff Development		21,466	
Total Vocational Education Program			32,460

Transportation

Contracts with Vehicle Owners	\$	23,480	
Transportation Equipment		73,455	
Total Transportation			96,935

Total School Federal Projects Fund \$ 16,346,168

Central Cafeteria FundSupport ServicesBoard of Education

Audit Services	\$	11,000	
Workers' Compensation Insurance		61,000	
Total Board of Education			\$ 72,000

(Continued)

Exhibit L-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	1,396,875	
Accountants/Bookkeepers		72,232	
Cafeteria Personnel		3,366,797	
Other Salaries and Wages		92,161	
Social Security		295,289	
State Retirement		329,984	
Life Insurance		8,444	
Medical Insurance		822,199	
Unemployment Compensation		17,736	
Employer Medicare		69,243	
Other Fringe Benefits		6,760	
Communication		1,095	
Maintenance and Repair Services - Equipment		61,837	
Postal Charges		2,843	
Transportation - Other than Students		108,354	
Travel		6,632	
Other Contracted Services		231,008	
Food Preparation Supplies		432,900	
Food Supplies		5,357,025	
Office Supplies		19,462	
Uniforms		5,645	
Other Supplies and Materials		102,939	
In Service/Staff Development		19,833	
Other Charges		3,084	
Food Service Equipment		463,510	
Total Food Service			\$ 13,293,887

Total Central Cafeteria Fund \$ 13,365,887

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	45,523	
Total Board of Education			\$ 45,523

Capital Projects

Education Capital Projects

Architects	\$	33,623	
Engineering Services		1,604	

(Continued)

Exhibit L-10

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

<u>Education Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Education Capital Projects (Cont.)</u>			
Maintenance and Repair Services - Buildings	\$	2,033,530	
Furniture and Fixtures		27,590	
Regular Instruction Equipment		52,522	
Total Education Capital Projects			\$ 2,148,869
Total Education Capital Projects Fund			\$ 2,194,392
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	360,771	
Engineering Services		128,483	
Building Construction		26,450,789	
Building Improvements		1,222,227	
Furniture and Fixtures		372,068	
Land		577	
Regular Instruction Equipment		1,051,878	
Site Development		6,164,483	
Other Equipment		61,922	
Other Capital Outlay		174,851	
Total Education Capital Projects			\$ 35,988,049
Total Other Capital Projects Fund			35,988,049
Total Governmental Funds - Rutherford County School Department			\$ 304,136,439

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, 2010

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 10,354,647	\$ 10,354,647
Trustee's Collections - Prior Years	0	254,441	254,441
Circuit/Clerk and Master Collections - Prior Years	0	124,442	124,442
Interest and Penalty	0	46,122	46,122
Pick-up Taxes	0	33,512	33,512
Payments in-Lieu-of Taxes - T.V.A.	0	1,098	1,098
Payments in-Lieu-of Taxes - Local Utilities	0	150,359	150,359
Local Option Sales Tax	39,742,289	6,412,806	46,155,095
Wheel Tax	0	581,639	581,639
Business Tax	0	177,894	177,894
Interstate Telecommunications Tax	0	2,305	2,305
Marriage Licenses	0	1,975	1,975
Total Cash Receipts	<u>\$ 39,742,289</u>	<u>\$ 18,141,240</u>	<u>\$ 57,883,529</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 39,344,866	\$ 17,861,064	\$ 57,205,930
Trustee's Commission	397,423	289,404	686,827
Total Cash Disbursements	<u>\$ 39,742,289</u>	<u>\$ 18,150,468</u>	<u>\$ 57,892,757</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (9,228)	\$ (9,228)
Cash Balance, July 1, 2009	0	209,100	209,100
Cash Balance, June 30, 2010	<u>\$ 0</u>	<u>\$ 199,872</u>	<u>\$ 199,872</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	241-251
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	252-256
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	257-258
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	259-260
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	261-263

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

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PRIMARY GOVERNMENT: (Notes 1, 2)										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ -	\$ 115,910	\$ 149,327	\$ 166,358	\$ 162,068	\$ 146,463	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462
Restricted for:										
Capital Projects	-	4,978	16,114	10,606	14,397	29,782	17,761	7,674	2,071	403
Debt Service	-	29,430	26,657	26,632	31,323	32,053	31,703	30,879	32,067	34,939
Ambulance Service	-	-	-	-	-	-	-	-	-	5,216
Highways/Public Works	-	-	-	-	6,034	6,412	6,725	6,924	6,823	6,579
Solid Waste/Sanitation	-	-	-	-	4,519	5,084	4,649	4,091	4,166	4,257
Industrial/Economic Development	-	-	-	-	-	-	665	871	581	760
Drug Control	-	-	-	-	-	-	1,187	1,199	1,138	880
Adequate Facilities/Development Tax	-	-	-	-	5,827	5,873	5,925	4,340	4,269	-
District Attorney	-	-	-	-	-	-	-	-	210	241
Alcohol and Drug Treatment	-	-	-	-	-	-	-	-	139	-
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	-	-	-	-	872	820	1,412	2,124
Victims Assistance Programs	-	-	-	-	-	-	-	-	169	229
Computer System - Register	-	-	-	-	-	-	590	-	647	691
Other Purposes	-	6,910	7,590	10,618	2,924	6,468	475	1,187	46	112
Unrestricted (2)	-	(217,979)	(218,611)	(221,776)	(254,549)	(278,388)	(250,973)	(267,988)	(325,800)	(300,698)
Total Governmental Activities Net Assets	\$ -	\$ (60,751)	\$ (18,923)	\$ (7,562)	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)

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	\$ 409,435
Restricted For:										
Capital Projects	-	37,769	19,815	16,309	38,446	51,723	15,927	14,976	46,795	10,924
Textbooks	-	-	-	-	-	3,556	-	-	-	-
Advances to Other	-	-	-	-	-	1,080	1,002	1,569	-	-
School Federal Projects	-	-	-	-	-	-	1,569	384	394	828
Central Cafeteria	-	-	-	-	-	-	-	3,160	4,198	4,902
Career Ladder	-	-	-	-	-	-	-	-	-	335
Driver Education	-	-	-	-	-	-	-	-	-	-
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)	(2,383)
Total Governmental Activities Net Assets	\$ -	\$ 276,229	\$ 279,660	\$ 296,948	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041

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.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES (Note 1)										
Governmental Activities:										
General Government										
Finance	\$ -	\$ 9,291	\$ 930	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112
Administration of Justice	-	4,414	5,143	4,863	5,480	5,727	5,874	5,889	6,989	7,366
Public Safety	-	4,289	4,609	4,970	4,753	5,331	6,265	4,760	6,496	6,844
Public Health and Welfare	-	20,611	23,719	24,925	26,807	28,398	34,122	32,701	39,703	38,545
Social, Cultural and Rec. Services	-	9,802	10,709	10,928	10,792	15,762	17,313	16,622	17,927	17,768
Agriculture and Natural Resources	-	1,023	2,538	1,203	1,186	1,352	1,350	1,380	2,458	2,786
Other Operations (Note 3)	-	402	346	971	1,439	802	918	724	864	1,036
Highways/Public Works	-	-	5,118	4,811	6,880	6,104	6,899	6,876	13,523	-
Education (Pymts to Comp. Unit)	-	13,268	7,369	10,784	13,859	9,750	11,855	14,437	14,529	16,925
Interest on Long-term Debt	-	52,058	28,827	40,140	67,167	70,937	23,940	62,793	99,547	33,085
Other Debt Service	-	12,480	13,346	13,497	13,123	14,510	16,617	16,447	16,221	17,064
	-	-	20	-	1,146	-	-	154	-	-
Total Governmental Activities Expenses	\$ -	\$ 127,638	\$ 102,674	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531
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	\$ 5,280
Finance	-	4,102	4,351	5,126	5,514	5,273	6,819	6,483	6,695	6,759
Administration of Justice	-	2,987	4,299	4,908	5,525	5,271	5,879	6,243	5,723	6,145
Public Safety	-	4,883	4,055	3,459	3,874	525	3,904	3,473	5,222	3,621
Public Health and Welfare	-	3,792	4,727	5,719	5,616	5,291	7,647	6,866	7,900	8,024
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	76
Education	-	-	12,164	18,139	21,634	24,969	28,930	34,080	34,122	37,070
Operating Grants and Contributions	-	6,361	7,446	5,120	6,279	11,045	7,002	7,158	6,950	8,161
Capital Grants and Contributions	-	10,594	2,271	9,292	2,327	4,873	5,041	5,050	13,745	14,707
Total Governmental Activities Program Revenues	\$ -	\$ 36,262	\$ 42,816	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843

(Continued)

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue Governmental Activities	\$ -	\$ (91,376)	\$ (59,858)	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)
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	\$ 36,393
Property Tax Levied for Debt Services	-	19,689	20,805	22,621	25,016	27,009	30,523	33,151	38,072	39,729
Payments in-Lieu-of Taxes	-	-	-	-	-	-	-	6,188	6,526	5,535
Local Option Sales Tax	-	4,328	3,967	3,891	4,007	4,279	4,812	4,767	2,037	2,035
Hotel/Motel Tax	-	-	-	-	-	-	-	986	932	951
Wheel Tax	-	-	-	-	-	-	-	5,707	5,701	5,696
Business Tax	-	-	-	-	-	-	-	1,385	1,269	1,424
Litigation Tax	-	-	-	-	-	-	-	1,062	1,863	2,242
Development Tax	-	-	-	-	-	-	-	3,960	2,579	1,395
Mineral Severance Tax	-	-	-	-	-	-	-	-	359	232
Wholesale Beer Tax	-	-	-	-	-	-	-	-	861	837
Interstate Telecommunications Tax	-	-	-	-	-	-	-	-	2	1
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	655
Investment Earnings	-	2,377	1,583	1,065	2,501	5,114	8,500	5,671	2,603	1,218
Gain on Disposal of Capital Assets	-	-	-	36	2,500	62	-	-	-	-
Miscellaneous	-	32	779	467	325	-	424	130	264	119
Total Governmental Activities	\$ -	\$ 59,615	\$ 62,445	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462
Change in Net Assets	\$ -	\$ (31,761)	\$ 2,587	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)	\$ (50,916)	\$ 31,774

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.
(3) Most of the activities previously reported in Other Operations have been reclassified to General Government in fiscal year 2010.

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

	Fiscal Year									
	<u>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>2010</u>
EXPENSES (Note 1)										
Governmental Activities:										
Education										
Instruction	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ -	\$ -	\$ -
Support Services	-	-	-	-	-	-	-	155,377	177,210	177,407
Operation of Noninstructional Services	-	-	-	-	-	-	-	94,371	107,541	95,279
Interest on Long-term Debt	-	-	-	-	-	-	-	14,510	13,763	15,857
	-	-	-	-	-	-	-	120	100	79
Total Governmental Activities Expenses	\$ -	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ -	\$ 315	\$ 241	\$ 244	\$ 258	\$ 218	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693
Operating Grants and Contributions	-	8,953	9,377	13,040	16,650	17,002	18,018	21,131	20,249	29,948
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	\$ 36,641
Net (Expense)/Revenue Governmental Activities	\$ -	\$ (89,281)	\$ (133,904)	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)
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	\$ 59,597
Payments in-Lieu-of Taxes	-	-	-	-	-	-	-	650	734	828
Local Option Sales Tax	-	22,921	24,124	27,946	29,887	32,888	34,922	37,195	36,185	35,408
Wheel Tax	-	-	-	-	-	-	-	3,202	3,215	3,214
Business Tax	-	-	-	-	-	-	-	1,227	1,077	1,120
Interstate Telecommunications Tax	-	-	-	-	-	-	-	20	19	13
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	140,711
Investment Earnings	-	463	281	203	460	1,171	1,624	1,396	731	327
Gain on Disposal of Capital Assets	-	-	-	356	-	573	-	514	-	-
Miscellaneous	-	92	311	296	498	-	359	360	143	197
Total Governmental Activities	\$ -	\$ 129,199	\$ 137,335	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415
Change in Net Assets	\$ -	\$ 39,918	\$ 3,431	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)

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.

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 Service	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	
														Primary Govt.	Total
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
2010	36,393	39,729	5,535	2,035	951	5,696	1,424	2,242	1,395	232	837	1	-	-	96,470

(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.

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
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
2010	59,597	828	35,408	3,214	1,120	13	-	100,180

(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.

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PRIMARY GOVERNMENT										
General Fund										
Reserved	\$ 958	\$ 1,006	\$ 1,561	\$ 2,247	\$ 2,978	\$ 3,387	\$ 3,794	\$ 2,700	\$ 2,983	\$ 4,013
Unreserved	11,705	11,958	12,331	16,234	16,936	20,580	19,931	17,025	12,794	18,694
Total General Fund	<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>	<u>\$ 22,707</u>
All Other Governmental Funds										
Reserved	\$ 1,120	\$ 837	\$ 724	\$ 757	\$ 501	\$ 508	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628
Unreserved, Reported In:										
Special Revenue Funds	11,952	10,190	11,031	14,743	18,308	19,805	19,540	17,753	17,581	14,376
Debt Service	31,953	31,664	28,975	28,765	30,267	31,183	30,928	30,705	32,182	33,214
Capital Projects Funds	946	8,456	12,869	6,117	14,382	29,708	17,719	9,084	1,020	196
Total All Other Governmental Funds	<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>	<u>\$ 50,414</u>
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 3,522	\$ 3,045	\$ 4,415	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123
Unreserved	8,385	7,484	5,412	6,954	9,875	11,283	12,832	11,396	10,948	16,318
Total General Purpose School Fund	<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>	<u>\$ 19,441</u>
All Other Governmental Funds										
Reserved	\$ 29,704	\$ 28,556	\$ 22,738	\$ 7,535	\$ 5,659	\$ 21,178	\$ 15,802	\$ 23,167	\$ 37,366	\$ 8,409
Unreserved, Reported In:										
Debt Service	-	-	-	-	-	68	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	3,141	3,972	4,695
Capital Projects Funds	1,076	9,894	(2,104)	10,089	33,399	31,229	1,127	(7,787)	10,049	3,549
Total All Other Governmental Funds	<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>	<u>\$ 16,653</u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 53,557	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054
Licenses & Permits	713	932	1,099	1,248	1,679	2,040	1,830	1,688	1,263	1,295
Fines & Forfeitures	1,347	1,546	1,881	2,338	2,638	2,979	2,479	2,875	2,724	2,490
Charges for Service	10,245	11,549	13,453	9,177	9,822	10,349	12,004	12,283	11,998	12,511
Other Local Revenue	7,515	3,348	2,487	1,997	3,613	6,423	9,566	7,069	3,588	2,667
Fees from Co. Officials	(*)	(*)	(*)	6,029	6,327	7,147	7,730	7,147	6,559	6,621
State Revenues	8,528	8,540	9,729	9,551	8,898	10,695	11,187	11,382	10,518	9,162
Federal Revenues	451	648	1,140	1,323	1,805	3,138	1,533	432	602	1,297
Other Govt/Citizens	202	2,926	1,206	545	452	1,004	804	508	3,559	2,299
Total Revenues	\$ 82,558	\$ 86,227	\$ 90,667	\$ 101,815	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043	\$ 128,899	\$ 136,396
Expenditures										
General Government	\$ 6,620	\$ 8,786	\$ 4,608	\$ 5,168	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090
Finance	2,696	4,392	5,022	4,872	5,452	5,953	6,417	6,876	6,968	7,065
Admin. of Justice	2,661	4,267	4,566	4,752	4,780	5,258	6,073	6,206	6,311	6,487
Public Safety	17,716	19,927	22,028	24,010	25,910	29,316	32,044	34,455	35,961	35,072
Public Health/Welfare	9,451	9,505	10,528	11,564	11,591	13,614	16,018	16,656	15,843	15,867
Social, Cultural/Rec.	1,006	1,023	1,095	1,103	1,086	1,252	1,350	1,381	1,418	1,422
Agriculture & Nat. Resource	372	386	359	852	1,418	690	735	772	755	780
Other Operations	4,072	-	5,109	4,805	12,010	9,271	6,878	6,913	7,088	8,535
Highway & Bridge	5,579	5,555	5,831	6,048	6,478	7,000	8,254	8,928	7,688	7,811
Debt Service:										
Principal	13,543	14,069	16,974	16,384	17,719	20,004	24,539	24,515	22,670	22,375
Interest	10,271	12,537	13,105	13,761	14,065	14,769	16,897	16,341	16,441	17,815
Other Charges	170	448	-	164	1,146	237	-	349	432	-
Capital Projects	3,909	53,826	20,469	32,142	46,579	52,523	13,632	54,019	85,202	4,709
	\$ 78,066	\$ 134,721	\$ 109,694	\$ 125,625	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903	\$ 214,110	\$ 135,028
Excess of Revenues Over (Under) Expenditures	\$ 4,492	\$ (48,494)	\$ (19,027)	\$ (23,810)	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)	\$ (85,211)	\$ 1,368

(*) Excess fees are shown as other financing sources

(Continued)

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)										
Transfers In	\$ 6,248	\$ 10,969	\$ 9,932	\$ 6,166	\$ 6,421	\$ 7,819	\$ 7,287	\$ 6,509	\$ 3,238	\$ 6,413
Transfers Out	(6,121)	(11,953)	(10,262)	(5,980)	(6,911)	(7,580)	(6,971)	(6,130)	(2,843)	(5,997)
Insurance Recovery	-	-	-	-	-	-	113	-	100	12
Bond Proceeds	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	(30,885)	-	-	-	-	-	-	-	-	-
Transfer From Component Unit	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	4,000	-	-	47	-	-
Total Other Sources	\$ 2,638	\$ 53,864	\$ 22,409	\$ 25,181	\$ 58,884	\$ 67,477	\$ 429	\$ 43,599	\$ 76,228	\$ 428
Net Change in Fund Balances	\$ 7,130	\$ 5,370	\$ 3,382	\$ 1,371	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)	\$ 1,796

Debt Service as a Percentage of
Noncapital Expenditures
Capital Expenditures

	32.6%	21.2%	30.0%	26.6%	22.7%	22.2%	34.2%	25.1%	19.2%	30.9%
	5,117	9,366	9,326	12,225	13,739	9,096	18,652	22,426	10,514	4,924

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property Tax & PILOT	\$ 39,040	\$ 41,186	\$ 43,205	\$ 50,038	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035
Sales Tax	4,230	4,112	4,098	3,895	4,011	4,246	4,770	4,762	2,296	2,016
Hotel/Motel Tax	632	543	579	644	645	748	843	986	932	951
Wheel Tax	3,986	4,261	4,384	4,624	4,897	5,167	5,370	5,707	5,701	5,695
Litigation Tax	674	750	873	884	909	965	975	1,062	1,863	2,242
Business Tax	709	752	772	870	1,040	1,147	1,236	1,385	1,269	1,424
Mineral Severance Tax	310	335	361	453	534	524	690	642	359	232
Development Tax	3,102	3,890	4,429	7,150	7,702	6,697	6,229	3,960	2,579	1,395
Bank Excise Tax	168	241	214	279	406	372	501	307	342	219
Wholesale Beer Tax	698	658	744	761	627	701	800	845	861	837
Other Statutory Tax	8	10	13	9	9	30	29	54	14	8
	\$ 53,557	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 56,174	\$ 58,859	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907
Licenses & Permits	14	13	13	14	14	15	16	15	11	11
Charges for Service	222	156	187	208	223	186	186	6,428	7,111	6,594
Other Local Revenue	727	813	726	885	1,158	1,924	3,577	6,584	1,255	743
State Revenues	67,348	70,377	75,109	82,029	94,000	101,319	112,189	133,203	140,433	144,467
Federal Revenues	7,121	8,423	8,577	12,334	14,246	15,477	15,826	15,593	17,784	24,958
Other Govt/Citizens	30,813	52,058	14,930	23,497	43,554	46,255	-	35,322	71,724	-
Total Revenues	\$ 162,419	\$ 190,699	\$ 161,718	\$ 191,524	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621	\$ 334,962	\$ 276,680
Expenditures										
Education	\$ 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	167,761
Support Services	-	42,725	44,958	51,068	55,884	63,264	67,680	76,848	82,531	82,355
Operational Services	-	3,062	2,904	3,950	4,343	5,211	6,298	13,970	14,089	15,070
Capital Outlay	-	83	45	69	150	347	150	666	38	124
Debt Service	-	-	-	-	-	300	541	561	581	601
Principal	-	-	-	-	-	27	148	129	109	89
Interest	-	-	-	-	-	40,587	40,975	46,557	43,803	38,137
Capital Projects	43,188	45,726	32,804	26,939	25,681	40,587	40,975	46,557	43,803	38,137
	\$ 178,940	\$ 184,408	\$ 180,236	\$ 190,138	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095	\$ 303,059	\$ 304,137
Excess of Revenues Over (Under) Expenditures	\$ (16,521)	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)	\$ 31,903	\$ (27,457)
Other Financing Sources (Uses)										
Transfers In	779	\$ 1,341	\$ 1,020	\$ 1,217	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724
Transfers Out	(779)	(1,341)	(1,020)	(1,217)	(4,766)	(3,972)	(3,942)	(7,433)	(1,836)	(724)
Insurance Recovery	-	-	-	-	-	-	-	1	-	-
Bond Proceeds	-	-	-	-	-	4,035	-	-	-	-
Note Proceeds	-	-	-	-	-	-	500	-	-	-
Premiums on Bonds Sold	-	-	-	-	-	55	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	562	-	-
Total Other Sources	-	-	-	-	-	\$ 4,090	\$ 500	\$ 563	\$ -	\$ -
Net Change in Fund Balances	\$ (16,521)	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)	\$ 31,903	\$ (27,457)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	0.3%	0.3%	0.3%
Capital Expenditures	35,714	38,898	27,886	20,997	22,677	79,765	68,239	38,735	30,257	30,607

(Continued)

Table 5a

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property Tax & PILOT	\$ 31,894	\$ 33,107	\$ 34,947	\$ 41,502	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201
Sales Tax	21,416	22,697	24,074	27,654	29,689	32,452	35,001	37,056	36,381	35,359
Wheel Tax	2,195	2,364	2,436	2,581	2,752	2,900	3,006	3,202	3,215	3,214
Business Tax	648	668	691	794	929	1,022	1,164	1,227	1,077	1,120
Other Statutory Tax	21	23	28	26	26	26	25	20	19	13
	<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>	<u>\$ 99,907</u>

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

Fiscal Year Ended June 30	Tax Year	Tax Rate	Real Property Estimated	Real Property Assessed	Personal Property Estimated	Personal Property Assessed	Public Utilities Estimated	Public Utilities Assessed	Equalization Ratio	Estimated	Total Assessed	Ratio of Total Assessed Value To Total Estimated Actual Value
2001	2000	2.78	#####	\$ 2,237,519,835	\$ 823,454,620	\$ 247,060,102	\$ 188,371,398	\$ 103,604,269	92.64%	#####	\$ 2,588,184,206	27.23%
2002	2001	2.78	8,268,341,800	2,373,819,640	845,079,350	253,563,060	194,901,282	107,195,705	92.64%	10,047,843,731	2,734,578,405	27.22%
2003	2002	2.51	9,748,484,300	2,798,492,465	889,493,780	266,890,260	216,907,176	119,298,947	100%	10,854,885,256	3,184,681,672	29.34%
2004	2003	2.80	10,227,529,400	2,927,993,510	913,226,059	274,004,385	201,952,962	116,024,129	100%	11,342,708,421	3,318,022,024	29.25%
2005	2004	2.80	10,802,285,100	3,086,158,845	941,673,640	282,527,970	217,588,269	119,673,548	95.73%	12,495,087,234	3,488,360,363	27.92%
2006	2005	2.80	11,466,156,500	3,267,027,185	1,178,800,896	353,671,780	226,489,474	124,569,211	95.73%	13,445,572,830	3,745,268,176	27.86%
2007	2006	2.44	14,321,064,170	4,060,991,015	1,283,411,880	385,023,564	250,798,762	137,939,319	100%	15,855,274,812	4,583,953,898	28.91%
2008	2007	2.44	15,268,248,000	4,336,757,155	1,282,688,603	384,827,843	269,837,543	148,410,649	100%	16,820,774,146	4,869,995,647	28.95%
2009	2008	2.56	17,530,931,700	4,581,398,590	1,282,688,603	397,694,143	271,754,296	149,464,863	95.16%	20,056,089,322	5,128,557,596	25.57%
2010	2009	2.735	18,384,728,400	4,813,887,200	1,402,580,731	403,644,400	279,699,422	153,834,682	100.00%	20,067,008,553	5,371,366,282	26.77%

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 Ended June 30	Tax Year	Rutherford County	(1) Average Daily Attendance Factor	(2) Net County Rate	Percent of County Tax Rate Collected for		City of Murfreesboro	Town of Smyrna	City of LaVergne	City of Eagleville
					Benefit of the City of Murfreesboro					
2001	2000	\$ 2.78	0.1739	\$2.53	8.99%		\$ 1.90	\$ 0.83	\$ 0.50	\$ 0.79
2002	2001	2.78	0.1684	2.54	8.63%		1.90	0.72	0.50	0.79
2003	2002	2.51	0.1670	2.29	8.76%		1.70	0.72	0.50	0.72
2004	2003	2.80	0.1631	2.56	8.57%		1.72	0.69	0.50	0.72
2005	2004	2.80	0.1575	2.57	8.21%		1.72	0.69	0.50	0.72
2006	2005	2.80	0.1582	2.57	8.21%		1.72	0.69	0.50	0.87
2007	2006	2.44	0.1603	2.23	8.61%		1.407	0.68	0.50	0.87
2008	2007	2.44	0.1586	2.24	8.20%		1.407	0.86	0.50	0.92
2009	2008	2.56	0.1545	2.37	7.73%		1.407	0.86	0.50	0.92
2010	2009	2.735	0.1537	2.53	7.39%		1.407	0.86	0.50	0.92

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

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

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2010

Taxpayer	Type of Business	2009		2008		Percentage of		2000		Percentage of	
		Rank	Assessed Valuation	2008 Tax Liability	Total Taxes Levied (2)	Rank	Assessed Valuation	2000 Tax Liability	Total Taxes Levied (2)		
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 492,542,194	\$ 4,613,982	3.14%	1	\$402,994,353	\$ 3,429,479	(1)	4.58%	
Middle Tennessee Electric Public Utility-Electric Company		2	52,666,905	1,440,440	0.98%	3	26,954,224	749,327		1.06%	
Pillsbury Co./General Mills Bakery Goods		3	47,697,357	1,304,484	0.89%	5	24,428,101	679,100		0.91%	
Bridgestone Tire Maker		4	45,513,965	1,244,807	0.85%	2	50,161,574	1,394,491		1.00%	
CF Murfreesboro Assoc. Retail Mall (The Avenues)		5	30,643,834	838,109	0.57%						
Southpark, Nashville, LLC Warehousing		6	29,810,160	815,309	0.55%						
Embassy Suites Hotel/Convention Center		7	22,362,676	611,619	0.42%						
BellSouth Public Utility-Telephone Co.		8	21,863,104	597,956	0.41%	4	24,977,497	694,374		0.93%	
Transwestern Stones River Retail Mall		9	20,204,120	552,582	0.38%	10	8,892,781	247,219		0.33%	
HCA Health Services Stone Crest Medical Center		10	19,369,816	529,764	0.36%						
State Farm Insurance Regional Office-Insurance Co.						6	12,104,899	336,514		0.45%	
Cumberland Swann Pharmaceutical/Health Co.						7	11,466,154	318,760		0.43%	
Buford Throneberry Apartments						8	11,130,700	309,433		0.41%	
United Cities Gas - Atmos Public Utilities						9	9,353,747	260,035		0.35%	
										8.53%	10.45%

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2010

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2000	\$72,057,084	\$ 68,830,952	95.52%	\$3,161,969	\$ 71,992,921	99.91%	\$ 64,163	0.09%
2001	76,232,827	72,780,582	95.47%	3,326,256	76,106,838	99.83%	125,989	0.17%
2002	79,909,122	76,104,340	95.24%	3,713,556	79,817,896	99.89%	91,226	0.11%
2003	93,099,927	89,736,798	96.39%	3,258,535	92,995,333	99.89%	104,594	0.11%
2004 (2)	97,889,256	94,864,349	96.91%	2,917,934	97,782,283	99.89%	106,973	0.11%
2005 (2)	105,297,727	101,990,111	96.86%	3,231,383	105,221,494	99.93%	76,233	0.07%
2006 (2)	111,419,529	108,059,865	96.98%	3,139,379	111,199,244	99.80%	220,285	0.20%
2007	119,023,978	113,890,715	95.69%	4,674,375	118,565,090	99.61%	458,888	0.39%
2008	131,273,518	125,819,556	95.85%	3,919,612	125,819,556	95.85%	1,534,350	1.17%
2009	147,086,182	140,414,404	95.46%	(1)	140,414,404	95.46%	6,671,778	4.54%

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

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

(2) Current-year collections 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				
Ended	Tax			Tax
June 30	Year	Estimated	Assessed	Payments
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
2010	2009	1,573,637,743	539,332,403	5,552,281

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 19 companies in 2009-2010, with Nissan representing approximately 63.7% of the total. Section 7-53-305, TCA is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

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

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	Net Bonded Debt per Capita	% of Net Bonded Debt to Total Personal Income (2)
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	4.31%
2009	406,405,000	32,182,126	374,222,874	5,128,557,596	7.30%	249,270	1,501	4.78%
2010	384,030,000	33,214,372	350,815,628	5,371,366,282	6.53%	257,048	1,365	4.24%

Sources: Table 6, Tennessee Dept. of Economic and 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.

Rutherford County, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
As of June 30, 2010

		% of Estimated Property Value	% of Assessed Property Value
<u>Direct Debt</u>			
General Bonded Debt	\$ 353,030,000		
Capital Outlay Notes	31,000,000		
Less: General Debt Service Funds	<u>(33,214,372)</u>		
Total Direct Debt	\$ 350,815,628	100%	100%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 184,036,580	42.12%	45.48%
Town of Smyrna	23,153,678	18.36%	16.57%
City of La Vergne	15,058,461	12.59%	13.72%
City of Eagleville	170,970	0.26%	0.22%
County School District of Rutherford (Bonds)	1,735,000	57.88%	54.52%
County School District of Rutherford (Notes)	<u>214,284</u>	57.88%	54.52%
Total Overlapping Debt	<u>224,368,973</u>		
Total Direct and Overlapping Debt	<u><u>\$ 575,184,601</u></u>		

Source: City Records, Table 6, Rutherford County Assessor

Note: The percentages represent the ratio of the overlapping government's property value to the county's property value.

Table 13

Rutherford County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	(1) Population		Per Capita Income	Total Personal Income	(2) Median Age	County School Enrollment	Average Unemployment rate
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		31,301	7,558,002,062	31.2	35,781	4.4%
2009	249,270		31,400	7,827,078,000	31.2	36,414	7.9%
2010	257,048		32,200	8,276,945,600	31.2	37,152	8.9%

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

- (1) Populations are estimated for all years except fiscal year 2001.
(2) The Census Bureau determines the median age for local areas each decade.
The last determination was during the 2000 census and will be determined
again after the 2010 census.

Table 14

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

Employer	2010			2001		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Rutherford County Government and Board of Education	5,385	1	4.01%	3,146	2	3.16%
Nissan Motor Manufacturing Corp. USA	4,400	2	3.28%	5,800	1	5.83%
Middle Tennessee State University	2,151	3	1.60%	2,015	4	2.03%
City of Murfreesboro and Board of Education	2,025	4	1.51%	1,268	7	1.28%
State Farm Insurance	1,708	5	1.27%			
Alvin C. York Veterans Administration Medical Center	1,563	6	1.16%	1,260	8	1.27%
Ingram Book Company	1,324	7	0.99%	2,500	3	2.51%
Middle Tennessee Medical Center	1,300	8	0.97%	1,100	9	1.11%
Asurion	1,165	9	0.87%			
Verizon	1,068	10	0.80%			
Whirlpool Corp.				2,000	5	2.01%
Bridgestone/Firestone, Inc.				1,900	6	1.91%
Perrigo				1,000	10	1.01%
Total			<u>12.44%</u>			<u>17.95%</u>

Source: Rutherford County Chamber of Commerce

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

	Employees as of June 30,									
	<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>2010</u>
Function:										
General Government	54	57	58	58	58	65	72	77	79	77
Finance	82	84	84	85	85	83	83	86	85	87
Justice	68	73	76	77	78	81	85	85	89	89
Public Safety	352	357	366	387	397	439	469	478	504	501
Health and Welfare	157	159	169	179	186	205	212	218	217	217
Agriculture	4	6	6	7	12	7	8	10	10	9
Other	3	3	3	3	3	3	3	3	3	3
Road and Bridge	71	73	71	71	71	77	77	77	77	70
Total	791	812	833	867	890	960	1,009	1,034	1,064	1,053

COMPONENT UNIT:

Education	2,354	2,467	2,444	2,597	2,748	2,779	3,098	3,987	4,129	4,332
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Source: Rutherford County Finance Department & Rutherford County Board of Education

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	June 30 ,									
	<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>2010</u>
<u>General Government</u>										
Registered Voters	89,247	93,415	96,682	105,286	116,705	121,222	123,350	132,477	141,090	144,150
Building Permits Issued										
Single Family Homes	642	618	585	566	828	996	811	623	314	388
All Other Permits	1,777	1,583	1,668	1,588	1,586	2,488	2,471	2,235	1,646	1,549
<u>Public Safety</u>										
Number of Warrants Served:										
State	9,764	10,155	9,518	10,542	10,216	10,799	11,177	12,140	12,215	12,012
Civil	15,964	16,762	16,390	17,638	17,655	17,516	17,499	19,101	19,966	19,795
<u>Public Health</u>										
Ambulance - Call Volume	13,688	14,803	16,432	17,341	16,978	16,993	17,923	19,378	18,600	19,724
Response Time -Average Minu	8.50	8.30	8.10	8.20	8.50	8.00	7.79	7.83	8.02	7.70
Animal Control										
Requests for Service	9,327	12,764	14,765	13,313	10,937	13,953	14,332	16,415	16,824	16,539
Animals Impounded	8,510	8,822	9,739	8,510	7,421	8,511	8,615	9,193	9,220	8,616
Animals Adopted	1,496	1,498	1,385	1,596	1,774	2,104	2,359	2,457	2,009	2,010
<u>Road & Bridge</u>										
Streets Resurfaced (miles)	N/A	N/A	N/A	N/A	71.7	62.8	58.9	62.3	54.4	57.4
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	84.1	92.9	97.9	103.1	111.8	110.9	103.9	110.9	105.7	106.3
Recyclables Collected	N/A	N/A	N/A	10.8	12.7	11.2	8.1	7.5	8.1	8.3

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

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

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	Fiscal Year									
	<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>2010</u>
Highways and Streets										
Number of Streets in System	1,650	1,689	1,724	1,759	1,763	1,829	1,914	1,962	2,004	2,034
Number of Miles	936	940	942	941	946	942	951	956	959	964
Number of Bridges	161	162	157	157	157	157	163	163	163	164
Public Safety										
Number of Correctional Facilities	3	3	3	3	3	3	3	3	3	3
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	131	131	131	131	131	131	131	131	131	131
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Special Operations					1	1	1	1	1	1
Ambulance Stations	8	8	8	8	10	10	11	12	12	12
Number of Ambulance Units	14	14	14	17	20	20	22	24	24	25
Sanitation/Landfill										
Number of Trucks	9	10	11	12	13	14	16	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	2,701	2,823	2,893	2,969	3,145	3,264	3,487	3,988	4,129	4,332
Elementary Schools	21	21	21	21	21	21	22	23	23	24
Middle Schools	3	3	3	6	7	7	8	8	9	9
High Schools	6	6	6	7	7	7	7	7	7	7
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	1	1	1	2	2	2	2	2	2	2

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

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF 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

November 18, 2010

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, 2010, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated November 18, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Community Care of Rutherford County, Inc., and the discretely presented Rutherford County Emergency Communications District as described in our report on Rutherford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.01, 10.03, 10.04, 10.05, 10.06, and 10.07. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

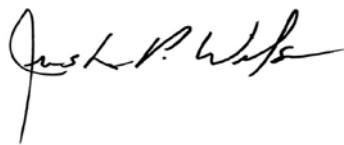
As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 10.02.

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

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

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,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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**

November 18, 2010

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, 2010. 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, 2010.

However, as described in items 10.02 and 10.08 in the accompanying Schedule of Findings and Questioned Costs, Rutherford County did not comply with requirements regarding Program Income and Reporting that are applicable to the STOP Cluster: Violence Against Women Formula Grants and Violence Against Women Formula Grants, Recovery Act (CFDA No. 16.588); and Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, Recovery Act (CFDA No. 16.803), both of which are nonmajor federal programs. Compliance with such requirements is necessary, in our opinion, for Rutherford County to comply with the requirements applicable to those programs.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

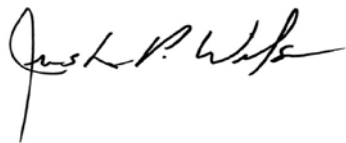
Schedule of Expenditures of Federal Awards

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, 2010, and have issued our report thereon dated November 18, 2010. 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. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Rutherford County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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", with a stylized, cursive script.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

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	\$ 1,582,711
National School Lunch Program	10.555	N/A	5,879,985 (6)
Fresh Fruit and Vegetable Program	10.582	N/A	16,584
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	15,000
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	1,097,672 (6)
Total U.S. Department of Agriculture			<u>\$ 8,591,952</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 40,557
Total U.S. Department of the Interior			<u>\$ 40,557</u>
U.S. Department of Justice:			
Direct Program:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 74,021
Local Law Enforcement Block Grants	16.592	N/A	46,721
State Criminal Alien Assistance Program	16.606	N/A	18,825
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government, Recovery Act	16.804	N/A	382,319
Passed-through State Office of Criminal Justice Programs:			
Violence Against Women Formula Grants	16.588	4157	45,491 (7)
Violence Against Women Formula Grants, Recovery Act	16.588	(3)	55,549 (7)
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, Recovery Act	16.803	(2)	64,542
Total U.S. Department of Justice			<u>\$ 687,468</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Community Development Block Grants/State's Program	20.601	(4)	\$ 76,770
Total U.S. Department of Transportation			<u>\$ 76,770</u>
U.S. Department of Energy:			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program	81.128	N/A	\$ 110,884
Total U.S. Department of Energy			<u>\$ 110,884</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-10-218544-00	\$ 227,411
Passed-through State Department of Education:			
Title 1 Cluster:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	3,545,785
Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	N/A	2,324,129
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	6,110,281
Special Education - Preschool Grants	84.173	N/A	185,702
Special Education - Preschool Grants (Idea Preschool), Recovery Act	84.392	N/A	78,595
Special Education - Preschool Grants (Idea Part B), Recovery Act	84.391	N/A	2,617,084

(Continued)

Rutherford County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Career and Technical Education - Basic Grants to States	84.048	N/A	\$ 583,223
Safe and Drug-free Schools and Communities State Grants	84.186	(2)	80,512
Education for Homeless Children and Youth	84.196	(2)	81,970
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	29,759
Education Technology State Grants, Recovery Act	84.386		53,994
English Language Acquisition Grants	84.365	(2)	265,676
Improving Teacher Quality State Grants	84.367	N/A	850,202
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	6,523,500
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	579,681
Total U.S. Department of Education			<u>\$ 24,137,504</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	GG-09-25247-00	\$ 28,157
Passed-through State Department of Education:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	(2)	2,400
Total U.S. Department of Health and Human Services			<u>\$ 30,557</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)	\$ 17,687
Total Corporation for National and Community Service			<u>\$ 17,687</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 213,339
Emergency Management Performance Grants	97.042	(2)	106,000
Homeland Security Grant Program	97.067	(2)	100,873
Total U.S. Department of Homeland Security			<u>\$ 420,212</u>
Total Expenditures of Federal Awards			<u>\$ 34,113,591</u>

	Contract Number	Expenditures
<u>State Grants</u>		
State Reappraisal Program - Comptroller of the Treasury	N/A (2)	\$ 48,492
Soil and Water Conservation - State Department of Agriculture	N/A DG-08-20998-00	12,159
Juvenile Court Prevention - State Department of Children Services	N/A GG-10-28644-00	417,648
Community Early Intervention Services - State Department of Children Services	N/A GG-10-28958-00	46,448
Juvenile Justice - State Commission on Children and Youth	N/A (2)	9,000
Early Childhood Education - State Department of Education	N/A (2)	948,106
Safe Schools Act - State Department of Education	N/A (2)	155,303
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Emergency Management	N/A (2)	32,326
Waste Tire Program - State Department of Environment and Conservation	N/A Z-08-212965	183,000
Recycling Program - State Department of Environment and Conservation	N/A (2)	16,732
Adult Education - State Department of Labor and Workforce Development	N/A Z-10-218544-00	75,804

(Continued)

Rutherford County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants (Cont):</u>			
Drug Court Discretionary Grant Program - State Department of Finance and Administration	N/A	4126	\$ 50,000
Rural Local Health Services - State Department of Health	N/A	Z-10-222129-00	1,463,682
Historic Preservation Survey and Planning Grant - State Historical Commission	N/A	(2)	13,139
State Library and Archives Grant - Tennessee Secretary of State	N/A	(2)	2,818
Litter Program - State Department of Transportation	N/A	(5)	77,649
Total State Grants			<u>\$ 1,683,092</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) 3734: \$26,803; 3792: \$28,746.

(4) DG-10-28723-00: \$54,800; Z-08-024072-00: \$21,970.

(5) Z-09-212793-00: \$5,332; Z-10-220375-00: \$72,317.

(6) Total for CFDA No. 10.555 is \$6,977,657.

(7) Total for CFDA No. 16.588 is \$101,040.

Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Comprehensive Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2009, which has not been corrected.

OFFICE OF JUVENILE COURT CLERK

Finding Number	Page Number	Subject
09.03	303	Duties were not segregated adequately in the office

RUTHERFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

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 one finding that is 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 Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, Special Education – Preschool Grants and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and State Fiscal Stabilization Fund (SFSF) Cluster: State Fiscal Stabilization (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$1,023,408 threshold was used to distinguish between Type A and Type B federal programs.
9. Rutherford County did qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the finance director are paraphrased in this report.

OFFICES OF SHERIFF AND COUNTY MAYOR

Finding 10.01 **AN EMPLOYEE FILED FALSE INSURANCE CLAIMS
TOTALING \$14,551.56**
(Internal Control – Significant Deficiency Under Government
Auditing Standards)

An individual was hired by the Rutherford County Sheriff's Department on June 5, 2006, and effective July 1, 2006, this employee and her three children were enrolled in the county's insurance plan. On November 7, 2006, this employee filed a benefits enrollment/change form with Rutherford County adding a step-daughter and husband to the insurance plan effective January 1, 2007. However, the husband was actually her fiancée. They were not married until August 8, 2008. From January 1, 2007, through August 8, 2008, the employee filed medical, dental, comprehensive benefits, and pharmacy claims for persons falsely claimed to be her step-daughter and husband, and she received insurance benefits totaling \$14,551.56 for these ineligible persons. Therefore, the employee knowingly filed and received insurance benefits on ineligible persons 19 months prior to the persons becoming eligible participants.

In August 2008, when the employee updated her personnel file for a change to her married name, county insurance personnel became aware of the ineligible charges. On November 24, 2008, the employee signed a promissory note with Rutherford County for \$14,551.56 due and payable in 26 consecutive bi-monthly installments of \$100 each without interest. On December 22, 2009, the employee signed a second promissory note with Rutherford County for \$11,951.56 due and payable in 58 consecutive bi-monthly installments of \$200 each and one installment of \$351.56 without interest. These note payments are being withheld from the employee's bi-monthly payroll checks by the Rutherford County Finance Office. As of June 30, 2010, \$9,351.56 remains outstanding on this note.

After county officials and the employee had already agreed to a restitution arrangement, the county's personnel director presented the above information to the district attorney general for his consideration. Based upon the district attorney general's review of the information presented to him and discussions with the county mayor, the district attorney agreed to the restitution agreement in-lieu-of prosecution.

RECOMMENDATION

Officials should ensure that all restitution is recovered. Changes in an employee's marriage status should be verified by insurance personnel prior to accepting benefit/enrollment changes.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The county conducted an audit of all dependents covered under the county's medical insurance plan. All employees were required to provide documentation showing the eligibility of their dependents with an effective date of May 31, 2010, and prior on the plan. Any dependent added June 1, 2010, or after requires that the employee provide proof of eligible dependent status as defined in the summary plan description. Documentation providing proof of an eligible dependent may include, but is not limited to, prior year's federal tax return (page 1 and signature page), marriage or birth certificate, full-time student verification from institution of higher learning or child support order.

OFFICE OF COUNTY MAYOR

FINDING 10.02 **THE COUNTY HAD DEFICIENCIES IN THE VIOLENCE AGAINST WOMEN FORMULA GRANTS; VIOLENCE AGAINST WOMEN FORMULA GRANTS, RECOVERY ACT; AND EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM/ GRANTS TO STATES AND TERRITORIES, RECOVERY ACT PROGRAMS**
(Noncompliance Under Government Auditing Standards and OMB Circular A-133)

On November 17, 2010, the State of Tennessee, Department of Finance and Administration, Office of Criminal Justice Programs released a monitoring report on the STOP Cluster: Violence Against Women Formula Grants and Violence Against Women Formula Grants, Recovery Act; and Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, Recovery Act Programs in Rutherford County for the fiscal year ending June 30, 2010. The results of that monitoring report disclosed the following deficiencies:

- A. Rutherford County did not submit the annual Program Income Summary report in a timely manner for Violence Against Women Formula Grants, Recovery Act and Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States Programs monitored.
- B. The agency did not collect any client surveys for their outcome measurements for the Violence Against Women Formula Grants Program.
- C. Rutherford County did not submit a 2009-10 annual outcome report for the Violence Against Women Formula Grants Program.

This monitoring report along with management's responses and corrective action plans may be obtained from the state Department of Finance and Administration, Office of Criminal Justice Programs, 312 Rosa L. Parks Avenue, Suite 1200, William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee 37243-1102.

FINDING 10.03 **THE AMBULANCE SERVICE DID NOT ISSUE PRENUMBERED RECEIPTS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Ambulance Service did not issue prenumbered receipts for payments. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In-lieu-of prenumbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated. The software application did not assign a sequential receipt number to payments within the system. Sound business practices dictate that adequate controls over receipts should be implemented.

RECOMMENDATION

The Ambulance Service should issue prenumbered receipts for all payments. These controls would help to ensure the reliability and integrity of the information maintained by the system.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

Ambulance Service officials attempted to have their current software vendor enhance their receipting system so that a receipt number would be assigned to payments posted to the accounts receivables. After the change, it appeared that the system applied a receipt number to all transactions, resulting in receipts generated for zero amounts. This defeated the purpose of having receipt numbers for only collections of cash. The county’s Office of Information Technology has been requested to install a receipting system that is similar to the one used by the county’s Planning Department. This system will allow the Ambulance Service to issue prenumbered receipts for payments.

OFFICE OF DIRECTOR OF FINANCE

FINDING 10.04 **THE OFFICE DID NOT ISSUE PRENUMBERED RECEIPTS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Users had the ability to reset the receipt number within the software application. Section 9-2-103, Tennessee Code Annotated, provides for receipts to be prenumbered consecutively. In-lieu-of pre-numbered receipts, computer-generated receipts may be printed on plain paper if the receipt number generated by the software cannot be manipulated. Sound business practices dictate that adequate controls should be implemented. The capability to reset the receipt numbers should be removed from the system. The office began using prenumbered receipt stock when this vulnerability was brought to their attention in September 2010; therefore, this deficiency no longer exists.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 10.05 **A CASH SHORTAGE OF \$745.85 EXISTED IN GENERAL SESSIONS COURT**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

On October 19, 2010, Circuit, General Sessions, and Juvenile Courts Clerk Laura Bohling, notified our office of missing cash collections she had discovered in the Office of General Sessions Court. We met with the clerk on October 27, 2010, and she advised us that she had terminated the employment of a deputy clerk on October 15, 2010, for various violations of office policy. When she went through the former employee's desk, she discovered various documents that had not been properly recorded or fees collected.

On November 1, 2010, the former employee confessed to us about diverting office funds for her personal use. In each of the instances where the deputy diverted funds for her personal use, she did not issue a receipt for the funds and withdrew a like amount of funds. Details of the missing \$745.85 are as follows:

- A. In August 2010, the former employee filed a motion for a customer without receipting the applicable \$25 filing fee.
- B. In September 2010, the former employee processed the paperwork associated with a driver's license reinstatement, collected the \$270.85 fee for fines and costs, but did not receipt the money into the accounting records.
- C. There were three expungements totaling \$450 that had been processed into the court records; however, the \$450 was not receipted or deposited.

This finding has been discussed with the district attorney general.

RECOMMENDATION

County officials should collect the \$745.85 cash shortage detailed above. The clerk should continually review internal control procedures and monitor the operations of the court system.

FINDING 10.06 **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 provide reasonable assurance of the reliability in

financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. 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 10.07 **THE OFFICE HAD DEFICIENCIES IN THE COMMISSARY OPERATIONS**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The Sheriff's Department contracts with Keefe Commissary to provide commissary services to jail inmates. Keefe provides the accounting software and personnel to oversee the commissary operations. The following deficiencies resulted from the lack of management oversight:

- A. In addition to commissary related items, the Sheriff's Department purchased basic care packages for indigent inmates from Keefe. In-lieu-of purchasing the indigent packages through the county's General Fund, these packages were purchased with available cash in the commissary system. Indigent packages are provided to indigent inmates at no cost and are expenses related to the operation of the jail not the commissary. Purchasing indigent packages using commissary funds circumvents the county's budgetary process, reduces operating cash of the commissary, and reduces the profit of the commissary operation.
- B. The county's General Fund was not billed for regular bank service charges related to the commissary bank account from previous years. These charges were allowed to accumulate in the commissary's general ledger.
- C. When commissary profits were calculated and remitted to the county's General Fund, the bookkeeper failed to reduce the profit amount for the purchase of the indigent packages noted in A. above. Therefore, the amount of profit remitted to the county was overstated.
- D. Sheriff's Department personnel reconciled the bank statements monthly with the cash account on the general ledger; however, commissary activity and the other general ledger accounts were not reviewed. As a result, other general ledger balances had errors that were not discovered and corrected.

- E. As a result of the above-noted deficiencies, the commissary has experienced cash flow problems, and the commissary's general ledger reflects a receivable from the General Fund of \$89,470 for excess profits remitted to the county.

RECOMMENDATION

All purchases of indigent packages and regular bank service charges should flow through the county's budgetary process. Sheriff's Department personnel should accurately calculate the profit to be remitted to the county and should review the commissary activity and general ledger accounts monthly. The Sheriff's Department should seek reimbursement from the county's General Fund for the excess profit remitted.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Rutherford County.

ITEM 1. A CENTRAL SYSTEM OF PURCHASING HAS NOT BEEN ADOPTED

Rutherford County does not have a central system of purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing covering all county departments.

ITEM 2. RUTHERFORD COUNTY HAS NOT ESTABLISHED AN AUDIT COMMITTEE

Rutherford County does not have an Audit Committee. Audit committees can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and would be responsible for monitoring management's plans to address various risks. County officials should establish an audit committee as a best practice.

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

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Justice: Passed-through State Office of Criminal Justice Programs: Violence Against Women Formula Grants, Recovery Act	10.08	16.588	<u>Circular A-133, Compliance Supplement, Part 3 (J)</u>	See Finding 10.02:	0
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories Recovery Act	10.08	16.803	<u>Circular A-133, Compliance Supplement, Part 3 (J)</u>	Compliance Over Program Income	0
Violence Against Women Formula Grants	10.08	16.588	<u>Circular A-133, Compliance Supplement, Part 3 (L)</u>	Compliance Over Reporting	0

RUTHERFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

There were no audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

Rutherford County – Corrective Action Plan for Current-Year's Findings

FINDINGS 10.02 and 10.08

Contact person: Pam Fone, Domestic Violence Coordinator, Domestic Violence Court of Rutherford County

Corrective action taken: Management's responses and corrective action plans may be obtained from the state Department of Finance and Administration, Office of Criminal Justice Programs, 312 Rosa L. Parks Avenue, Suite 1200, William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee 37243-1102.

Anticipated completion date: 2010-11