
COMPREHENSIVE ANNUAL FINANCIAL REPORT

RUTHERFORD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

This financial report is available at 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, 2011

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2011.

Results

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

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

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

- ◆ Bid specifications for an equipment purchase applied only to one brand.
- ◆ The Ambulance Service did not issue pre-numbered receipts.

OFFICE OF REGISTER

- ◆ Cash totaling \$76 was unaccounted.

OFFICE OF SHERIFF

- ◆ The office had deficiencies in computer system backup procedures.

OTHER FINDING AND RECOMMENDATION

- ◆ Multiple employees operated from the same cash drawer in the Animal Shelter Department and the Office of Circuit, General Sessions, and Juvenile Courts Clerk.
-

BEST PRACTICE

Rutherford County does not have a central system of purchasing. The Division of County Audit strongly believes that a central system of purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of the services provided to the citizens of Rutherford County.

INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

November 16, 2011

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, 2011, 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, 2011, 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, 2011, 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 with appropriated annual budgets, other than the General and Ambulance Service funds, the 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. The county's strong economy attracts a growing population. Rutherford County is recognized as one of the fastest growing counties in America. The citizenry grew from a population of 182,023 noted in the 2000 federal census to 262,604 noted in the 2010 federal census - a phenomenal growth rate of over 44.27 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 have expanded into distribution, transportation, and other service-related industries. We are also home to Tennessee's second largest state university with an enrollment exceeding 24,500, 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.

The Embassy Suites and its adjacent conference center were completed during the summer of 2009. 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 expect the development to entice more businesses to bring their base of operations to the county and provide higher paying jobs to the citizens.

Investment for major manufacturing activity continues in Rutherford County. The construction of a battery plant and modification of the Nissan manufacturing facility represents an investment of up to \$1.7 billion and positions Nissan as a leader in producing electric vehicles. In September 2010, General Mills, Inc., of Minneapolis, Minnesota, announced their decision to invest \$100 million in the expansion of the company's production facility in Murfreesboro. NHK Seating of America, Inc., broke ground in November 2010 to build a \$54 million

manufacturing facility in Murfreesboro, which is expected to employ up to 224 hourly and salaried workers when all phases of production are implemented in 2015.

Similar to the nation and the State of Tennessee, Rutherford County's unemployment rate has remained elevated over the course of the fiscal year. As of June 2011, Rutherford County had a labor force of 143,100 with 130,030 employed resulting in a 9.1 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2011, Rutherford County's unemployment rate was below both the state's average of 9.8 percent and the national average of 9.2 percent. These rates are lower than the June 2010 rates, which were reported as 11.1 percent for the county, 10.9 percent for the state, and 9.5 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 opened two middles schools designed for 1,000 students each and converted an existing middle school located in Murfreesboro to a magnet high school in August 2010. Even with these two additional school buildings, the Board of Education projects it will 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 of approximately \$87 million within the next four years. The Board of Education intends to begin construction on a high school located near Smyrna in the fall of 2011. An expansion to the Eagleville K-12 school is also expected to begin and be completed within the next fiscal year.

Planned general capital projects within the next ten years include road improvements, criminal justice center, parking garage, and a 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. There is an immediate need to renovate the kitchen facility at the Rutherford County Adult Detention Center and improve dispatch equipment at the Rutherford County Sheriff's Department. The cost of these two projects is estimated at \$1.7 million.

Another major initiative started during the last fiscal year was the 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 be completed in the spring of 2012.

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.

Unassigned fund balance in the General Fund totals \$14.5 million, which represents 21.3 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 General Debt Service Fund that is conservatively calculated to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies, (4) variable rate volatility contingencies, 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, 2010. 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 16 consecutive fiscal years. We believe that our current CAFR continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department during the past fiscal year. They are Elaine Short, Teresa Jolly, Faye Elam, Linda Eckerson, Chrissi Caruthers, Sue Hollandsworth, Sheryl Sandefur, Susan Thompson, Ted Lindsey, and Nancy Jolly. I would also like to thank the staff of the county's Office of Information Technology for keeping our accounting system operational. Credit should also be given to the county mayor and the governing body for their interest and support in planning and conducting the operations of Rutherford County government in a responsible and progressive manner.

Sincerely,

A handwritten signature in cursive script, reading "Lisa A. Nolen".

Lisa A. Nolen, CPA, CGFM
Finance Director

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, 2010

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.

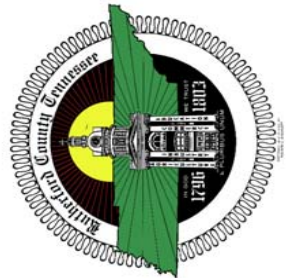
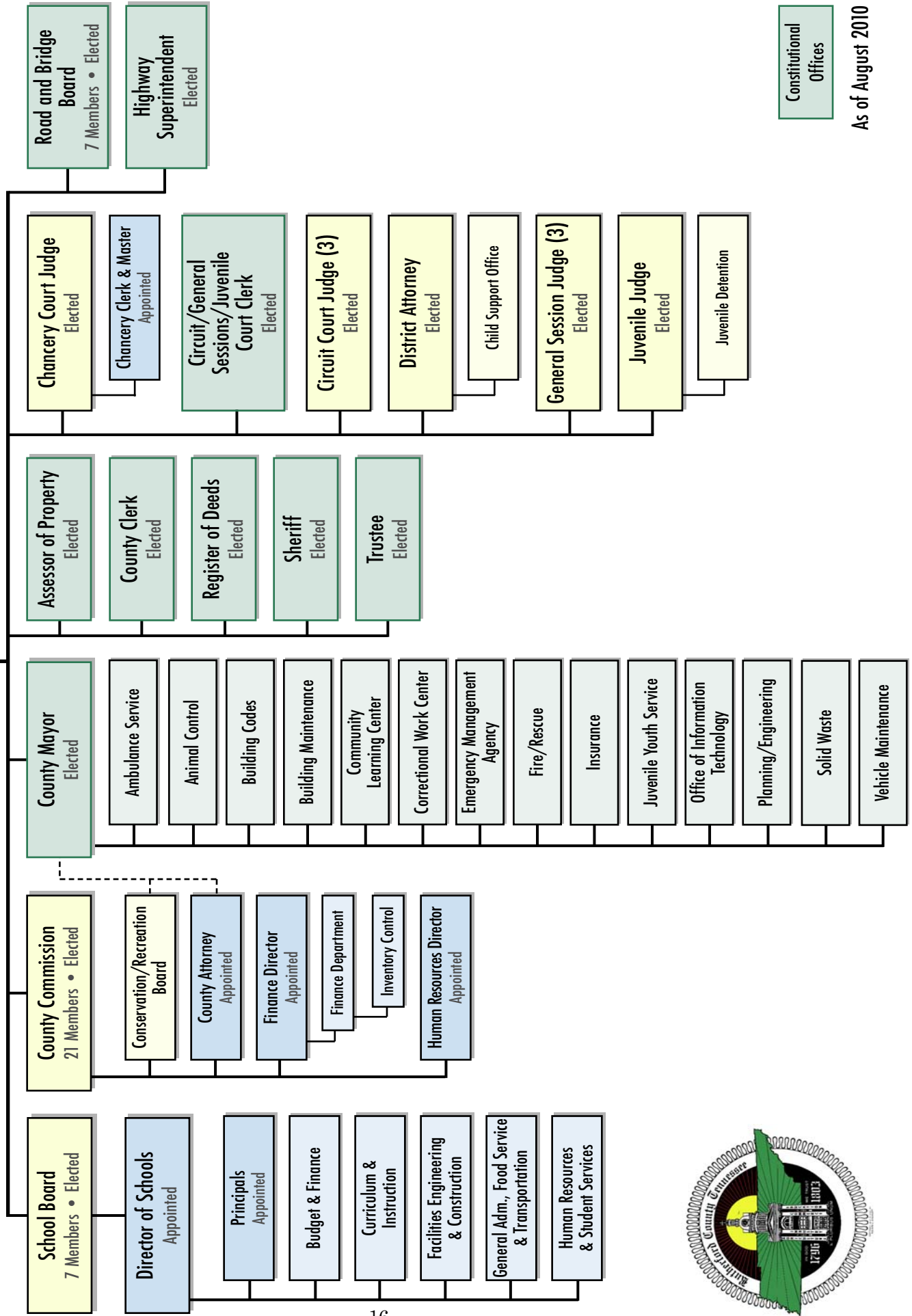


President

Executive Director

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Rutherford County Officials

June 30, 2011

Officials

Ernest Burgess, County Mayor
Mike Williams, Highway Superintendent
Harry Gill, Jr., Director of Schools
Thomas Batey, Trustee
Bill Boner, Assessor of Property
Lisa Crowell, County Clerk
Laura Bohling, Circuit, General Sessions, and Juvenile Courts Clerk
John Bratcher, Clerk and Master
Heather Dawbarn, Register
Robert Arnold, Sheriff
Lisa Nolen, Director of Finance

Board of County Commissioners

Ernest Burgess, County Mayor, Chairman	Rhonda Allen
Doug Shafer	Robert Stevens
Jack Black	Jeff Jordan
Will Jordan	Charlie Baum
Robert Peay, Jr.	Adam Coggin
Carol Cook	Matthew Young
Joe Frank Jernigan	Jeff Phillips
Gary L. Farley	Allen McAdoo
Tiffany Phillips	Joyce Ealy
Steve Sandlin	William Gooch
Brad Turner	Chantho Sourinho

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
Aaron Hollady

Donald Jernigan
Grant Kelley
Tim Tackett

Audit Committee

E. Paul Long
Will Jordan
Charlie Baum
William Bratcher

Wayne Blair
David Nipper
Jason King

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

October 26, 2011

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, 2011, which collectively comprise Rutherford County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rutherford County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Community Care of Rutherford County, Inc., which represent .8 percent and 3.3 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; and the discretely presented Rutherford County Emergency Communications District, which represent one percent and .5 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2011, on our consideration of Rutherford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

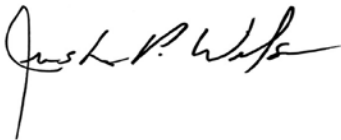
As described in Note V.B., Rutherford County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

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 113 through 120 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 financial statements as a whole. 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), and miscellaneous

schedules and statistical section are presented for purposes of additional analysis and are not a required part of the 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance 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 line 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, 2011**

As management for Rutherford County, Tennessee, we offer readers of the financial statements for Rutherford County, Tennessee, this narrative overview and analysis of the financial activities of the Rutherford County, Tennessee, government for the fiscal year ended June 30, 2011. 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 \$15,468 (net assets). Of this amount, \$301,359 is long-term debt attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net assets increased by \$27,404. Also, the prior-period adjustment related to a recalculation in the amount the county contributed toward retiree benefits decreased net assets by \$66.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$77,139, an increase of \$4,017 in comparison with the prior year. Most of this total amount, \$66,376, is available for spending at the government's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, assigned fund balance of the General Fund totaled \$2,210. This amount will be used to fund operations in the 2011-12 fiscal year. Unassigned fund balance for the General Fund was \$14,524, or 21.29 percent of total General Fund expenditures.
- The total debt (bonds and notes) of Rutherford County, Tennessee, decreased by \$29,850 or 7.77 percent during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Rutherford County, Tennessee. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the finances of Rutherford County, Tennessee, in a manner similar to a private-sector business. The government-wide financial statements consist of two statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all of the assets and liabilities for Rutherford County, Tennessee, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Rutherford County, Tennessee, is improving or deteriorating.

The Statement of Activities presents information showing how Rutherford County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Rutherford County, Tennessee, that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Rutherford County, Tennessee, include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; other operations; and highways/public works. The Rutherford County Government has no business-type activities to report.

The government-wide financial statements include not only Rutherford County Government itself (known as the primary government), but also a legally separate school system for which the Rutherford County Government is financially accountable. These statements also include a legally separate E-911 district and a legally separate nursing home facility. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

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

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

Because the focus of governmental funds is short-term in comparison to the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the

long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Rutherford County, Tennessee, maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Ambulance Service Fund, and the General Debt Service Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds. Rutherford County maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Rutherford County's various functions. Rutherford County, Tennessee, uses internal service funds to account for the county's self insured insurance funds (workers' compensation, employee health insurance, and liability). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Rutherford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit E-1 through E-2 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in 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, Tennessee, liabilities exceeded assets by \$15,468 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, 2011, Rutherford County had outstanding debt totaling \$301,359 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	
	2010	2011
Assets:		
Current and other assets	\$ 194,036	\$ 198,617
Capital assets	260,953	258,399
Total Assets	<u>\$ 454,989</u>	<u>\$ 457,016</u>
Liabilities:		
Long-term liabilities outstanding	\$ (376,525)	\$ (339,933)
Other liabilities	(121,269)	(132,551)
Total Liabilities	<u>\$ (497,794)</u>	<u>\$ (472,484)</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 201,462	\$ 201,854
Restricted	56,431	8,502
Unrestricted	<u>(300,698)</u>	<u>(225,824)</u>
Total Net Assets	<u><u>\$ (42,805)</u></u>	<u><u>\$ (15,468)</u></u>

By far the largest portion of Rutherford County's net assets of \$201,854 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any

related debt used to acquire those assets that is still outstanding. Rutherford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Rutherford County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net assets of Rutherford County, Tennessee, of \$8,502 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

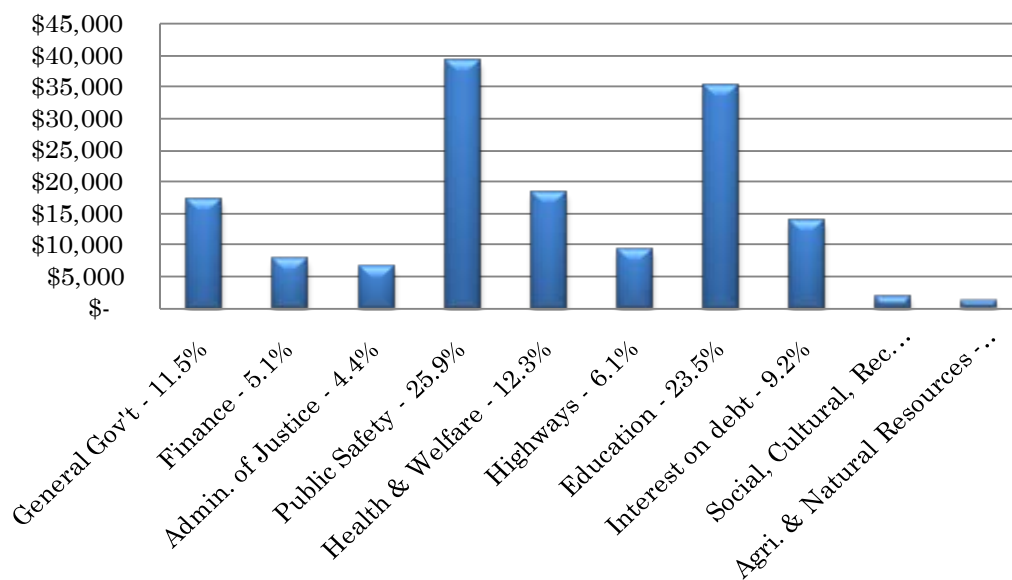
Governmental activities. Governmental activities increased Rutherford County Government's net assets by \$27,403. The two primary reasons for the increase to net assets are 1) the county did not have an immediate need to incur additional long-term debt for the construction of schools and 2) general obligation bonds of \$138,190 were refunded and replaced with \$130,675 reissued general obligation debt. Other key elements of the increase are as follows:

	Governmental Activities	
	2010	2011
Revenues:		
Program revenues:		
Charges for services	\$ 66,976	\$ 66,761
Operating grants and contributions	8,161	9,591
Capital grants and contributions	14,707	1,936
General revenues:		
Property taxes	76,122	76,973
Payment in-lieu-of taxes	5,535	7,084
Local option sales taxes	2,035	1,671
Hotel/Motel tax	951	1,067
Wheel tax	5,696	5,729
Business tax	1,424	1,709
Litigation tax	2,242	2,231
Development tax	1,395	866
Mineral severance tax	232	220
Bank excise tax	837	77
Wholesale beer tax	837	811
Interstate communication tax	1	1
Grants and contributions not restricted to specific programs	655	618
Unrestricted investment earnings	1,218	654
Other	119	63
Total Revenues	<u>\$ 189,143</u>	<u>\$ 178,062</u>

	Governmental Activities (Cont.)	
	2010	2011
Expenses:		
General government	\$ 15,112	\$ 17,325
Finance	7,366	7,748
Administration of justice	6,844	6,659
Public safety	38,545	39,080
Public health and welfare	17,768	18,458
Social, cultural, and recreation services	2,786	1,838
Agriculture and natural resources	1,036	1,085
Highways	16,926	9,264
Education	33,085	35,351
Interest on long-term debt	17,064	13,850
Total Expenses	<u>\$ 156,532</u>	<u>\$ 150,658</u>
Increase (Decrease) in net assets	\$ 31,774	\$ 27,404
Net assets, July 1	(76,400)	(42,805)
Prior-period Adjustment	1,821	(66)
Net Assets, June 30	<u><u>\$ (42,805)</u></u>	<u><u>\$ (15,467)</u></u>

Governmental Program Expenses

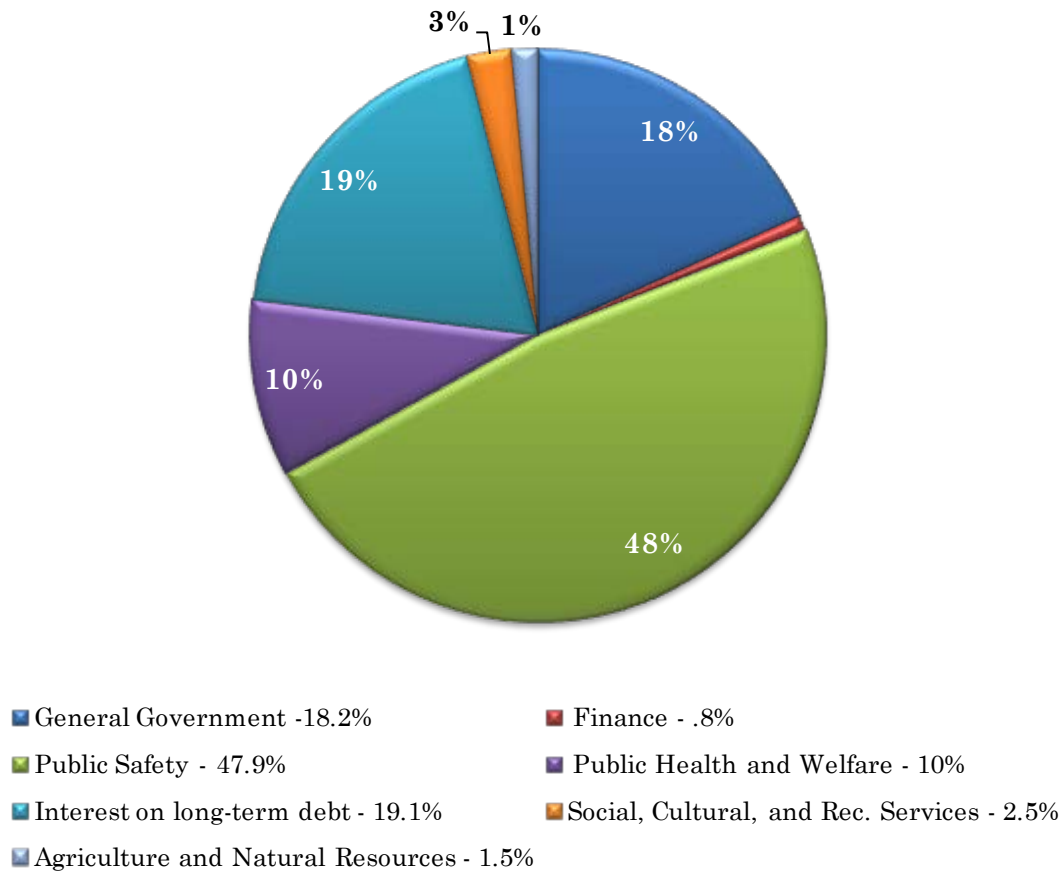
Education expenses of \$35,351 and Public Safety expenses of \$39,080 are the largest expenses of Rutherford County, the primary government, which when combined total \$74,431 and are 49.4 percent of total expenses. Of this amount, \$42,720 was recovered by charges for services, \$1,394 from operating grants/contributions, and \$216 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

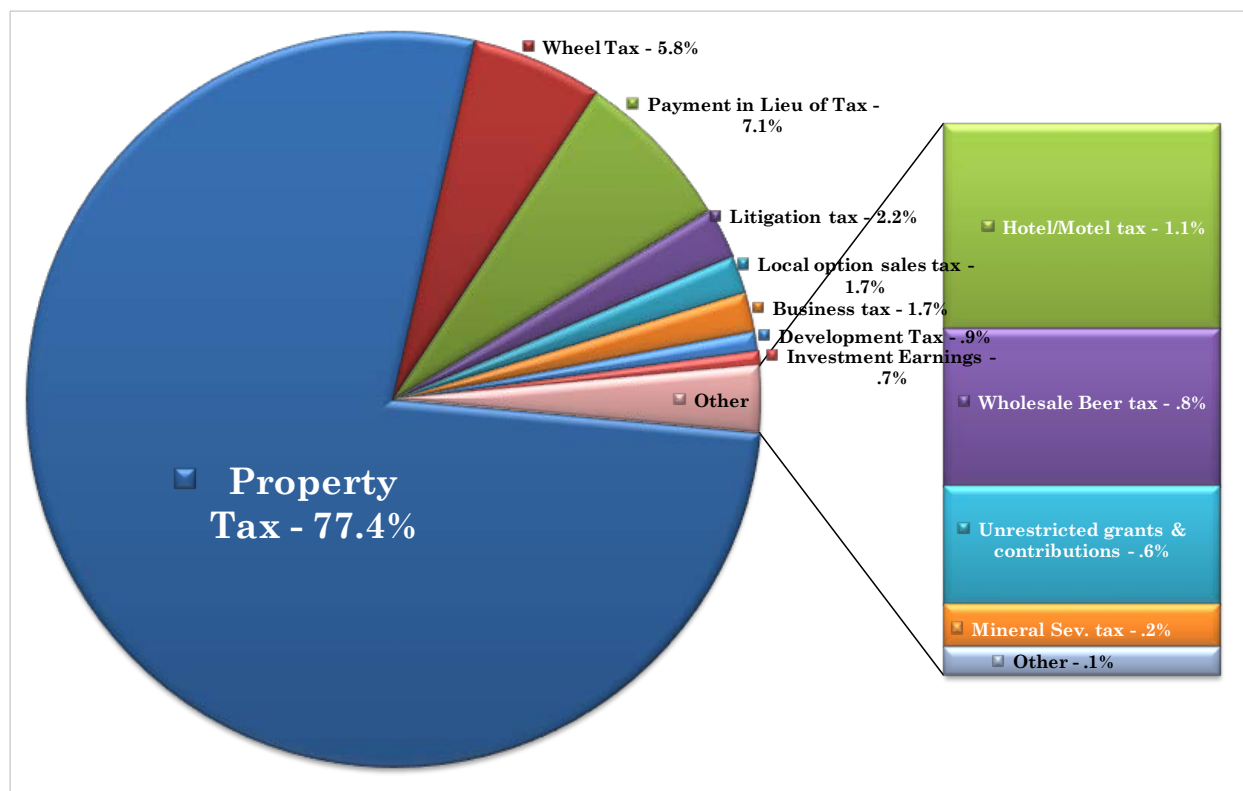


Revenues

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 Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Rutherford County Government's financing requirements.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following: nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable Fund Balance, \$43 – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance, \$8,675 – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance, \$2,045 – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority.
- Assigned Fund Balance, \$51,852 – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget/Finance Committee is the authorized body to make assignments.
- Unassigned Fund Balance \$14,524 – the residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

As of the end of the current fiscal year, Rutherford County Government's governmental funds reported combined ending fund balances of \$77,139, an increase of \$4,017 in comparison with the prior year.

The General Fund is the chief operating fund of Rutherford County Government. At the end of the current fiscal year, unassigned fund balance was \$14,524, while total fund balance reached \$23,712. Assigned fund balance was \$2,210, which has been assigned to help fund operations in the next fiscal year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.29 percent of total General Fund expenditures, while total fund balance represents 34.75 percent of that same amount. The General Fund's fund balance increased by \$1,006 during the current fiscal year.

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

	2010	2011
General Government	\$ 173	\$ 876
Finance	9	1,659
Administration of Justice	47	200
Public Safety	710	841
Public Health and Welfare	560	172
Social, Cultural, and Recreational	6	16
Agriculture	2	6
Other Operations	1,993	959
Total Increase in Appropriations	<u>\$ 3,500</u>	<u>\$ 4,729</u>

There were several areas that had significant increases to their original budget: Two fee offices, Register (General Government) and County Clerk (Finance) changed their methods of accounting for salary/wages and benefits. Previous to October 2010, the employee's wages and benefits were paid from their fees then any excess fees were receipted to the General Fund. Effective October 1, 2010, both of these offices remitted all their county fees to the General Fund. In addition, the salary and related benefits were appropriated and expended from the county's General Fund.

The increase in the Administration of Justice resulted from the State of Tennessee requiring counties to reimburse them for mental health evaluations and treatments administered to individuals who were charged with misdemeanors and were ordered by the courts for evaluations and treatment.

The increase in Public Safety was in large part due to unanticipated building improvements and repairs to the Rutherford County Adult Detention Center. The increase to the budgets for Disaster Relief and Rural Fire Protection resulted from unanticipated grant awards.

The increase in Public Health resulted from increased costs related to planned building improvements to the Rutherford County Animal Shelter and to unanticipated costs associated with autopsies.

Other increases to the original budget were noted in Other Operations. This was caused by grants awarded to Rutherford County through the American Recovery and Reinvestment Act (ARRA) and from the Community Development Block Grant. The amount of unspent awards for several of the ARRA grants were not included in the original budget. The ARRA grants were awarded for a two-year period. In the county's Miscellaneous budget, the unanticipated costs related to the payment of judgments and legal services.

At the close of the fiscal year, actual expenditures were \$3.4 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. In addition, the positive actual results noted in Other Operations relate to unspent grant awards.

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

	2010	2011
General Government	\$ 439	\$ 307
Finance	207	356
Administration of Justice	161	147
Public Safety	2,574	1,496
Public Health and Welfare	1,051	290
Social, Cultural, and Recreational	13	19
Agriculture	122	52
Other Operations	679	768
Total Results	<u>\$ 5,246</u>	<u>\$ 3,435</u>

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2011, totaled \$258,399 (net of accumulated depreciation). Net capital assets were restated from the prior year because a few parcels of land and buildings were all classified in the land category. The 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 decrease in Rutherford County Government's investment in capital assets for the current fiscal year totaled \$2,553 which represented a .9 percent decrease over the prior year.

	Governmental Activities 2010 (restated)	2011
Land	\$ 33,155	\$ 33,363
Intangibles (Right-of-Way)	45,175	45,184
Buildings and improvements	73,731	71,901
Infrastructure	99,511	99,701
Intangibles (other)	1,180	814
Other capital assets	6,439	5,880
Construction in progress	1,556	1,556
Total	<u>\$ 260,747</u>	<u>\$ 258,399</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 bonded debt and notes outstanding of \$354,180. 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	
	2010	2011	2010	2011	2010	2011
Notes	\$ 28,502	\$ 28,163	\$ 2,498	\$ 2,437	\$ 31,000	\$ 30,600
Bonds	296,947	273,196	56,083	50,384	353,030	323,580
Total	\$ 325,449	\$ 301,359	\$ 58,581	\$ 52,821	\$ 384,030	\$ 354,180

Rutherford County decreased its long-term debt by \$29,850 of 7.77 percent during the 2010-11 fiscal year. Because of improved rates, the county refunded \$138,190 of its outstanding bonds with \$130,675 general obligation bonds. Rutherford County Government obtained a rating of “Aa1” from Moody’s and a rating of “AA+” from Standard and 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, 2012, on June 27, 2011. As in the prior year, many factors were considered when adopting this budget: 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, development tax, and building related permit fees.

The property tax rate for tax year 2011 was adopted at the same rate for tax year 2010, however, the distribution was changed. The distribution of the 2011 property tax rate is shown below:

Distribution of the Property Tax Rate

	2010 Adopted			2011 Adopted	
	Rate	Ratio		Rate	Ratio
County General	\$0.5540	22.47 %		\$0.5840	23.69 %
Ambulance	0.0879	3.57		0.0829	3.36
Highway/Roads	0.0090	0.37		0.0140	0.57
Education	1.1430	46.37		1.1430	46.37
Ed. Capital Projects	0.0451	1.83		0.0451	1.83
General Debt Service	0.6262	25.40		0.5962	24.18
	\$2.4652	100.00 %		\$2.4652	100.00 %

At the end of the 2010-11 fiscal year, amounts in the unassigned fund balance in the General Fund were sufficient to allow a portion to be used to fund operations in the next fiscal year and maintain a stable tax rate. Rutherford County Government has appropriated \$2,210 for spending in the 2011-12 fiscal year. This is reflected in the assigned fund balance of the General Fund. Unassigned fund balance in the General Fund is projected at \$14,557 as of June 30, 2012. However, in August 2011, the sheriff requested \$550 of additional funds to purchase patrol cars. Since Ford Motor Company is no longer producing the Crown Victoria, the sheriff wanted to obtain as many cars as funds would allow. With the amendment for the cars and other unanticipated expenditures, unassigned fund balance is currently projected at 17 percent of expenditures, which is in compliance with Rutherford County's fund balance policy.

Fund balance in the General Debt Service Fund increased to \$35,734. It is anticipated that \$2,642 will be used to fund next year's appropriations. Fund balance in the General Debt Service Fund as of June 30, 2012, is projected to be \$33,092, or 79.8 percent of budgeted debt service expenditures when excluding a projected re-issuance of capital outlay notes.

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, 2011

	Primary	Component Units		
	Government	Rutherford	Community	
	Governmental	County	Care of	
	Activities	School	Rutherford	Emergency
		Department	County, Inc.	Communications
				District
<u>ASSETS</u>				
Cash	\$ 592,554	\$ 1,300,782	\$ 2,487,318	\$ 4,430,746
Equity in Pooled Cash and Investments	111,078,371	39,289,116	0	0
Inventories	0	248,507	23,636	0
Investments	60,743	0	0	0
Accounts Receivable	14,633,006	49,288	1,456,645	57,708
Allowance for Uncollectibles	(10,457,416)	0	(85,000)	0
Property Taxes Receivable	80,951,441	64,149,064	0	0
Allowance for Uncollectible Property Taxes	(4,978,744)	(3,945,350)	0	0
Accrued Interest Receivable	0	0	0	1,669
Advances to Other Funds	125,000	0	0	0
Due from Other Governments	2,733,011	14,694,199	0	78,943
Due from Component Units	1,844	0	0	0
Prepaid Items	43,081	0	14,317	27,352
Notes Receivable - Long-term	3,055,588	0	0	0
Allowance for Doubtful Notes Receivable	(747,130)	0	0	0
Deferred Charges - Debt Issuance Costs	1,526,362	21,788	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	33,363,487	8,468,927	0	17,500
Intangible Assets (Right-of-Ways)	45,183,746	0	0	0
Construction in Progress	1,555,986	7,412,586	3,150	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	71,900,924	382,462,888	533,057	914,532
Infrastructure	99,700,567	0	0	0
Intangible Assets	814,160	311,223	0	0
Other Capital Assets	5,879,857	9,737,352	55,420	332,464
Total Assets	\$ 457,016,438	\$ 524,200,370	\$ 4,488,543	\$ 5,860,914
<u>LIABILITIES</u>				
Accounts Payable	\$ 843,221	\$ 5,905,769	\$ 225,089	\$ 1,843
Accrued Payroll	858,386	18,098,601	77,229	0
Accrued Interest Payable	3,626,838	18,917	0	0
Payroll Deductions Payable	1,483	6,475	5,740	0
Due to Primary Government	0	0	1,844	0
Unearned Revenue - Current Property Taxes	74,033,182	58,666,767	0	0
Other Current Liabilities	84,458	0	36,019	0
Noncurrent Liabilities:				
Due Within One Year	53,103,777	966,671	350,226	20,355
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	339,932,688	36,971,605	714,620	28,425
Total Liabilities	\$ 472,484,033	\$ 120,634,805	\$ 1,410,767	\$ 50,623

(Continued)

Exhibit A

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

	Primary	Component Units		
	Government	Rutherford	Community	
	Governmental	County	Care of	Emergency
	Activities	School	Rutherford	Communications
		Department	County, Inc.	District
<u>NET ASSETS</u>				
Invested in Capital Assets,				
Net of Related Debt	\$ 201,854,362	\$ 405,516,716	\$ 0	\$ 0
Invested in Capital Assets	0	0	591,627	1,264,496
Restricted for:				
Capital Projects	3,649,755	1,481,941	0	0
Highway/Public Works	1,351,052	0	0	0
Public Safety	1,575,741	0	0	0
Drug Control	709,348	0	0	0
District Attorney General	285,834	0	0	0
School Federal Projects	0	85,990	0	0
Central Cafeteria	0	5,151,136	0	0
Education	0	292,407	0	0
Victims Assistance Programs	280,909	0	0	0
Computer System - Register	588,679	0	0	0
Other Purposes	61,195	0	0	0
Unrestricted	(225,824,470)	(8,962,625)	2,486,149	4,545,795
Total Net Assets (Deficit)	<u>\$ (15,467,595)</u>	<u>\$ 403,565,565</u>	<u>\$ 3,077,776</u>	<u>\$ 5,810,291</u>

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

Exhibit B

Rutherford County, Tennessee
Statement of Activities
For the Year Ended June 30, 2011

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	\$ 17,324,699	\$ 2,720,389	\$ 1,272,769	\$ 85,200	\$ (13,246,341)	\$	0 \$	0
Finance	7,747,890	7,158,239	0	0	(589,651)	0	0	0
Administration of Justice	6,659,058	5,802,836	680,751	0	(175,471)	0	0	0
Public Safety	39,079,647	2,643,101	1,394,247	216,342	(34,825,957)	0	0	0
Public Health and Welfare	18,457,613	8,335,454	2,878,767	0	(7,243,392)	0	0	0
Social, Cultural, and Recreational Services	1,838,480	766	0	0	(1,837,714)	0	0	0
Agriculture and Natural Resources	1,084,847	22,981	11,820	0	(1,050,046)	0	0	0
Highways/Public Works	9,263,940	0	3,352,589	1,634,470	(4,276,881)	0	0	0
Education	35,351,499	40,077,211	0	0	4,725,712	0	0	0
Interest on Long-term Debt	13,850,091	0	0	0	(13,850,091)	0	0	0
Total Primary Government	\$ 150,657,764	\$ 66,760,977	\$ 9,590,943	\$ 1,936,012	\$ (72,369,832)	\$	0 \$	0
Component Units:								
Rutherford County School Department	\$ 319,189,559	\$ 6,641,371	\$ 31,829,416	\$ 803,210	\$ 0	\$ (279,915,562)	0 \$	0
Community Care of Rutherford County, Inc.	10,072,518	10,055,806	0	0	0	0	(16,712)	0
Emergency Communications District	1,469,641	1,426,039	0	0	0	0	0	(43,602)
Total Component Units	\$ 330,731,718	\$ 18,123,216	\$ 31,829,416	\$ 803,210	\$ 0	\$ (279,915,562)	\$ (16,712)	\$ (43,602)

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units		
				Governmental Total Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 39,192,806	\$ 61,011,505	\$ 0	0
Property Taxes Levied for Debt Service				37,780,215	0	0	0
Payments in-Lieu-of Tax				7,084,046	840,996	0	0
Local Option Sales Taxes				1,670,901	37,870,711	0	0
Hotel/Motel Tax				1,067,000	0	0	0
Wheel Tax				5,728,438	3,254,968	0	0
Business Tax				1,708,874	1,360,363	0	0
Litigation Tax				2,231,417	0	0	0
Adequate Facilities/Development Tax				865,500	0	0	0
Mineral Severance Tax				220,355	0	0	0
Bank Excise Tax				76,982	0	0	0
Wholesale Beer Tax				811,144	0	0	0
Interstate Telecommunications Tax				1,108	10,492	0	0
Grants and Contributions Not Restricted to Specific Programs				617,579	154,123,681	13,894	98,000
Unrestricted Investment Earnings				654,421	184,985	30,178	29,614
(Loss) on Disposal of Capital Assets				0	0	0	(1,189)
Miscellaneous				62,875	145,243	0	0
Total General Revenues				\$ 99,773,661	\$ 258,802,944	\$ 44,072	\$ 126,425
Change in Net Assets							
Net Assets (Deficit), July 1, 2010				\$ 27,403,829	(21,112,618)	\$ 27,360	\$ 82,823
Prior-period Adjustment				(42,805,055)	424,040,814	3,050,416	5,727,468
				(66,369)	637,369	0	0
Net Assets (Deficit), June 30, 2011				\$ (15,467,595)	\$ 403,565,565	\$ 3,077,776	\$ 5,810,291

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, 2011

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Ambulance Service	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 1,641	\$ 200	\$ 0	\$ 590,713	\$ 592,554
Equity in Pooled Cash and Investments	22,117,441	3,031,478	33,777,806	13,351,455	72,278,180
Investments	0	0	0	60,743	60,743
Accounts Receivable	515,213	13,797,428	15,678	125,939	14,454,258
Allowance for Uncollectibles	0	(10,457,416)	0	0	(10,457,416)
Due from Other Governments	2,122,813	11,320	65,648	514,463	2,714,244
Due from Other Funds	319,595	0	0	0	319,595
Due from Component Units	1,844	0	0	0	1,844
Property Taxes Receivable	36,937,396	5,268,204	37,871,853	873,988	80,951,441
Allowance for Uncollectible Property Taxes	(2,241,703)	(329,018)	(2,359,280)	(48,743)	(4,978,744)
Prepaid Items	43,081	0	0	0	43,081
Notes Receivable - Long-term	0	0	1,820,785	1,234,803	3,055,588
Allowance for Uncollectibles	0	0	0	(747,130)	(747,130)
Total Assets	\$ 59,817,321	\$ 11,322,196	\$ 71,192,490	\$ 15,956,231	\$ 158,288,238
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 558,465	\$ 85,628	\$ 0	\$ 174,452	\$ 818,545
Accrued Payroll	511,914	311,972	0	34,500	858,386
Payroll Deductions Payable	1,483	0	0	0	1,483
Due to Other Funds	0	2,834	0	312,643	315,477
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	84,458	0	0	0	84,458
Deferred Revenue - Current Property Taxes	33,854,340	4,805,693	34,561,572	811,577	74,033,182
Deferred Revenue - Delinquent Property Taxes	793,279	125,855	896,659	12,898	1,828,691
Other Deferred Revenues	300,974	2,888,946	0	19,392	3,209,312
Total Liabilities	\$ 36,104,913	\$ 8,220,928	\$ 35,458,231	\$ 1,365,462	\$ 81,149,534
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Items	\$ 43,081	\$ 0	\$ 0	\$ 0	\$ 43,081
Restricted:					
Restricted for General Government	588,679	0	0	0	588,679
Restricted for Finance	11,436	0	0	0	11,436
Restricted for Administration of Justice	418,590	0	0	285,834	704,424
Restricted for Public Safety	1,628,772	0	0	709,348	2,338,120
Restricted for Public Health and Welfare	0	0	0	669,271	669,271
Restricted for Other Operations	31,708	0	0	0	31,708
Restricted for Highways/Public Works	0	0	0	1,351,052	1,351,052
Restricted for Capital Projects	2,980,484	0	0	0	2,980,484
Committed:					
Committed for General Government	155,219	0	0	0	155,219
Committed for Finance	51,429	0	0	0	51,429
Committed for Administration of Justice	4,635	0	0	0	4,635
Committed for Public Safety	523,969	0	0	0	523,969

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Ambulance Service	General Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (CONT.)</u>					
<u>Fund Balances (Cont.)</u>					
Committed (Cont.):					
Committed for Public Health and Welfare	\$ 290,652	\$ 16,328	\$ 0	\$ 12,515	\$ 319,495
Committed for Agriculture and Natural Resources	229,490	0	0	0	229,490
Committed for Other Operations	20,014	0	0	0	20,014
Committed for Capital Projects	0	0	0	740,502	740,502
Assigned:					
Assigned for Finance	0	0	0	110,000	110,000
Assigned for Administration of Justice	0	0	0	173,229	173,229
Assigned for Public Health and Welfare	0	3,084,940	0	4,316,898	7,401,838
Assigned for Other Operations	0	0	0	714,981	714,981
Assigned for Highways/Public Works	0	0	0	5,507,139	5,507,139
Assigned for Debt Service	0	0	35,734,259	0	35,734,259
Assigned for Other Purposes	2,210,343	0	0	0	2,210,343
Unassigned	14,523,907	0	0	0	14,523,907
Total Fund Balances	<u>\$ 23,712,408</u>	<u>\$ 3,101,268</u>	<u>\$ 35,734,259</u>	<u>\$ 14,590,769</u>	<u>\$ 77,138,704</u>
Total Liabilities and Fund Balances	<u>\$ 59,817,321</u>	<u>\$ 11,322,196</u>	<u>\$ 71,192,490</u>	<u>\$ 15,956,231</u>	<u>\$ 158,288,238</u>

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

Exhibit C-2

Rutherford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2011

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)		\$	77,138,704
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	33,363,487	
Add: intangible assets – right-of-ways		45,183,746	
Add: construction in progress		1,555,986	
Add: buildings and improvements net of accumulated depreciation		71,900,924	
Add: infrastructure net of accumulated depreciation		99,700,567	
Add: intangible assets net of accumulated depreciation		814,160	
Add: other capital assets net of accumulated depreciation		<u>5,879,857</u>	258,398,727
(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.			28,306,226
(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	\$	(323,580,000)	
Less: notes payable		(30,600,000)	
Add: deferred amount on refunding		13,059,634	
Add: deferred charges - debt issuance costs		1,526,362	
Less: compensated absences payable		(4,437,590)	
Less: other postemployment benefits liability		(7,350,646)	
Less: landfill closure/postclosure care costs		(4,553,437)	
Less: accrued interest on notes and bonds		(3,626,838)	
Less: other deferred revenue - premium on debt		<u>(24,786,740)</u>	(384,349,255)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>5,038,003</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u><u>(15,467,595)</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, 2011

	Major Funds			Nonmajor Funds	
	General	Ambulance Service	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 47,637,936	\$ 5,440,846	\$ 40,689,227	\$ 5,085,494	\$ 98,853,503
Licenses and Permits	1,276,302	0	0	0	1,276,302
Fines, Forfeitures, and Penalties	1,925,169	0	0	553,413	2,478,582
Charges for Current Services	767,234	6,108,308	0	3,980,462	10,856,004
Other Local Revenues	973,140	8,337	244,699	654,194	1,880,370
Fees Received from County Officials	9,407,107	0	0	0	9,407,107
State of Tennessee	5,481,581	1,058	0	4,373,813	9,856,452
Federal Government	1,610,093	6,500	0	200,590	1,817,183
Other Governments and Citizens Groups	1,024,822	20,000	0	0	1,044,822
Total Revenues	\$ 70,103,384	\$ 11,585,049	\$ 40,933,926	\$ 14,847,966	\$ 137,470,325
<u>Expenditures</u>					
Current:					
General Government	\$ 6,923,801	\$ 0	\$ 790,959	\$ 228,428	\$ 7,943,188
Finance	6,447,795	0	0	988,937	7,436,732
Administration of Justice	4,742,991	0	0	1,957,447	6,700,438
Public Safety	36,741,445	0	0	735,350	37,476,795
Public Health and Welfare	3,811,500	9,996,560	0	2,830,471	16,638,531
Social, Cultural, and Recreational Services	1,476,280	0	0	0	1,476,280
Agriculture and Natural Resources	873,807	0	0	0	873,807
Other Operations	7,215,450	0	0	323,901	7,539,351
Highways	0	0	0	7,395,365	7,395,365
Debt Service:					
Principal on Debt	0	0	31,935,000	0	31,935,000
Interest on Debt	0	0	14,277,962	0	14,277,962
Other Debt Service	0	0	858,025	0	858,025
Capital Projects	0	0	0	1,061,935	1,061,935
Total Expenditures	\$ 68,233,069	\$ 9,996,560	\$ 47,861,946	\$ 15,521,834	\$ 141,613,409
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,870,315	\$ 1,588,489	\$ (6,928,020)	\$ (673,868)	\$ (4,143,084)
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 140,275,000	\$ 0	\$ 140,275,000
Premiums on Debt Issued	0	0	20,354,781	0	20,354,781
Insurance Recovery	19,602	0	0	29,850	49,452
Transfers In	494,197	0	0	1,378,600	1,872,797
Transfers Out	(1,378,600)	0	0	(10,331)	(1,388,931)
Payments to Refunded Debt Escrow Agent	0	0	(153,002,659)	0	(153,002,659)
Total Other Financing Sources (Uses)	\$ (864,801)	\$ 0	\$ 7,627,122	\$ 1,398,119	\$ 8,160,440
Net Change in Fund Balances	\$ 1,005,514	\$ 1,588,489	\$ 699,102	\$ 724,251	\$ 4,017,356
Fund Balance, July 1, 2010	22,706,894	1,512,779	35,035,157	13,866,518	73,121,348
Fund Balance, June 30, 2011	\$ 23,712,408	\$ 3,101,268	\$ 35,734,259	\$ 14,590,769	\$ 77,138,704

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, 2011

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)		\$	4,017,356
(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	\$	2,299,378	
Less: current-year depreciation expense		(6,262,000)	(3,962,622)
(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	\$	1,936,012	
Less: loss on disposal of capital assets		(321,283)	1,614,729
(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, 2010	\$	(5,993,012)	
Add: deferred delinquent property taxes and other deferred June 30, 2011		5,038,003	(955,009)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Less: refunding debt proceeds	\$	(140,275,000)	
Less: change in premium on debt issuances		(14,461,405)	
Less: change in deferred debt issuance costs		(418,256)	
Add: principal payments on bonds		21,935,000	
Add: refunding payments on notes		10,000,000	
Less: change in deferred amount on refunding debt		(955,352)	
Add: payment to refunding agent		153,002,659	
Less: additional interest paid to refunding agent		(2,823,770)	26,003,876
(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	\$	(410,102)	
Change in landfill closure/postclosure care costs		(16,204)	
Change in other postemployment benefits liability		(2,069,190)	
Change in compensated absences payable		(258,012)	(2,753,508)
(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.			3,439,007
Change in net assets of governmental activities (Exhibit B)		\$	<u>27,403,829</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, 2011

Governmental
Activities -
Internal
Service
Funds

ASSETS

Current Assets:

Cash	\$ 286,001
Equity in Pooled Cash and Investments	38,514,190
Accounts Receivable	178,748
Due from Other Governments	18,767
Advances to Other Funds	125,000
Total Assets	<u>\$ 39,122,706</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 24,676
Claims and Judgments Payable	8,630,149
Due to Other Funds	4,118
Long-term Liabilities:	
Claims and Judgments Payable	2,157,537
Total Liabilities	<u>\$ 10,816,480</u>

NET ASSETS

Unrestricted	<u>\$ 28,306,226</u>
Total Net Assets	<u>\$ 28,306,226</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, 2011

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 44,707,758
Other Employee Benefits Charges/Contributions	1,204,722
Service Charges	6,515
Other Local Revenues:	
Retirees' Insurance Payments	2,951,580
Cobra Insurance Payments	228,903
Performance Bond Forfeitures	75,000
State of Tennessee:	
On-Behalf Contributions for OPEB	100,075
Federal Government:	
On-Behalf Contributions for OPEB	283,531
Total Operating Revenues	<u>\$ 49,558,084</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Data Processing Equipment	\$ 846
Handling Charges and Administrative Costs	2,794,144
Disability Insurance	442,212
Consultants	54,100
Contracts with Private Agencies	1,974,111
Drug and Medical Supplies	39,722
Premiums on Corporate Surety Bonds	7,500
Medical Claims	37,657,699
Liability Claims	1,553,062
Other Self-Insured Claims	972,946
Other Contracted Services	152,076
Total Operating Expenses	<u>\$ 45,648,418</u>
Operating Income (Loss)	<u>\$ 3,909,666</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 14,134
Miscellaneous Payments	(927)
Total Nonoperating Revenues (Expenses)	<u>\$ 13,207</u>
Income (Loss) Before Transfers	\$ 3,922,873
Transfers Out	<u>(483,866)</u>
Change in Net Assets	\$ 3,439,007
Net Assets, July 1, 2010	<u>24,867,219</u>
Net Assets, June 30, 2011	<u><u>\$ 28,306,226</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, 2011

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 49,487,072
Payments to Suppliers	(5,439,857)
Claims Paid	(41,061,312)
Insurance Recovery	14,134
Other Payments	(927)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,999,110</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (483,866)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (483,866)</u>
Net Increase (Decrease) in Cash	\$ 2,515,244
Cash, July 1, 2010	<u>36,284,947</u>
Cash, June 30, 2011	<u><u>\$ 38,800,191</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 3,909,666
Insurance Recovery	14,134
Miscellaneous Payments	(927)
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	(60,557)
(Increase) Decrease in Due from Other Governments	(10,455)
Increase (Decrease) in Accounts Payable	24,318
Increase (Decrease) in Due to Other Funds	1,071
Increase (Decrease) in Claims and Judgments Payable	<u>(878,140)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,999,110</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	\$ 286,001
Equity in Pooled Cash and Investments per Net Assets	<u>38,514,190</u>
Cash, June 30, 2011	<u><u>\$ 38,800,191</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, 2011

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 97,786	\$ 6,372,193
Equity in Pooled Cash and Investments	107,856	225,876
Investments	0	7,559
Accounts Receivable	1,920	1,065
Due from Other Governments	0	7,946,532
Taxes Receivable	0	11,160,942
Allowance for Uncollectible Taxes	0	(686,429)
Total Assets	<u>\$ 207,562</u>	<u>\$ 25,027,738</u>
<u>LIABILITIES</u>		
Claims and Judgments Payable	\$ 10,181	\$ 0
Due to Other Taxing Units	0	18,630,397
Due to Litigants, Heirs, and Others	0	6,380,817
Due to Joint Ventures	0	16,524
Advances Payable to Other Funds	125,000	0
Total Liabilities	<u>\$ 135,181</u>	<u>\$ 25,027,738</u>
<u>NET ASSETS</u>		
Held in Trust for Other Employee Benefits	<u>\$ 72,381</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, 2011

	Other Employee Benefit Trust Fund
	<hr/>
	Flexible Benefits Fund
	<hr/>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 676,304
Total Additions	<hr/> \$ 676,304
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 670,570
Total Deductions	<hr/> \$ 670,570
Change in Net Assets	\$ 5,734
Net Assets, July 1, 2010	<hr/> 66,647
Net Assets, June 30, 2011	<hr/> \$ 72,381

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, 2011

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, 2011.

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 and General Purpose School funds for payments to be made early in the following year.

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

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

Rutherford County reports the following major governmental funds:

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

Ambulance Service Fund – This special revenue fund accounts for the county’s ambulance service operations. General service charges and county property taxes are the foundational revenues of this fund.

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

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 fund:

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.

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

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Project Funds – These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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.

It is the county's policy to use restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Also, it is the county's policy to use committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes which could be used in any of the unrestricted fund balance classifications.

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: the Employee Insurance – Health Fund (internal service fund) loaned the Flexible Benefits Fund (other employee benefit trust fund) \$125,000.

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 totaling \$84,458. Claims and judgments payable totaling \$10,787,686 are discussed in Note V.A. – Risk Management. Other postemployment benefits payable totaling \$7,350,646 are discussed in Note V.I. – Other Postemployment Benefits.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department totaling \$248,507 are recorded on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

Using the consumption method, Rutherford County had prepaid postage totaling \$43,081 in the General Fund. Prepaids are offset in the nonspendable fund balance account in governmental funds.

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 financial 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 \$8,502,513 of restricted net assets for the primary government, of which \$6,482,190 is restricted by enabling legislation.

As of June 30, 2011, Rutherford County had \$301,358,682 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of

Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget/Finance Committee and the Board of Education are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

8. Prior-period Adjustments

The other postemployment benefits contributions from Rutherford County and Rutherford County School Department were restated \$139,424 and \$637,369, respectively; due to re-calculation on the amount the county contributed toward the retiree benefits.

Capital assets and accumulated depreciation of the primary government were restated \$156,971 and \$48,822; respectively, from the prior year because a few parcels of land and buildings were classified in the land category. The assets were reclassified into their proper category of land and buildings and accumulated depreciation was re-calculated for the prior year.

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 General Capital Projects Fund and the School Department's Other Capital Projects Fund, 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, 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.

At June 30, 2011, Rutherford County and the Rutherford County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
<u>Primary Government</u>		
Major Funds:		
General	Security cameras at jail	\$ 246,039
"	Building Improvement	125,000
Nonmajor Fund:		
General Capital Projects	Communication equipment	215,330
<u>School Department</u>		
Nonmajor Funds:		
Central Cafeteria	Food service equipment	298,898
Other Capital Projects	School construction	519,542

B. Cash Shortages – Prior and Current Years

The audit of Rutherford County for the 2009-10 year reported that from January 1, 2007, through August 8, 2008, an employee of the Sheriff's Department filed medical, dental, comprehensive benefits, and pharmacy claims totaling \$14,551.56 for ineligible persons. Subsequently, the employee signed a promissory note with Rutherford County to make restitution. These note payments are being withheld from the employee's bi-monthly payroll checks by the Rutherford County Finance Office. As of June 30, 2011, \$4,151.56 remains outstanding on this note.

The audit of Rutherford County for the 2009-10 year reported that on October 19, 2010, the circuit, general sessions, and juvenile courts clerk notified our office of missing cash collections she had discovered in the Office of General Sessions Court. On November 1, 2010, a former employee confessed to 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. The deputy was indicted by the Grand Jury on theft over \$500, received pretrial diversion, and one year probation. The deputy paid restitution of \$745.85 and \$2,029 for the cost of the audit on March 31, 2011.

On December 29, 2010, the register notified our office of missing petty cash funds totaling \$76. On November 29, 2010, the office discovered \$66 was missing from the petty cash bag, and on December 27, 2010, discovered an additional \$10 was missing. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Rutherford County and the Rutherford County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, 2011, 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>\$ 90,368,797</u>
Nonpooled:		
Primary Government:		
General Capital Projects Fund:		
State Treasurer's Investment Pool	Daily	\$ 60,743
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	Daily	<u>7,559</u>
Total Nonpooled		<u>\$ 68,302</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, 2011, 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 a limit 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 70 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 Industrial/Economic Development Fund had a long-term note receivable of \$747,130 from Wherry Housing on June 30, 2011. The county and Wherry Housing have reached a payment agreement through bankruptcy court on this note. In addition, the Industrial/Economic Development Fund had a long-term note receivable of \$487,673 on June 30, 2011, 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, 2011, from financing projects for the City of Murfreesboro's Rockvale Utility District.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	* Restated				
	Balance				Balance
	7-1-10	Increases	Decreases		6-30-11
Capital Assets Not Depreciated:					
Land	\$ 33,154,831	\$ 208,656	\$ 0	\$	33,363,487
Intangible Assets (Right-of-Ways)	45,175,062	8,684	0		45,183,746
Construction in Progress	1,555,986	0	0		1,555,986
Total Capital Assets Not Depreciated	\$ 79,885,879	\$ 217,340	\$ 0	\$	80,103,219
Capital Assets Depreciated:					
Buildings and Improvements	\$ 97,569,815	\$ 391,915	\$ 0	\$	97,961,730
Infrastructure	133,406,452	2,233,755	(303,302)		135,336,905
Intangible Assets	2,357,048	0	0		2,357,048
Other Capital Assets	27,864,912	1,392,380	(608,274)		28,649,018
Total Capital Assets Depreciated	\$ 261,198,227	\$ 4,018,050	\$ (911,576)	\$	264,304,701
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 23,838,789	\$ 2,222,017	\$ 0	\$	26,060,806
Infrastructure	33,895,518	1,838,430	(97,610)		35,636,338
Intangible Assets	1,176,787	366,101	0		1,542,888
Other Capital Assets	21,426,392	1,835,452	(492,683)		22,769,161
Total Accumulated Depreciation	\$ 80,337,486	\$ 6,262,000	\$ (590,293)	\$	86,009,193
Total Capital Assets Depreciated, Net	\$ 180,860,741	\$ (2,243,950)	\$ (321,283)	\$	178,295,508
Governmental Activities Capital Assets, Net	\$ 260,746,620	\$ (2,026,610)	\$ (321,283)	\$	258,398,727

* See footnote I.D.8. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 587,185
Finance	477,502
Administration of Justice	14,248
Public Safety	1,823,990
Public Health and Welfare	1,028,671
Agriculture and Natural Resources	186,568
Highways	<u>2,143,836</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,262,000</u>

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

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 8,505,440	\$ 0	\$ (36,513)	\$ 8,468,927
Construction in Progress	<u>40,846,060</u>	<u>2,077,719</u>	<u>(35,511,193)</u>	<u>7,412,586</u>
Total Capital Assets Not Depreciated	<u>\$ 49,351,500</u>	<u>\$ 2,077,719</u>	<u>\$ (35,547,706)</u>	<u>\$ 15,881,513</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 443,440,264	\$ 37,057,126	\$ 0	\$ 480,497,390
Intangible Assets	590,820	0	0	590,820
Other Capital Assets	<u>15,453,990</u>	<u>4,688,366</u>	<u>(149,684)</u>	<u>19,992,672</u>
Total Capital Assets Depreciated	<u>\$ 459,485,074</u>	<u>\$ 41,745,492</u>	<u>\$ (149,684)</u>	<u>\$ 501,080,882</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 88,115,496	\$ 9,919,006	\$ 0	\$ 98,034,502
Intangible Assets	220,515	59,082	0	279,597
Other Capital Assets	<u>9,113,782</u>	<u>1,275,631</u>	<u>(134,093)</u>	<u>10,255,320</u>
Total Accumulated Depreciation	<u>\$ 97,449,793</u>	<u>\$ 11,253,719</u>	<u>\$ (134,093)</u>	<u>\$ 108,569,419</u>
Total Capital Assets Depreciated, Net	<u>\$ 362,035,281</u>	<u>\$ 30,491,773</u>	<u>\$ (15,591)</u>	<u>\$ 392,511,463</u>
Governmental Activities Capital Assets, Net	<u>\$ 411,386,781</u>	<u>\$ 32,569,492</u>	<u>\$ (35,563,297)</u>	<u>\$ 408,392,976</u>

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

Governmental Activities:

Instruction	\$ 59,082
Support Services	10,774,126
Operation of Non-Instructional Services	<u>420,511</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 11,253,719</u></u>

D. Construction Commitments

At June 30, 2011, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$531,127 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, 2011, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Internal Service	\$ 4,118
General	Ambulance Service	2,834
General	Nonmajor governmental	312,643
School Department:		
General Purpose School	Nonmajor governmental	228,651

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 balance of \$125,000 due to the Employee Health Insurance Fund (internal service fund) from the Flexible Benefits Fund (other employee benefits trust fund) resulted from an advance to the Flexible Benefits for cash flow purposes.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: Community Care of Rutherford Co., Inc.	\$ 1,844

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 1,378,600
Nonmajor governmental funds	10,331	0
Internal service funds	483,866	0
Total	\$ 494,197	\$ 1,378,600

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 561,160
Nonmajor governmental funds	345,600	0
Total	\$ 345,600	\$ 561,160

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 20 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, 2011, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	2.5 to 5 %	\$ 249,540,066	\$ 137,764,984
General Obligation Bonds - Refunding	2.037 to 5	198,154,934	185,815,016
Capital Outlay Notes	1.98	21,000,000	21,000,000
Capital Outlay Notes - Refunding	1.65	9,600,000	9,600,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 23,115,000	\$ 14,473,795	\$ 37,588,795
2013	22,210,000	13,579,870	35,789,870
2014	23,485,000	12,545,520	36,030,520
2015	24,680,000	11,442,170	36,122,170
2016	24,230,000	10,316,645	34,546,645

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2017-2021	107,755,000	36,213,939	143,968,939
2022-2026	71,355,000	14,954,069	86,309,069
2027-2030	26,750,000	2,540,126	29,290,126
Total	\$ 323,580,000	\$ 116,066,134	\$ 439,646,134

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 21,000,000	\$ 998,400	\$ 21,998,400
2013	0	158,400	158,400
2014	9,600,000	119,680	9,719,680
Total	\$ 30,600,000	\$ 1,276,480	\$ 31,876,480

There is \$35,734,259 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,232, based on the 2010 federal census. Debt per capita, including bonds and notes, totaled \$1,349, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds		Notes	
Balance, July 1, 2010	\$	353,030,000	\$	31,000,000
Additions		130,675,000		9,600,000
Deductions		(160,125,000)		(10,000,000)
Balance, June 30, 2011	\$	323,580,000	\$	30,600,000
Balance Due Within One Year	\$	23,115,000	\$	21,000,000

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2010	\$ 4,179,578	\$ 4,537,233
Additions	497,730	45,084
Deductions	(239,718)	(28,880)
Balance, June 30, 2011	<u>\$ 4,437,590</u>	<u>\$ 4,553,437</u>
Balance Due Within One Year	<u>\$ 133,128</u>	<u>\$ 195,000</u>

	Claims and Judgments	Other Postemployment Benefits
Balance, July 1, 2010	\$ 11,665,826	\$ 5,420,880
Additions	41,644,225	2,404,946
Deductions	(42,522,365)	(475,180)
Balance, June 30, 2011	<u>\$ 10,787,686</u>	<u>\$ 7,350,646</u>
Balance Due Within One Year	<u>\$ 8,660,649</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 381,309,359
Less: Due Within One Year	(53,103,777)
Add: Unamortized Premium on Debt	24,786,740
Less: Deferred Amount on Refunding	<u>(13,059,634)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 339,932,688</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, \$10,787,686 of claims and judgments is included in the above amounts. Compensated absences and other postemployment benefits 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.

Advance Refunding

On September 28, 2010, Rutherford County advance refunded several general obligation bond issues with a separate general obligation bond issue. The

county issued \$88,800,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 16 years will be reduced by \$5,723,042, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$5,125,346 was obtained.

Current Refunding

On January 7, 2011, Rutherford County currently refunded one general obligation bond issue with a separate general obligation bond issue. The county issued \$41,875,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the current refunding, total debt service payments over the next 10 years will be reduced by \$4,160,604, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$3,903,932 was obtained.

On January 7, 2011, Rutherford County currently refunded one capital outlay note with a separate capital outlay note. The county issued \$9,600,000 of refunding capital outlay notes to provide resources to retire the refunded debt. As a result, the refunded notes are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the current refunding, total debt service payments over the next three years will be reduced by \$196,560.

Discretely Presented Rutherford County School Department

General Obligation Bonds and Notes

Rutherford County issues general obligation bonds on behalf of 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 eight 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, 2011, will be retired from the General Purpose School Fund.

General obligation bonds and notes outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
Capital Outlay Notes	0 to 3 %	\$ 2,109,188	\$ 1,705,781
General Obligation Bonds	3.7 to 4	4,035,000	1,180,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 352,648	\$ 29,376	\$ 382,024
2013	359,031	22,992	382,023
2014	294,180	16,416	310,596
2015	300,948	9,648	310,596
2016	267,998	2,715	270,713
2017-2018	130,976	0	130,976
Total	\$ 1,705,781	\$ 81,147	\$ 1,786,928

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 580,000	\$ 45,400	\$ 625,400
2013	600,000	22,200	622,200
Total	\$ 1,180,000	\$ 67,600	\$ 1,247,600

Bonded debt per capita totaled \$4, based on the 2010 federal census. Debt per capita, including bonds and notes totaled \$11, based on the 2010 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, 2011, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2010	\$ 1,735,000	\$ 214,284
Additions	0	1,609,188
Deductions	(555,000)	(117,691)
Balance, June 30, 2011	<u>\$ 1,180,000</u>	<u>\$ 1,705,781</u>
Balance Due Within One Year	<u>\$ 580,000</u>	<u>\$ 352,648</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 1,116,601	\$ 24,894,954
Additions	1,666,234	11,183,421
Deductions	(1,648,729)	(2,172,253)
Balance, June 30, 2011	<u>\$ 1,134,106</u>	<u>\$ 33,906,122</u>
Balance Due Within One Year	<u>\$ 34,023</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 37,926,009
Less: Due Within One Year	(966,671)
Add: Unamortized Premium on Debt	<u>12,267</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 36,971,605</u>

Compensated absences and other postemployment benefits 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, 2011, interest earned and expended totaled \$461 with no resulting effect on net assets.

V. OTHER INFORMATION

A. Risk Management

Rutherford County and the School Department have chosen to establish the Self-Insurance Fund for liability risks. The Self-Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county and the 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
2009-10	\$	1,195,490	\$	1,175,227	\$	(1,236,693)	\$	1,134,024
2010-11		1,134,024		1,553,062		(1,534,554)		1,152,532

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2009-10	\$	9,122,302	\$	35,934,877	\$	(35,863,877)	\$	9,193,302
2010-11		9,193,302		39,118,216		(40,014,864)		8,296,654

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

2009-10	\$	1,725,000	\$	162,268	\$	(701,268)	\$	1,186,000
2010-11		1,186,000		535,121		(535,121)		1,186,000

Workers' Compensation Fund (Cont.)

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
<u>On-the-Job Injury Program</u>				
2009-10	\$ 272,000	\$ 140,470	\$ (259,970)	\$ 152,500
2010-11	152,500	437,826	(437,826)	152,500

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Rutherford County and the Rutherford County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

On July 18, 2011, Rutherford County issued a \$15,000,000 capital outlay note for school construction.

On September 15, 2011, Rutherford County authorized the issuance of \$50,725,000 in general obligation bonds for school construction, highway construction, and adult detention center renovation.

D. Contingent Liabilities

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

E. Changes in Administration

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

<u>Office</u>	<u>Official</u>	<u>Successor</u>
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 Dawbarn

F. 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 \$4,553,437 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. 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 \$1,080,277 to the operations of the libraries during the year ended June 30, 2011.

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, 2011.

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

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

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 requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 12.64 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, 2011, the county's annual pension cost of \$9,346,375 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 2.5 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 ten-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, 2009, was six 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
6-30-11	\$9,346,375	100%	\$0
6-30-10	8,964,352	100	0
6-30-09	8,933,343	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

\$119 million, and the actuarial value of assets was \$141 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$22 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, 2011, was 9.05 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, 2011, 2010, and 2009, were \$12,316,888, \$8,233,806, and \$8,048,135, respectively, equal to the required contributions for each year.

2. **Deferred Compensation** – Rutherford County and the discretely presented Rutherford County School Department offer their employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

I. 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 \$100,075 and \$283,531, 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 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 after age 65, and the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage. If hired after December 31, 2010, no benefits will be provided after age 65.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department
ARC	\$ 2,480,301	\$ 11,529,384
Interest on the NPO	279,340	1,282,495
Adjustment to the ARC	(354,695)	(1,628,458)
Annual OPEB cost	\$ 2,404,946	\$ 11,183,421
Amount of contribution	(335,756)	(1,534,884)
Increase/decrease in NPO	\$ 2,069,190	\$ 9,648,537
Net OPEB obligation, July 1, 2010	5,420,880	24,894,954
*Prior-period Adjustment	(139,424)	(637,369)
Net OPEB obligation, June 30, 2011	\$ 7,350,646	\$ 33,906,122

*See Note I.D.8. for prior-period adjustment.

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
6-30-11	"	2,404,946	13.96	7,350,646
6-30-09	School Department	16,140,884	5.15	15,309,004
6-30-10	"	10,404,613	7.87	24,894,954
6-30-11	"	11,183,421	13.72	33,906,122

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Primary Government	School Department
Actuarial valuation date	1-1-10	1-1-10
Actuarial accrued liability (AAL)	\$ 22,803,029	\$ 111,161,314
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 22,803,029	\$ 111,161,314
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 40,801,146	\$ 163,973,290
UAAL as a % of covered payroll	56%	68%

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, 2010, 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 eight percent for 2010, grading down to 5.5 percent for 2015 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

J. Office of Central Accounting and Budgeting

Office of Director of Finance

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

K. Purchasing Laws

Office of County Mayor

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

Office of Highway Superintendent

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

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

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

Reporting Entity - Component Unit – As specified and described by Statement 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, 2011, there were no certificates of deposit that qualified as cash equivalents. Investments were limited to certificates of deposit and were stated at fair value.

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

Property and Equipment – Property and equipment are defined by the nursing home as assets with an initial individual cost of \$1,000 or more and an estimated useful life of three years or longer. All property and equipment 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, 2011, the carrying amount of cash was \$1,274,889, and the bank balance was \$1,471,008. At June 30, 2011, 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 \$1,284,020 as of June 30, 2011, were comprised of:

Resident service fees	\$ 1,456,645
Less: allowance for uncollectibles	<u>(85,000)</u>
Net resident service fees	<u><u>\$ 1,371,645</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 asset activity for the year ended June 30, 2011, was as follows:

Description	Balance 7-1-10	Additions	Retirements	Balance 6-30-11
Capital assets not depreciated:				
Construction in progress	\$ 14,145	\$ 81,108	\$ (92,103)	\$ 3,150
Capital assets being depreciated:				
Land improvements	\$ 4,908	\$ 0	\$ 0	\$ 4,908
Buildings and improvements	595,602	33,798	0	629,400
Transportation equipment	51,460	0	0	51,460
Furniture, fixtures, and equipment	309,234	113,785	0	423,019
Total	\$ 961,204	\$ 147,583	\$ 0	\$ 1,108,787
Accumulated depreciation:				
Land improvements	\$ 3,045	\$ 134	\$ 0	\$ 3,179
Buildings and improvements	76,220	21,852	0	98,072
Transportation equipment	51,460	0	0	51,460
Furniture, fixtures, and equipment	318,403	49,196	0	367,599
Total	\$ 449,128	\$ 71,182	\$ 0	\$ 520,310
Net capital assets	\$ 526,221	\$ 157,509	\$ (92,103)	\$ 591,627

Depreciation expense for the fiscal year ended June 30, 2011, totaled \$71,182.

E. Resident Funds Held in Trust

At June 30, 2011, the nursing home had a fiduciary responsibility for funds totaling \$36,019 on behalf of residents. Of this amount, \$34,095 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, 2011.

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 April 7, 2011, 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, 2011, through June 30, 2016.

During the fiscal year ended June 30, 2011, the nursing home incurred and paid group health and life insurance premiums totaling \$941,625.

G. Litigation

The nursing home was a party to five lawsuits at June 30, 2011. Four legal firms were separately defending the nursing home in these matters. Two cases were subsequently settled with a payment by the insurer. In the remaining cases, the attorneys anticipate that mediation and settlement will be pursued and indicated that any loss would not exceed existing insurance coverage. Three professional liability suits are ongoing. Management intends to defend the litigation in each case. For both cases, the attorneys could not provide an evaluation of the likelihood of a favorable or unfavorable outcome. There are two threatened claims, which the attorneys labeled as meritless and unknown, and the request for information has just begun.

These suits are not considered to be both unusual and infrequent in nature and, therefore, are stated as separate expense line items.

H. Penalty Expenses

During the year ended June 30, 2011, penalty expenses totaled \$284,300. This total represents final payment of the penalties assessed in a prior year by the center for Medicare and Medicaid Services (CMS). The nursing home was able to appeal some of the CMS penalties, resulting in an approximate \$430,000 abatement of those penalties. This item is not considered to be both unusual and infrequent and, therefore, is included in the Administrative and General Expense. The nursing home had accrued \$25,000 in additional fees and penalties at June 30, 2011, due to the position taken by its insurance carrier in the settlement of a claim.

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	37.22 %
Medicare	40.15
Private	10.11
Insurance	12.53

Approximately 82.75 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.H. 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.H. Contributions to the plan by the nursing home for the year ended June 30, 2011, totaled \$611,790.

L. Postemployment Benefits

From an accrual accounting perspective, the cost of other 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.K., 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 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 (2010-13) 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 took 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 after 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 after 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 apply to anyone hired after February 12, 2009: (1) no prescription drug coverage will be provided after age 65, (2) the county's contribution will be limited to the lesser of \$300 per month or the actual cost of coverage, and (3) if hired after December 31, 2010, no benefits will be provided after 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)	\$ 199,335
Interest on the NPO	29,250
Adjustment to the ARC	<u>(37,140)</u>
Annual OPEB cost	\$ 191,445
Amount of contribution	<u>(30,010)</u>
Increase/decrease in NPO	\$ 161,435
Net OPEB obligation, July 1, 2010	584,998
Adjustment for July 1, 2009 to June 30, 2010	<u>(31,813)</u>
Net OPEB obligation, June 30, 2011	<u><u>\$ 714,620</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of June 30, 2011, for Community Care of Rutherford County, Inc., are as follows:

Actuarial valuation date	1-1-10
Actuarial accrued liability (AAL)	\$ 1,926,746
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,926,746
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,668,076
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, 2010, 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 eight percent for 2010 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.

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, 2011, 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, 2011, 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, 2011, prepaid insurance and service contract costs were \$27,352.

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
Vehicles	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, 2011, and is \$20,355.

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, 2011, 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, 2011, 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, 2011, the carrying amount of cash deposits was \$1,976,742, and the bank balance was \$1,984,317. All bank accounts earn a variable rate of interest. At June 30, 2011, 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	.12%	\$ 1,465,742	\$ 1,473,317
SunTrust Bank cash investment	.12	<u>511,000</u>	<u>511,000</u>
Total		<u>\$ 1,976,742</u>	<u>\$ 1,984,317</u>

Certificates of Deposit – At June 30, 2011, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	6-19-12	0.80 %	\$ 250,000
First Bank	4-3-12	0.90	250,000
Pinnacle National Bank	1-13-12	0.85	100,000
SunTrust Bank	1-16-12	0.60	250,000
First Tennessee Bank	2-15-12	0.40	250,000
First Nat'l Bank of Murfreesboro	4-13-12	1.05	103,989
U.S. Bank	11-20-11	1.75	100,000
F&M Bank	10-24-11	0.75	100,010
Bank of America	8-18-11	1.00	100,000
Regions Bank	7-21-11	0.50	100,000
Regions Bank	2-21-12	0.99	250,000
MidSouth Bank	2-18-12	1.04	250,005
Wilson Bank & Trust	10-19-11	1.00	100,000
Community First Bank	7-20-12	1.05	<u>250,000</u>
Total			<u>\$ 2,454,004</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, 2011:

AT&T	\$ 32,228
NUVOX Communications	6,784
TN Telephone Company (TDS Telecom)	4,504
Others	<u>14,192</u>
Total	<u>\$ 57,708</u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance		Balance	
	7-1-10	Additions	Reductions	6-30-11
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,170,894	\$ 23,612	\$ 0	\$ 1,194,506
Furniture and Fixtures	45,975	0	0	45,975
Office Equipment	39,478	0	0	39,478
Communications Equipment	708,842	30,831	(24,255)	715,418
Vehicle	61,938	1,174	0	63,112
Other Capital Assets	321,341	2,000	0	323,341
Total	<u>\$ 2,348,468</u>	<u>\$ 57,617</u>	<u>\$ (24,255)</u>	<u>\$ 2,381,830</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	\$ (250,296)	\$ (29,678)	\$ 0	\$ (279,974)
Furniture and Fixtures	(38,548)	(3,954)	0	(42,502)
Office Equipment	(28,535)	(4,467)	0	(33,002)
Communications Equipment	(537,873)	(82,830)	22,779	(597,924)
Vehicle	(45,062)	(5,743)	0	(50,805)
Other Capital Assets	(92,529)	(38,098)	0	(130,627)
Total	<u>\$ (992,843)</u>	<u>\$ (164,770)</u>	<u>\$ 22,779</u>	<u>\$ (1,134,834)</u>
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Total	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,500</u>
Total Capital Assets	<u>\$ 1,373,125</u>	<u>\$ (107,153)</u>	<u>\$ (1,476)</u>	<u>\$ 1,264,496</u>

E. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, consisted of an addition of the postemployment benefits obligation totaling \$20,355 to \$28,425 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, became vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly.

Political subdivisions such as 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, 2011, was 10.27 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, 2011, Rutherford County Emergency Communications District’s annual pension cost of \$21,979 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, 2009, 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 2.5 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 ten-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, 2009, was 11 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
6-30-11	\$ 21,979	100 %	\$ 0
6-30-10	18,080	100	0
6-30-09	18,071	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 zero, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was zero, and the ratio of the UAAL to the covered payroll was 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.

(Dollar amounts in thousands)

Actuarial valuation date	7-1-07	7-1-09
Actuarial value of plan assets	\$ 257	\$ 301
Actuarial accrued liability (AAL)	\$ 319	\$ 400
Unfunded actuarial accrued liability (UAAL)	\$ 62	\$ 99
Funded ratio	80.56%	75.33%
Covered payroll (active plan members)	\$ 185	\$ 201
UAAL as a % of covered payroll	33.51%	48.99%

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 took 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 after 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 after 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;

and (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 after age 65, and the county's contribution will be limited to the lesser of \$500 or the actual cost of coverage.

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

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

ARC	\$	8,345
Interest on the NPO		1,018
Adjustment to the ARC		(1,292)
Annual OPEB cost	\$	8,071
Amount of contribution		0
Increase/decrease in NPO	\$	8,071
Net OPEB obligation, 7-1-10		20,354
Net OPEB obligation, 6-30-11	\$	28,425

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

Actuarial valuation date	1-1-10
Actuarial accrued liability (AAL)	\$ 67,855
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 67,855
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 214,014
UAAL as a % of covered payroll	31.71%

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, 2010, 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 eight percent for 2010 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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 47,637,936	\$ 0	\$ 0	\$ 47,637,936	\$ 46,809,848	\$ 47,515,046	\$ 122,890
Licenses and Permits	1,276,302	0	0	1,276,302	1,266,000	1,275,500	802
Fines, Forfeitures, and Penalties	1,925,169	0	0	1,925,169	1,955,550	1,937,700	(12,531)
Charges for Current Services	767,234	0	0	767,234	638,850	760,610	6,624
Other Local Revenues	973,140	0	0	973,140	889,100	976,075	(2,935)
Fees Received from County Officials	9,407,107	0	0	9,407,107	6,185,000	9,265,241	141,866
State of Tennessee	5,481,581	0	0	5,481,581	5,058,604	5,376,223	105,358
Federal Government	1,610,093	0	0	1,610,093	1,082,414	1,701,445	(91,352)
Other Governments and Citizens Groups	1,024,822	0	0	1,024,822	924,700	1,008,468	16,354
Total Revenues	\$ 70,103,384	\$ 0	\$ 0	\$ 70,103,384	\$ 64,810,066	\$ 69,816,308	\$ 287,076

Expenditures							
General Government							
County Commission	\$ 173,831	\$ 0	\$ 0	\$ 173,831	\$ 203,470	\$ 203,470	\$ 29,639
Board of Equalization	11,653	0	0	11,653	23,270	17,966	6,313
County Mayor/Executive	353,948	(1,372)	2,751	355,327	356,121	368,766	13,439
Personnel Office	191,830	0	0	191,830	184,527	210,498	18,668
County Attorney	355,143	0	0	355,143	255,707	360,712	5,569
Election Commission	753,593	(8,747)	1,667	746,513	838,682	838,802	92,289
Register of Deeds	851,821	(1,598)	974	851,197	185,426	902,727	51,530
Planning	789,367	(3,742)	400	786,025	794,953	806,003	19,978
Codes Compliance	857	0	0	857	2,000	2,000	1,143
Geographical Information Systems	799,613	(335,127)	110,255	574,741	656,709	615,209	40,468
County Buildings	1,805,925	(120,280)	36,207	1,721,852	1,677,332	1,721,852	0
Other General Administration	235,809	(1,199)	76	234,686	236,756	236,756	2,070

(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 7/1/2010	Add: Encumbrances 6/30/2011	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	\$ 112,015	\$ (4,809)	\$ 804	\$ 108,010	\$ 118,422	\$ 118,422	\$ 10,412
Risk Management	488,396	(360)	2,085	490,121	499,342	505,597	15,476
<u>Finance</u>							
Accounting and Budgeting	894,330	(432)	144	894,042	906,585	906,585	12,543
Property Assessor's Office	1,712,055	(3,888)	2,386	1,710,553	1,832,765	1,886,094	175,541
Reappraisal Program	509,050	(956)	0	508,094	565,134	565,634	57,540
County Trustee's Office	55,456	(6,112)	1,811	51,155	73,950	73,950	22,795
County Clerk's Office	1,581,988	(1,749)	0	1,580,239	140,700	1,650,833	70,594
Data Processing	1,694,916	(22,848)	47,088	1,719,156	1,641,488	1,736,490	17,334
<u>Administration of Justice</u>							
Circuit Court	418,681	0	3,385	422,066	460,832	460,832	38,766
Circuit Court Judge	243,121	(980)	0	242,141	255,849	255,849	13,708
General Sessions Court	1,381,693	0	0	1,381,693	1,246,331	1,408,681	26,988
Drug Court	342,182	(4,700)	1,109	338,591	340,446	344,546	5,955
Chancery Court	790,265	0	141	790,406	806,743	816,688	26,282
Juvenile Court	458,400	0	0	458,400	453,554	470,931	12,531
District Attorney General	71,880	0	0	71,880	65,989	72,059	179
Office of Public Defender	24,293	0	0	24,293	24,400	24,400	107
Probation Services	857,206	(6)	0	857,200	871,309	871,309	14,109
Victims Assistance Programs	155,270	(225)	600	155,645	164,399	164,399	8,754
<u>Public Safety</u>							
Sheriff's Department	17,164,710	(132,944)	149,900	17,181,666	17,725,948	17,768,321	586,655
Special Patrols	41,484	0	0	41,484	56,905	56,905	15,421
Traffic Control	9,107	0	0	9,107	20,000	20,000	10,893

(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 7/1/2010	Add: Encumbrances 6/30/2011	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	\$ 4,689	\$ 0	\$ 0	\$ 4,689	\$ 7,100	\$ 7,100	\$ 2,411
Jail	12,428,082	(60,294)	336,356	12,704,144	12,662,965	12,959,299	255,155
Workhouse	3,166,314	(9,529)	19,100	3,175,885	3,214,453	3,378,953	203,068
Juvenile Services	1,752,713	(1,123)	545	1,752,135	1,792,678	1,797,278	45,143
Rural Fire Protection	514,399	0	5,502	519,901	498,235	568,578	48,677
Disaster Relief	932,847	(7,192)	152,850	1,078,505	1,127,806	1,390,980	312,475
Inspection and Regulation	727,100	(952)	70	726,218	742,378	742,378	16,160
<u>Public Health and Welfare</u>							
Local Health Center	620,293	(2,238)	2,877	620,932	645,643	645,788	24,856
Rabies and Animal Control	1,231,546	(12,466)	159,667	1,378,747	1,364,524	1,451,426	72,679
Nursing Home	0	0	0	0	7,500	7,500	7,500
Dental Health Program	11,665	(253)	131	11,543	12,400	12,400	857
Other Local Health Services	1,637,651	(20,700)	0	1,616,951	1,784,860	1,784,860	167,909
General Welfare Assistance	43,500	0	0	43,500	43,500	43,500	0
Sanitation Management	40,132	0	0	40,132	30,000	40,135	3
Other Public Health and Welfare	226,713	0	0	226,713	167,600	242,600	15,887
<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	1,080,277	0	0	1,080,277	1,080,277	1,080,277	0
Parks and Fair Boards	362,503	0	0	362,503	365,955	381,776	19,273
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	622,141	0	0	622,141	655,320	655,320	33,179
Soil Conservation	107,235	0	0	107,235	113,433	113,433	6,198
Storm Water Management	144,431	(774)	783	144,440	150,624	156,524	12,084

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Tourism	\$ 360,100	\$ 0	\$ 0	\$ 360,100	\$ 313,000	\$ 360,100	\$ 0
Other Economic and Community Development	2,100	0	0	2,100	0	300,000	297,900
Other Charges	220,513	(1,605)	2,191	221,099	274,879	289,879	68,780
Employee Benefits	467,936	0	0	467,936	576,500	497,710	29,774
Payments to Cities	1,916,068	0	0	1,916,068	1,928,146	1,928,146	12,078
ARRA Grant No. 1	27,857	0	0	27,857	24,299	27,925	68
ARRA Grant No. 2	35,112	0	0	35,112	26,658	36,658	1,546
ARRA Grant No. 3	78,646	0	0	78,646	67,450	85,140	6,494
ARRA Grant No. 4	49,545	0	0	49,545	49,669	49,669	124
ARRA Grant No. 5	95,476	(4,465)	0	91,011	0	92,796	1,785
ARRA Grant No. 6	161,876	(80,604)	31,708	112,980	0	223,959	110,979
Miscellaneous	3,800,221	(1,490)	17,823	3,816,554	3,728,115	4,055,315	238,761
Total Expenditures	\$ 68,233,069	\$ (855,759)	\$ 1,091,386	\$ 68,468,696	\$ 67,175,511	\$ 71,904,188	\$ 3,435,492
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,870,315	\$ 855,759	\$ (1,091,386)	\$ 1,634,688	\$ (2,365,445)	\$ (2,087,880)	\$ 3,722,568
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 19,602	\$ 0	\$ 0	\$ 19,602	\$ 0	\$ 9,636	\$ 9,966
Transfers In	494,197	0	0	494,197	481,842	492,173	2,024
Transfers Out	(1,378,600)	0	0	(1,378,600)	(918,000)	(1,378,600)	0
Total Other Financing Sources (Uses)	\$ (864,801)	\$ 0	\$ 0	\$ (864,801)	\$ (436,158)	\$ (876,791)	\$ 11,990
Net Change in Fund Balance	\$ 1,005,514	\$ 855,759	\$ (1,091,386)	\$ 769,887	\$ (2,801,603)	\$ (2,964,671)	\$ 3,734,558
Fund Balance, July 1, 2010	22,706,894	(855,759)	0	21,851,135	14,373,701	14,373,701	7,477,434
Fund Balance, June 30, 2011	\$ 23,712,408	\$ 0	\$ (1,091,386)	\$ 22,621,022	\$ 11,572,098	\$ 11,409,030	\$ 11,211,992

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	\$ 5,440,846	\$ 0	\$ 0	\$ 5,440,846	\$ 5,316,075	\$ 5,445,975	\$ (5,129)
Charges for Current Services	6,108,308	0	0	6,108,308	5,070,000	5,450,000	658,308
Other Local Revenues	8,337	0	0	8,337	0	2,500	5,837
State of Tennessee	1,058	0	0	1,058	0	0	1,058
Federal Government	6,500	0	0	6,500	0	7,558	(1,058)
Other Governments and Citizens Groups	20,000	0	0	20,000	0	20,000	0
Total Revenues	\$ 11,585,049	\$ 0	\$ 0	\$ 11,585,049	\$ 10,386,075	\$ 10,926,033	\$ 659,016
Expenditures							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 9,996,560	\$ (37,627)	\$ 16,328	\$ 9,975,261	\$ 10,052,418	\$ 10,409,248	\$ 433,987
Total Expenditures	\$ 9,996,560	\$ (37,627)	\$ 16,328	\$ 9,975,261	\$ 10,052,418	\$ 10,409,248	\$ 433,987
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,588,489	\$ 37,627	\$ (16,328)	\$ 1,609,788	\$ 333,657	\$ 516,785	\$ 1,093,003
Net Change in Fund Balance	\$ 1,588,489	\$ 37,627	\$ (16,328)	\$ 1,609,788	\$ 333,657	\$ 516,785	\$ 1,093,003
Fund Balance, July 1, 2010	1,512,779	(37,627)	0	1,475,152	1,477,795	1,477,795	(2,643)
Fund Balance, June 30, 2011	\$ 3,101,268	\$ 0	\$ (16,328)	\$ 3,084,940	\$ 1,811,452	\$ 1,994,580	\$ 1,090,360

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, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (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, 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, 2011

(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
"	1-1-10	0	22,803	22,803	0	40,801	56
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
"	1-1-10	0	111,161	111,161	0	163,973	68
Community Care of Rutherford County, Inc.	1-1-08	0	2,210	2,210	0	4,390	50
"	1-1-09	0	1,996	1,996	0	4,744	42
"	1-1-10	0	1,927	1,927	0	4,668	42
Emergency Communications District	1-1-08	0	75	75	0	201	37
"	1-1-09	0	64	64	0	202	32
"	1-1-10	0	0	0	0	0	0

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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, 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.

At June 30, 2011, Rutherford County reported the following significant encumbrances in the General Fund:

<u>Description</u>	<u>Amount</u>
Jail security cameras	\$ 246,039
Building improvement	125,000

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

Special Revenue Funds					
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	4,166,542	227,308	21,117	712,316	284,582
Investments	0	0	0	0	0
Accounts Receivable	112,652	0	0	0	0
Due from Other Governments	143,255	0	2	81	1,252
Property Taxes Receivable	0	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0	0
Notes Receivable - Long-term	0	1,234,803	0	0	0
Allowance for Uncollectibles	0	(747,130)	0	0	0
Total Assets	\$ 4,422,849	\$ 714,981	\$ 21,119	\$ 712,397	\$ 285,834

ASSETS

Cash
Equity in Pooled Cash and Investments
Investments
Accounts Receivable
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes
Notes Receivable - Long-term
Allowance for Uncollectibles

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities					
Accounts Payable	\$ 44,307	\$ 0	\$ 0	\$ 19,290	\$ 0
Accrued Payroll	29,622	0	0	4,878	0
Due to Other Funds	115	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	19,392	0	0	0	0
Total Liabilities	\$ 93,436	\$ 0	\$ 0	\$ 24,168	\$ 0
Fund Balances					
Restricted:					
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 285,834
Restricted for Public Safety	0	0	21,119	688,229	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0

(Continued)

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

Special Revenue Funds						
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General	
\$	12,515	\$ 0	\$ 0	\$ 0	\$ 0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	4,316,898	0	0	0	0	0
	0	714,981	0	0	0	0
	0	0	0	0	0	0
\$	4,329,413	\$ 714,981	\$ 21,119	\$ 688,229	\$ 285,834	
\$	4,422,849	\$ 714,981	\$ 21,119	\$ 712,397	\$ 285,834	

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)	
Committed:	
Committed for Public Health and Welfare	
Committed for Capital Projects	
Assigned:	
Assigned for Finance	
Assigned for Administration of Justice	
Assigned for Public Health and Welfare	
Assigned for Other Operations	
Assigned for Highways/Public Works	
Total Fund Balances	
Total Liabilities and Fund Balances	

(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$ 590,313	\$ 0	\$ 590,713	\$ 0	\$ 0	\$ 590,713	
Equity in Pooled Cash and Investments	0	6,560,942	11,972,807	1,378,648	13,351,455	
Investments	0	0	0	60,743	60,743	
Accounts Receivable	5,443	7,844	125,939	0	125,939	
Due from Other Governments	0	369,793	514,383	80	514,463	
Property Taxes Receivable	0	873,988	873,988	0	873,988	
Allowance for Uncollectible Property Taxes	0	(48,743)	(48,743)	0	(48,743)	
Notes Receivable - Long-term	0	0	1,234,803	0	1,234,803	
Allowance for Uncollectibles	0	0	(747,130)	0	(747,130)	
Total Assets	\$ 595,756	\$ 7,763,824	\$ 14,516,760	\$ 1,439,471	\$ 15,956,231	

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ 0	\$ 81,157	\$ 144,754	\$ 29,698	\$ 174,452	
Accrued Payroll	0	0	34,500	0	34,500	
Due to Other Funds	312,527	1	312,643	0	312,643	
Deferred Revenue - Current Property Taxes	0	811,577	811,577	0	811,577	
Deferred Revenue - Delinquent Property Taxes	0	12,898	12,898	0	12,898	
Other Deferred Revenues	0	0	19,392	0	19,392	
Total Liabilities	\$ 312,527	\$ 905,633	\$ 1,335,764	\$ 29,698	\$ 1,365,462	
Fund Balances						
Restricted:						
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 285,834	\$ 0	\$ 285,834	
Restricted for Public Safety	0	0	709,348	0	709,348	
Restricted for Public Health and Welfare	0	0	0	669,271	669,271	
Restricted for Highways/Public Works	0	1,351,052	1,351,052	0	1,351,052	

(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$	0	0	\$ 12,515	\$ 0	\$ 740,502	12,515 740,502
	110,000	0	110,000	0		110,000
	173,229	0	173,229	0		173,229
	0	0	4,316,898	0		4,316,898
	0	0	714,981	0		714,981
	0	5,507,139	5,507,139	0		5,507,139
\$	283,229	\$ 6,858,191	\$ 13,180,996	\$ 1,409,773	\$ 14,590,769	
\$	595,756	\$ 7,763,824	\$ 14,516,760	\$ 1,439,471	\$ 15,956,231	

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)
Committed:
Committed for Public Health and Welfare
Committed for Capital Projects
Assigned:
Assigned for Finance
Assigned for Administration of Justice
Assigned for Public Health and Welfare
Assigned for Other Operations
Assigned for Highways/Public Works
Total Fund Balances
Total Liabilities and Fund Balances

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue Funds				
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	District Attorney General
Revenues					
Local Taxes	\$ 1,088,668	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	487,795	65,618
Charges for Current Services	1,258,528	0	0	0	0
Other Local Revenues	382,842	174,846	80	1,891	0
State of Tennessee	336,598	0	1,000	0	0
Federal Government	25,042	0	73,829	0	0
Total Revenues	\$ 3,091,678	\$ 174,846	\$ 74,909	\$ 489,686	\$ 65,618
Expenditures					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 662
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	20,308
Public Safety	0	0	79,747	655,603	0
Public Health and Welfare	2,830,471	0	0	0	0
Other Operations	104,021	219,880	0	0	0
Highways	0	0	0	0	0
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 2,934,492	\$ 219,880	\$ 79,747	\$ 655,603	\$ 20,970
Excess (Deficiency) of Revenues Over Expenditures	\$ 157,186	\$ (45,034)	\$ (4,838)	\$ (165,917)	\$ 44,648
Other Financing Sources (Uses)					
Insurance Recovery	\$ 29,850	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 29,850	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 187,036	\$ (45,034)	\$ (4,838)	\$ (165,917)	\$ 44,648
Fund Balance, July 1, 2010	4,142,377	760,015	25,957	854,146	241,186
Fund Balance, June 30, 2011	\$ 4,329,413	\$ 714,981	\$ 21,119	\$ 688,229	\$ 285,834

(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
	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
Revenues						
Local Taxes	\$ 0	\$ 3,996,826	\$ 5,085,494	\$ 0	\$ 0	\$ 5,085,494
Fines, Forfeitures, and Penalties	0	0	553,413	0	0	553,413
Charges for Current Services	2,721,934	0	3,980,462	0	0	3,980,462
Other Local Revenues	0	93,866	653,525	669	669	654,194
State of Tennessee	0	3,336,278	3,673,876	699,937	699,937	4,373,813
Federal Government	0	101,719	200,590	0	0	200,590
Total Revenues	\$ 2,721,934	\$ 7,528,689	\$ 14,147,360	\$ 700,606	\$ 700,606	\$ 14,847,966
Expenditures						
Current:						
General Government	\$ 227,766	\$ 0	\$ 228,428	\$ 0	\$ 0	\$ 228,428
Finance	988,937	0	988,937	0	0	988,937
Administration of Justice	1,937,139	0	1,957,447	0	0	1,957,447
Public Safety	0	0	735,350	0	0	735,350
Public Health and Welfare	0	0	2,830,471	0	0	2,830,471
Other Operations	0	0	323,901	0	0	323,901
Highways	0	7,395,365	7,395,365	0	0	7,395,365
Capital Projects	0	0	0	1,061,935	1,061,935	1,061,935
Total Expenditures	\$ 3,153,842	\$ 7,395,365	\$ 14,459,899	\$ 1,061,935	\$ 1,061,935	\$ 15,521,834
Excess (Deficiency) of Revenues Over Expenditures	\$ (431,908)	\$ 133,324	\$ (312,539)	\$ (361,329)	\$ (361,329)	\$ (673,868)
Other Financing Sources (Uses)						
Insurance Recovery	\$ 0	\$ 0	\$ 29,850	\$ 0	\$ 0	\$ 29,850
Transfers In	0	0	0	1,378,600	1,378,600	1,378,600
Transfers Out	0	0	0	(10,331)	(10,331)	(10,331)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 29,850	\$ 1,368,269	\$ 1,368,269	\$ 1,398,119
Net Change in Fund Balances	\$ (431,908)	\$ 133,324	\$ (282,689)	\$ 1,006,940	\$ 1,006,940	\$ 724,251
Fund Balance, July 1, 2010	715,137	6,724,867	13,463,685	402,833	402,833	13,866,518
Fund Balance, June 30, 2011	\$ 283,229	\$ 6,858,191	\$ 13,180,996	\$ 1,409,773	\$ 1,409,773	\$ 14,590,769

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	\$ 1,088,668	\$ 0	\$ 0	\$ 1,088,668	\$ 1,200,000	\$ 1,122,000	\$ (33,332)
Charges for Current Services	1,258,528	0	0	1,258,528	1,050,000	1,250,000	8,528
Other Local Revenues	382,842	0	0	382,842	75,000	341,000	41,842
State of Tennessee	336,598	0	0	336,598	310,005	354,200	(17,602)
Federal Government	25,042	0	0	25,042	0	29,120	(4,078)
Total Revenues	\$ 3,091,678	\$ 0	\$ 0	\$ 3,091,678	\$ 2,635,005	\$ 3,096,320	\$ (4,642)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	\$ 126,826	\$ (520)	\$ 0	\$ 126,306	\$ 130,669	\$ 130,880	\$ 4,574
Convenience Centers	2,014,925	(3,485)	5,657	2,017,097	2,151,290	2,272,079	254,982
Other Waste Collection	51,567	(2,232)	0	49,335	136,072	136,072	86,737
Landfill Operation and Maintenance	608,273	(3,143)	6,858	611,988	691,103	723,103	111,115
Postclosure Care Costs	28,880	0	0	28,880	184,600	184,600	155,720
Other Operations							
Employee Benefits	24,590	0	0	24,590	39,040	39,040	14,450
Miscellaneous	79,431	0	0	79,431	48,700	79,911	480
Total Expenditures	\$ 2,934,492	\$ (9,380)	\$ 12,515	\$ 2,937,627	\$ 3,381,474	\$ 3,565,685	\$ 628,058
Excess (Deficiency) of Revenues Over Expenditures	\$ 157,186	\$ 9,380	\$ (12,515)	\$ 154,051	\$ (746,469)	\$ (469,365)	\$ 623,416
Other Financing Sources (Uses)							
Insurance Recovery	\$ 29,850	\$ 0	\$ 0	\$ 29,850	\$ 0	\$ 29,850	\$ 0
Total Other Financing Sources (Uses)	\$ 29,850	\$ 0	\$ 0	\$ 29,850	\$ 0	\$ 29,850	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 187,036	\$ 9,380	\$ (12,515)	\$ 183,901	\$ (746,469)	\$ (439,515)	\$ 623,416
	4,142,377	(9,380)	0	4,132,997	4,132,997	4,132,997	0
Fund Balance, June 30, 2011	\$ 4,329,413	\$ 0	\$ (12,515)	\$ 4,316,898	\$ 3,386,528	\$ 3,693,482	\$ 623,416

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 174,846	\$ 104,761	\$ 174,846	\$ 0
Total Revenues	\$ 174,846	\$ 104,761	\$ 174,846	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 202,850	\$ 202,828	\$ 202,869	\$ 19
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 219,880	\$ 219,858	\$ 219,899	\$ 19
Excess (Deficiency) of Revenues Over Expenditures	\$ (45,034)	\$ (115,097)	\$ (45,053)	\$ 19
Net Change in Fund Balance	\$ (45,034)	\$ (115,097)	\$ (45,053)	\$ 19
Fund Balance, July 1, 2010	760,015	223,987	223,987	536,028
Fund Balance, June 30, 2011	\$ 714,981	\$ 108,890	\$ 178,934	\$ 536,047

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Other Local Revenues	\$ 80	\$ 0	\$ 80	\$ 0	\$ 59	\$ 21
State of Tennessee	1,000	0	1,000	0	1,000	0
Federal Government	73,829	0	73,829	0	72,007	1,822
Total Revenues	\$ 74,909	\$ 0	\$ 74,909	\$ 0	\$ 73,066	\$ 1,843
<u>Expenditures</u>						
Public Safety						
Sheriff's Department	\$ 79,747	\$ (80)	\$ 79,667	\$ 6,000	\$ 97,921	\$ 18,254
Total Expenditures	\$ 79,747	\$ (80)	\$ 79,667	\$ 6,000	\$ 97,921	\$ 18,254
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,838)	\$ 80	\$ (4,758)	\$ (6,000)	\$ (24,855)	\$ 20,097
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (4,838)	\$ 80	\$ (4,758)	\$ (6,000)	\$ (24,855)	\$ 20,097
	25,957	(80)	25,877	25,877	25,877	0
Fund Balance, June 30, 2011	\$ 21,119	\$ 0	\$ 21,119	\$ 19,877	\$ 1,022	\$ 20,097

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, 2011

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011				Original	Final	
<u>Revenues</u>									
Local Taxes	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	5,000 \$	0 \$	0 \$	0
Fines, Forfeitures, and Penalties	487,795	0	0	0	487,795	440,000	466,500	466,500	21,295
Other Local Revenues	1,891	0	0	0	1,891	3,600	2,000	2,000	(109)
Total Revenues	\$ 489,686 \$	0 \$	0 \$	0 \$	489,686 \$	448,600 \$	468,500 \$	468,500 \$	21,186
<u>Expenditures</u>									
Public Safety									
Drug Enforcement	\$ 655,603 \$	(17,559) \$	10,503 \$	10,503 \$	648,547 \$	669,176 \$	681,386 \$	681,386 \$	32,839
Total Expenditures	\$ 655,603 \$	(17,559) \$	10,503 \$	10,503 \$	648,547 \$	669,176 \$	681,386 \$	681,386 \$	32,839
Excess (Deficiency) of Revenues Over Expenditures	\$ (165,917) \$	17,559 \$	(10,503) \$	(10,503) \$	(158,861) \$	(220,576) \$	(212,886) \$	(212,886) \$	54,025
Net Change in Fund Balance	\$ (165,917) \$	17,559 \$	(10,503) \$	(10,503) \$	(158,861) \$	(220,576) \$	(212,886) \$	(212,886) \$	54,025
Fund Balance, July 1, 2010	854,146	(17,559)	0	0	836,587	836,588	836,588	836,588	(1)
Fund Balance, June 30, 2011	\$ 688,229 \$	0 \$	(10,503) \$	(10,503) \$	677,726 \$	616,012 \$	623,702 \$	623,702 \$	54,024

Exhibit G-7

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,996,826	\$ 3,992,058	\$ 4,008,075	\$ (11,249)
Other Local Revenues	93,866	65,500	76,182	17,684
State of Tennessee	3,336,278	3,507,184	3,327,502	8,776
Federal Government	101,719	0	101,719	0
Total Revenues	<u>\$ 7,528,689</u>	<u>\$ 7,564,742</u>	<u>\$ 7,513,478</u>	<u>\$ 15,211</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 700,793	\$ 671,180	\$ 738,464	\$ 37,671
Highway and Bridge Maintenance	5,024,884	5,964,270	6,014,270	989,386
Operation and Maintenance of Equipment	941,210	1,200,210	1,200,210	259,000
Other Charges	370,669	467,410	467,410	96,741
Employee Benefits	136,904	154,575	154,575	17,671
Capital Outlay	220,905	934,860	817,576	596,671
Total Expenditures	<u>\$ 7,395,365</u>	<u>\$ 9,392,505</u>	<u>\$ 9,392,505</u>	<u>\$ 1,997,140</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 133,324</u>	<u>\$ (1,827,763)</u>	<u>\$ (1,879,027)</u>	<u>\$ 2,012,351</u>
Net Change in Fund Balance	\$ 133,324	\$ (1,827,763)	\$ (1,879,027)	\$ 2,012,351
Fund Balance, July 1, 2010	<u>6,724,867</u>	<u>5,540,631</u>	<u>5,540,631</u>	<u>1,184,236</u>
Fund Balance, June 30, 2011	<u>\$ 6,858,191</u>	<u>\$ 3,712,868</u>	<u>\$ 3,661,604</u>	<u>\$ 3,196,587</u>

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 40,689,227	\$ 39,780,474	\$ 40,670,608	\$ 18,619
Other Local Revenues	244,699	266,700	258,700	(14,001)
Total Revenues	<u>\$ 40,933,926</u>	<u>\$ 40,047,174</u>	<u>\$ 40,929,308</u>	<u>\$ 4,618</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 790,959	\$ 1,088,000	\$ 1,073,100	\$ 282,141
<u>Principal on Debt</u>				
General Government	5,401,685	3,961,685	5,401,685	0
Education	26,533,315	18,373,315	26,533,315	0
<u>Interest on Debt</u>				
General Government	2,118,796	2,703,600	2,156,103	37,307
Education	12,159,166	14,587,854	12,315,297	156,131
<u>Other Debt Service</u>				
General Government	171,224	0	171,852	628
Education	686,801	0	690,224	3,423
Total Expenditures	<u>\$ 47,861,946</u>	<u>\$ 40,714,454</u>	<u>\$ 48,341,576</u>	<u>\$ 479,630</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,928,020)</u>	<u>\$ (667,280)</u>	<u>\$ (7,412,268)</u>	<u>\$ 484,248</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 140,275,000	\$ 0	\$ 140,275,000	\$ 0
Premiums on Debt Issued	20,354,781	0	20,354,782	(1)
Payments to Refunded Debt Escrow Agent	(153,002,659)	0	(153,002,660)	1
Total Other Financing Sources (Uses)	<u>\$ 7,627,122</u>	<u>\$ 0</u>	<u>\$ 7,627,122</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 699,102	\$ (667,280)	\$ 214,854	\$ 484,248
Fund Balance, July 1, 2010	<u>35,035,157</u>	<u>33,298,325</u>	<u>33,298,325</u>	<u>1,736,832</u>
Fund Balance, June 30, 2011	<u>\$ 35,734,259</u>	<u>\$ 32,631,045</u>	<u>\$ 33,513,179</u>	<u>\$ 2,221,080</u>

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, 2011

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>ASSETS</u>				
Cash	\$ 165,644	\$ 0	\$ 120,357	\$ 286,001
Equity in Pooled Cash and Investments	1,384,734	34,697,779	2,431,677	38,514,190
Accounts Receivable	107	178,610	31	178,748
Due from Other Governments	0	18,767	0	18,767
Advances to Other Funds	0	125,000	0	125,000
Total Assets	\$ 1,550,485	\$ 35,020,156	\$ 2,552,065	\$ 39,122,706
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 15,165	\$ 381	\$ 9,130	\$ 24,676
Claims and Judgments Payable	922,026	6,637,323	1,070,800	8,630,149
Due to Other Funds	0	2,059	2,059	4,118
Long-term Liabilities:				
Claims and Judgments Payable	230,506	1,659,331	267,700	2,157,537
Total Liabilities	\$ 1,167,697	\$ 8,299,094	\$ 1,349,689	\$ 10,816,480
<u>NET ASSETS</u>				
Unrestricted	\$ 382,788	26,721,062	1,202,376	\$ 28,306,226
Total Net Assets	\$ 382,788	\$ 26,721,062	\$ 1,202,376	\$ 28,306,226

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,731,281	\$ 41,591,451	\$ 1,385,026	\$ 44,707,758
Other Employee Benefit Charges/Contributions	0	1,204,722	0	1,204,722
Service Charges	0	6,515	0	6,515
Other Local Revenues:				
Retirees' Insurance Payments	0	2,951,580	0	2,951,580
Cobra Insurance Payments	0	228,903	0	228,903
Performance Bond Forfeitures	75,000	0	0	75,000
State of Tennessee:				
On-Behalf Contributions for OPEB	0	100,075	0	100,075
Federal Government:				
On-Behalf Contributions for OPEB	0	283,531	0	283,531
Total Operating Revenues	\$ 1,806,281	\$ 46,366,777	\$ 1,385,026	\$ 49,558,084
<u>Operating Expenses</u>				
Employee Benefits:				
Data Processing Equipment	\$ 0	\$ 846	\$ 0	\$ 846
Handling Charges and Administrative Costs	52,670	2,705,429	36,045	2,794,144
Disability Insurance	0	0	442,212	442,212
Consultants	0	54,100	0	54,100
Contracts with Private Agencies	0	1,974,111	0	1,974,111
Drug and Medical Supplies	0	39,722	0	39,722
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Medical Claims	0	37,657,699	0	37,657,699
Liability Claims	1,553,062	0	0	1,553,062
Other Self-Insured Claims	0	0	972,946	972,946
Other Contracted Services	0	147,326	4,750	152,076
Total Operating Expenses	\$ 1,605,732	\$ 42,579,233	\$ 1,463,453	\$ 45,648,418
Operating Income (Loss)	\$ 200,549	\$ 3,787,544	\$ (78,427)	\$ 3,909,666
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 10,932	\$ 0	\$ 3,202	\$ 14,134
Miscellaneous Payments	0	(927)	0	(927)
Total Nonoperating Revenues (Expenses)	\$ 10,932	\$ (927)	\$ 3,202	\$ 13,207
Income (Loss) Before Transfers	\$ 211,481	\$ 3,786,617	\$ (75,225)	\$ 3,922,873
Transfers Out	0	(241,933)	(241,933)	(483,866)
Change in Net Assets	\$ 211,481	\$ 3,544,684	\$ (317,158)	\$ 3,439,007
Net Assets, July 1, 2010	171,307	23,176,378	1,519,534	24,867,219
Net Assets, June 30, 2011	\$ 382,788	\$ 26,721,062	\$ 1,202,376	\$ 28,306,226

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,817,170	\$ 46,281,131	\$ 1,388,771	\$ 49,487,072
Payments to Suppliers	(37,505)	(4,920,975)	(481,377)	(5,439,857)
Claims Paid	(1,534,554)	(38,554,347)	(972,411)	(41,061,312)
Insurance Recovery	10,932	0	3,202	14,134
Other Payments	0	(927)	0	(927)
Net Cash Provided By (Used In) Operating Activities	\$ 256,043	\$ 2,804,882	\$ (61,815)	\$ 2,999,110
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (241,933)	\$ (241,933)	\$ (483,866)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (241,933)	\$ (241,933)	\$ (483,866)
Net Increase (Decrease) in Cash	\$ 256,043	\$ 2,562,949	\$ (303,748)	\$ 2,515,244
Cash, July 1, 2010	1,294,335	32,134,830	2,855,782	36,284,947
Cash, June 30, 2011	\$ 1,550,378	\$ 34,697,779	\$ 2,552,034	\$ 38,800,191
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ 200,549	\$ 3,787,544	\$ (78,427)	\$ 3,909,666
Insurance Recovery	10,932	0	3,202	14,134
Miscellaneous Payments	0	(927)	0	(927)
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	10,889	(75,191)	3,745	(60,557)
(Increase) Decrease in Due from Other Governments	0	(10,455)	0	(10,455)
Increase (Decrease) in Accounts Payable	15,165	23	9,130	24,318
Increase (Decrease) in Due to Other Funds	0	536	535	1,071
Increase (Decrease) in Claims and Judgments Payable	18,508	(896,648)	0	(878,140)
Net Cash Provided By (Used In) Operating Activities	\$ 256,043	\$ 2,804,882	\$ (61,815)	\$ 2,999,110
<u>Reconciliation of Cash with Statement of Net Assets</u>				
Cash per Net Assets	\$ 165,644	\$ 0	\$ 120,357	\$ 286,001
Equity in Pooled Cash and Investments per Net Assets	1,384,734	34,697,779	2,431,677	38,514,190
Cash, June 30, 2011	\$ 1,550,378	\$ 34,697,779	\$ 2,552,034	\$ 38,800,191

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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, 2011

	Agency Funds					
	Cities - Sales Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 6,372,193	\$ 6,372,193	
Equity in Pooled Cash and Investments	0	209,352	16,524	0	225,876	
Investments	0	0	0	7,559	7,559	
Accounts Receivable	0	0	0	1,065	1,065	
Due from Other Governments	6,766,213	1,180,319	0	0	7,946,532	
Taxes Receivable	0	11,160,942	0	0	11,160,942	
Allowance for Uncollectible Taxes	0	(686,429)	0	0	(686,429)	
Total Assets	\$ 6,766,213	\$ 11,864,184	\$ 16,524	\$ 6,380,817	\$ 25,027,738	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 6,766,213	\$ 11,864,184	\$ 0	\$ 0	\$ 18,630,397	
Due to Joint Ventures	0	0	16,524	0	16,524	
Due to Litigants, Heirs, and Others	0	0	0	6,380,817	6,380,817	
Total Liabilities	\$ 6,766,213	\$ 11,864,184	\$ 16,524	\$ 6,380,817	\$ 25,027,738	

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 42,394,755	\$ 42,394,755	\$ 0
Due from Other Governments	6,853,548	6,766,213	6,853,548	6,766,213
Total Assets	\$ 6,853,548	\$ 49,160,968	\$ 49,248,303	\$ 6,766,213
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,853,548	\$ 49,160,968	\$ 49,248,303	\$ 6,766,213
Total Liabilities	\$ 6,853,548	\$ 49,160,968	\$ 49,248,303	\$ 6,766,213
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 199,872	\$ 18,148,436	\$ 18,138,956	\$ 209,352
Due from Other Governments	1,224,047	1,180,319	1,224,047	1,180,319
Taxes Receivable	11,608,339	11,160,942	11,608,339	11,160,942
Allowance for Uncollectible Taxes	(668,484)	(686,429)	(668,484)	(686,429)
Total Assets	\$ 12,363,774	\$ 29,803,268	\$ 30,302,858	\$ 11,864,184
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,363,774	\$ 29,803,268	\$ 30,302,858	\$ 11,864,184
Total Liabilities	\$ 12,363,774	\$ 29,803,268	\$ 30,302,858	\$ 11,864,184
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 20,521	\$ 0	\$ 3,997	\$ 16,524
Total Assets	\$ 20,521	\$ 0	\$ 3,997	\$ 16,524
<u>Liabilities</u>				
Due to Joint Ventures	\$ 20,521	\$ 0	\$ 3,997	\$ 16,524
Total Liabilities	\$ 20,521	\$ 0	\$ 3,997	\$ 16,524
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 5,894,336	\$ 52,227,249	\$ 51,749,392	\$ 6,372,193
Investments	118,871	7,559	118,871	7,559
Accounts Receivable	85,328	1,065	85,328	1,065
Total Assets	\$ 6,098,535	\$ 52,235,873	\$ 51,953,591	\$ 6,380,817
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,098,535	\$ 52,235,873	\$ 51,953,591	\$ 6,380,817
Total Liabilities	\$ 6,098,535	\$ 52,235,873	\$ 51,953,591	\$ 6,380,817

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 5,894,336	\$ 52,227,249	\$ 51,749,392	\$ 6,372,193
Equity in Pooled Cash and Investments	220,393	60,543,191	60,537,708	225,876
Investments	118,871	7,559	118,871	7,559
Accounts Receivable	85,328	1,065	85,328	1,065
Due from Other Governments	8,077,595	7,946,532	8,077,595	7,946,532
Taxes Receivable	11,608,339	11,160,942	11,608,339	11,160,942
Allowance for Uncollectible Taxes	(668,484)	(686,429)	(668,484)	(686,429)
Total Assets	<u>\$ 25,336,378</u>	<u>\$ 131,200,109</u>	<u>\$ 131,508,749</u>	<u>\$ 25,027,738</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 19,217,322	\$ 78,964,236	\$ 79,551,161	\$ 18,630,397
Due to Joint Ventures	20,521	0	3,997	16,524
Due to Litigants, Heirs, and Others	6,098,535	52,235,873	51,953,591	6,380,817
Total Liabilities	<u>\$ 25,336,378</u>	<u>\$ 131,200,109</u>	<u>\$ 131,508,749</u>	<u>\$ 25,027,738</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.

Exhibit K-1

Rutherford County, Tennessee
Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Total Governmental Activities
Instruction	\$ 195,748,802	\$ 129,774	\$ 20,582,397	\$ 0	\$ (175,036,631)
Support Services	106,283,302	84,849	1,619,966	803,210	(103,775,277)
Operation of Non-Instructional Services	17,092,693	6,426,748	9,627,053	0	(1,038,892)
Interest on Long-term Debt	64,512	0	0	0	(64,512)
Other Debt Service	250	0	0	0	(250)
Total Governmental Activities	\$ 319,189,559	\$ 6,641,371	\$ 31,829,416	\$ 803,210	\$ (279,915,562)
General Revenues:					
Taxes:					\$ 61,011,505
Property Taxes Levied for General Purposes					840,996
Payments in-lieu-of Tax					37,870,711
Local Option Sales Tax					3,254,968
Wheel Tax					1,360,363
Business Tax					10,492
Interstate Telecommunications Tax					154,123,681
Grants and Contributions Not Restricted for Specific Programs					184,985
Interest Income					145,243
Miscellaneous					\$ 258,802,944
Total General Revenues					\$
Change in Net Assets					\$ (21,112,618)
Net Assets, July 1, 2010					424,040,814
Prior-period Adjustment					637,369
Net Assets, June 30, 2011					\$ 403,565,565

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2011

	Major Fund	Nonmajor Funds	Total
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 300	\$ 1,300,482	\$ 1,300,782
Equity in Pooled Cash and Investments	33,917,697	5,371,419	39,289,116
Inventories	0	248,507	248,507
Accounts Receivable	45,943	3,345	49,288
Due from Other Governments	12,315,456	2,378,743	14,694,199
Due from Other Funds	228,651	0	228,651
Property Taxes Receivable	61,713,980	2,435,084	64,149,064
Allowance for Uncollectible Property Taxes	(3,795,585)	(149,765)	(3,945,350)
Total Assets	\$ 104,426,442	\$ 11,587,815	\$ 116,014,257
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 5,788,123	\$ 117,646	\$ 5,905,769
Accrued Payroll	17,427,376	671,225	18,098,601
Payroll Deductions Payable	6,475	0	6,475
Due to Other Funds	0	228,651	228,651
Deferred Revenue - Current Property Taxes	56,439,790	2,226,977	58,666,767
Deferred Revenue - Delinquent Property Taxes	1,337,186	52,762	1,389,948
Other Deferred Revenues	3,105,076	0	3,105,076
Total Liabilities	\$ 84,104,026	\$ 3,297,261	\$ 87,401,287
<u>Fund Balances</u>			
Nonspendable:			
Inventory	\$ 0	\$ 248,507	\$ 248,507
Restricted:			
Restricted for Education	796,742	4,988,619	5,785,361
Restricted for Capital Projects	0	1,481,941	1,481,941
Committed:			
Committed for Education	11,460	1,000,000	1,011,460
Committed for Capital Projects	0	571,487	571,487
Assigned:			
Assigned for Education	6,872,669	0	6,872,669
Unassigned	12,641,545	0	12,641,545
Total Fund Balances	\$ 20,322,416	\$ 8,290,554	\$ 28,612,970
Total Liabilities and Fund Balances	\$ 104,426,442	\$ 11,587,815	\$ 116,014,257

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, 2011

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)		\$ 28,612,970
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 8,468,927	
Add: construction in progress	7,412,586	
Add: buildings and improvements net of accumulated depreciation	382,462,888	
Add: intangible assets net of accumulated depreciation	311,223	
Add: other capital assets net of accumulated depreciation	<u>9,737,352</u>	408,392,976
(2) 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.		21,788
(3) 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.		(18,917)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (1,180,000)	
Less: notes payable	(1,705,781)	
Less: compensated absences payable	(1,134,106)	
Less: other postemployment benefits liability	(33,906,122)	
Less: unamortized debt premiums	<u>(12,267)</u>	(37,938,276)
(5) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,495,024</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 403,565,565</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, 2011

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 102,031,803	\$ 2,373,806	\$ 104,405,609
Licenses and Permits	11,841	0	11,841
Charges for Current Services	160,867	6,430,600	6,591,467
Other Local Revenues	392,171	125,898	518,069
State of Tennessee	152,765,356	967,084	153,732,440
Federal Government	1,331,569	31,607,313	32,938,882
Total Revenues	<u>\$ 256,693,607</u>	<u>\$ 41,504,701</u>	<u>\$ 298,198,308</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 169,873,553	\$ 16,167,630	\$ 186,041,183
Support Services	83,129,153	6,034,998	89,164,151
Operation of Non-Instructional Services	1,846,121	15,755,401	17,601,522
Capital Outlay	1,925	0	1,925
Debt Service:			
Principal on Debt	672,691	0	672,691
Interest on Debt	73,104	0	73,104
Other Debt Service	250	13,153	13,403
Capital Projects	0	13,724,449	13,724,449
Total Expenditures	<u>\$ 255,596,797</u>	<u>\$ 51,695,631</u>	<u>\$ 307,292,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,096,810</u>	<u>\$ (10,190,930)</u>	<u>\$ (9,094,120)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$ 1,609,188	\$ 1,609,188
Insurance Recovery	0	3,487	3,487
Transfers In	345,600	561,160	906,760
Transfers Out	(561,160)	(345,600)	(906,760)
Total Other Financing Sources (Uses)	<u>\$ (215,560)</u>	<u>\$ 1,828,235</u>	<u>\$ 1,612,675</u>
Net Change in Fund Balances	\$ 881,250	\$ (8,362,695)	\$ (7,481,445)
Fund Balance, July 1, 2010	19,441,166	16,653,249	36,094,415
Fund Balance, June 30, 2011	<u>\$ 20,322,416</u>	<u>\$ 8,290,554</u>	<u>\$ 28,612,970</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, 2011

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)		\$ (7,481,445)
(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	\$ 8,312,018	
Less: current-year depreciation expense	<u>(11,253,719)</u>	(2,941,701)
(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		(52,104)
(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, 2010	\$ (4,551,598)	
Add: deferred delinquent property taxes and other deferred June 30, 2011	<u>4,495,024</u>	(56,574)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: note proceeds	\$ (1,609,188)	
Add: principal payments on notes	117,691	
Add: principal payments on bonds	<u>555,000</u>	(936,497)
(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: change in premium on debt issuances	\$ 11,194	
Add: change in deferred debt issuance costs	<u>1,301</u>	12,495
(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	\$ 9,250	
Change in other postemployment benefits liability	(9,648,537)	
Change in compensated absences payable	<u>(17,505)</u>	(9,656,792)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (21,112,618)</u>

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2011

Exhibit K-6

ASSETS

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Other Capital Projects	Total	
Cash	\$ 0	\$ 1,300,482	\$ 1,300,482	\$ 0	\$ 0	\$ 0	\$ 1,300,482
Equity in Pooled Cash and Investments	629,606	2,698,286	3,327,892	1,472,040	571,487	2,043,527	5,371,419
Inventories	0	248,507	248,507	0	0	0	248,507
Accounts Receivable	0	2,955	2,955	390	0	390	3,345
Due from Other Governments	1,467,478	907,334	2,374,812	3,931	0	3,931	2,378,743
Property Taxes Receivable	0	0	0	2,435,084	0	2,435,084	2,435,084
Allowance for Uncollectible Property Taxes	0	0	0	(149,765)	0	(149,765)	(149,765)
Total Assets	\$ 2,097,084	\$ 5,157,564	\$ 7,254,648	\$ 3,761,680	\$ 571,487	\$ 4,333,167	\$ 11,587,815

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>							
Accounts Payable	\$ 112,014	\$ 5,632	\$ 117,646	\$ 0	\$ 0	\$ 0	\$ 117,646
Accrued Payroll	671,225	0	671,225	0	0	0	671,225
Due to Other Funds	227,855	796	228,651	0	0	0	228,651
Deferred Revenue - Current Property Taxes	0	0	0	2,226,977	0	2,226,977	2,226,977
Deferred Revenue - Delinquent Property Taxes	0	0	0	52,762	0	52,762	52,762
Total Liabilities	\$ 1,011,094	\$ 6,428	\$ 1,017,522	\$ 2,279,739	\$ 0	\$ 2,279,739	\$ 3,297,261
<u>Fund Balances</u>							
Nonspendable:	\$ 0	\$ 248,507	\$ 248,507	\$ 0	\$ 0	\$ 0	\$ 248,507
Inventory							
Restricted:							
Restricted for Education	85,990	4,902,629	4,988,619	0	0	0	4,988,619
Restricted for Capital Projects	0	0	0	1,481,941	0	1,481,941	1,481,941
Committed:							
Committed for Education	1,000,000	0	1,000,000	0	0	0	1,000,000
Committed for Capital Projects	0	0	0	0	571,487	571,487	571,487
Total Fund Balances	\$ 1,085,990	\$ 5,151,136	\$ 6,237,126	\$ 1,481,941	\$ 571,487	\$ 2,053,428	\$ 8,290,554
Total Liabilities and Fund Balances	\$ 2,097,084	\$ 5,157,564	\$ 7,254,648	\$ 3,761,680	\$ 571,487	\$ 4,333,167	\$ 11,587,815

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, 2011

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,373,806	\$ 0	\$ 2,373,806	\$ 2,373,806
Charges for Current Services	0	6,430,600	6,430,600	0	0	0	6,430,600
Other Local Revenues	0	59,268	59,268	850	65,780	66,630	125,898
State of Tennessee	0	163,874	163,874	0	803,210	803,210	967,084
Federal Government	22,295,846	9,311,467	31,607,313	0	0	0	31,607,313
Total Revenues	\$ 22,295,846	\$ 15,965,209	\$ 38,261,055	\$ 2,374,656	\$ 868,990	\$ 3,243,646	\$ 41,504,701
<u>Expenditures</u>							
Current:							
Instruction	\$ 16,167,630	0	\$ 16,167,630	\$ 0	\$ 0	\$ 0	\$ 16,167,630
Support Services	5,924,749	63,696	5,988,445	46,553	0	46,553	6,034,998
Operation of Non-Instructional Services	144,713	15,610,688	15,755,401	0	0	0	15,755,401
Debt Service:							
Other Debt Service	0	0	0	0	13,153	13,153	13,153
Capital Projects	0	0	0	2,265,058	11,459,391	13,724,449	13,724,449
Total Expenditures	\$ 22,237,092	\$ 15,674,384	\$ 37,911,476	\$ 2,311,611	\$ 11,472,544	\$ 13,784,155	\$ 51,695,631
Excess (Deficiency) of Revenues Over Expenditures	\$ 58,754	\$ 290,825	\$ 349,579	\$ 63,045	\$ (10,603,554)	\$ (10,540,509)	\$ (10,190,930)
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	0	0	0	1,609,188	1,609,188	1,609,188
Insurance Recovery	0	3,487	3,487	0	0	0	3,487
Transfers In	500,000	0	500,000	0	61,160	61,160	561,160
Transfers Out	(300,572)	(45,028)	(345,600)	0	0	0	(345,600)
Total Other Financing Sources (Uses)	\$ 199,428	\$ (41,541)	\$ 157,887	\$ 0	\$ 1,670,348	\$ 1,670,348	\$ 1,828,235
Net Change in Fund Balances	\$ 258,182	\$ 249,284	\$ 507,466	\$ 63,045	\$ (8,933,206)	\$ (8,870,161)	\$ (8,362,695)
Fund Balance, July 1, 2010	827,808	4,901,852	5,729,660	1,418,896	9,504,693	10,923,589	16,653,249
Fund Balance, June 30, 2011	\$ 1,085,990	\$ 5,151,136	\$ 6,237,126	\$ 1,481,941	\$ 571,487	\$ 2,053,428	\$ 8,290,554

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 102,031,803	\$ 0	\$ 0	\$ 102,031,803	\$ 97,822,461	\$ 101,226,161	\$ 805,642
Licenses and Permits	11,841	0	0	11,841	11,000	11,000	841
Charges for Current Services	160,867	0	0	160,867	188,000	165,136	(4,269)
Other Local Revenues	392,171	0	0	392,171	231,500	336,995	55,176
State of Tennessee	152,765,356	0	0	152,765,356	150,935,133	153,118,151	(352,795)
Federal Government	1,331,569	0	0	1,331,569	1,061,590	1,345,553	(13,984)
Total Revenues	\$ 256,693,607	\$ 0	\$ 0	\$ 256,693,607	\$ 250,249,684	\$ 256,202,996	\$ 490,611

Expenditures
Instruction

Regular Instruction Program	\$ 137,374,425	(2,123,142)	\$ 468,247	\$ 135,719,530	\$ 136,736,479	\$ 137,146,798	\$ 1,427,268
Alternative Instruction Program	1,573,093	(346)	5,252	1,577,999	1,605,109	1,616,289	38,290
Special Education Program	20,440,988	(941)	464	20,440,511	21,157,063	21,092,151	651,640
Vocational Education Program	10,078,555	(24,782)	30,372	10,084,145	9,986,127	10,177,477	93,332
Adult Education Program	406,492	(1,442)	0	405,050	512,043	551,921	146,871
Support Services							
Attendance	595,077	(396)	179	594,860	656,420	664,512	69,652
Health Services	3,168,634	(8,546)	11,398	3,171,486	3,199,146	3,240,448	68,962
Other Student Support	7,429,483	(17,420)	14,252	7,426,315	7,583,566	7,533,101	106,786
Regular Instruction Program	8,530,105	(51,683)	44,640	8,523,062	8,504,098	8,719,051	195,989
Alternative Instruction Program	686,738	(2,500)	616	684,854	693,416	702,024	17,170
Special Education Program	905,448	(2,025)	0	903,423	1,035,034	1,055,693	152,270
Vocational Education Program	152,731	(3,358)	7,872	157,245	170,722	167,700	10,455
Adult Programs	180,801	(210)	275	180,866	184,834	193,048	12,182
Board of Education	4,525,732	(3,056)	3,456	4,526,132	4,582,792	4,673,701	147,569
Director of Schools	453,748	(21,913)	2,793	434,628	491,832	492,039	57,411
Office of the Principal	14,349,924	(12,837)	6,472	14,343,559	14,694,080	14,803,339	459,780
Fiscal Services	794,614	(1,475)	77	793,216	794,093	800,517	7,301
Human Services/Personnel	383,558	(1,745)	2,554	384,367	401,393	401,923	17,556

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 20,366,592	\$ (70,200)	45,794	\$ 20,342,186	\$ 20,701,898	\$ 20,721,190	\$ 379,004
Maintenance of Plant	6,106,009	(398,767)	229,064	5,936,306	5,973,882	6,034,290	97,984
Transportation	12,463,678	(7,216)	4,618	12,461,080	12,072,267	12,479,152	18,072
Central and Other	2,036,281	(33,928)	38,345	2,040,698	2,070,850	2,112,973	72,275
<u>Operation of Non-Instructional Services</u>							
Community Services	26,382	0	0	26,382	40,000	40,000	13,618
Early Childhood Education	1,819,739	0	0	1,819,739	1,876,931	1,941,367	121,628
<u>Capital Outlay</u>							
Regular Capital Outlay	1,925	0	0	1,925	75,000	13,840	11,915
<u>Principal on Debt</u>							
Education	672,691	0	0	672,691	904,126	695,822	23,131
<u>Interest on Debt</u>							
Education	73,104	0	0	73,104	97,660	75,856	2,752
<u>Other Debt Service</u>							
Education	250	0	0	250	250	250	0
Total Expenditures	\$ 255,596,797	\$ (2,787,928)	916,740	\$ 253,725,609	\$ 256,801,111	\$ 258,146,472	\$ 4,420,863
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 1,096,810	\$ 2,787,928	(916,740)	\$ 2,967,998	\$ (6,551,427)	\$ (1,943,476)	\$ 4,911,474
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 345,600	\$ 0	0	\$ 345,600	\$ 250,000	\$ 250,000	\$ 95,600
Transfers Out	(561,160)	0	0	(561,160)	0	(629,440)	68,280
Total Other Financing Sources (Uses)	\$ (215,560)	\$ 0	0	\$ (215,560)	\$ 250,000	\$ (379,440)	\$ 163,880
<u>Net Change in Fund Balance Fund Balance, July 1, 2010</u>	\$ 881,250	\$ 2,787,928	(916,740)	\$ 2,752,438	\$ (6,301,427)	\$ (2,322,916)	\$ 5,075,354
	19,441,166	(2,787,928)	0	16,653,238	16,439,078	16,439,078	214,160
<u>Fund Balance, June 30, 2011</u>	\$ 20,322,416	\$ 0	(916,740)	\$ 19,405,676	\$ 10,137,651	\$ 14,116,162	\$ 5,289,514

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Federal Government	\$ 22,295,846	\$ 0	\$ 0	\$ 22,295,846	\$ 28,196,409	\$ 28,196,409	\$ (5,900,563)
Total Revenues	\$ 22,295,846	\$ 0	\$ 0	\$ 22,295,846	\$ 28,196,409	\$ 28,196,409	\$ (5,900,563)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,553,127	\$ (7,000)	\$ 29,828	\$ 6,575,955	\$ 7,116,879	\$ 7,116,879	\$ 540,924
Alternative Instruction Program	26,867	0	0	26,867	28,408	28,408	1,541
Special Education Program	8,795,912	(84,541)	0	8,711,371	11,767,504	11,767,504	3,056,133
Vocational Education Program	791,724	(46,845)	12,720	757,599	762,247	762,247	4,648
<u>Support Services</u>							
Attendance	60,000	0	0	60,000	60,000	60,000	0
Health Services	278,000	0	0	278,000	342,081	342,081	64,081
Other Student Support	1,296,735	(8,159)	0	1,288,576	1,953,100	1,953,100	664,524
Regular Instruction Program	1,850,483	(341,803)	17,650	1,526,330	1,990,884	1,990,884	464,554
Alternative Instruction Program	11,798	0	0	11,798	12,951	12,951	1,153
Special Education Program	1,969,461	(6,258)	0	1,963,203	3,089,044	3,089,044	1,125,841
Vocational Education Program	27,839	0	0	27,839	32,702	32,702	4,863
Office of the Principal	237,902	0	0	237,902	253,495	253,495	15,593
Operation of Plant	121,400	0	0	121,400	134,881	134,881	13,481
Transportation	71,131	0	0	71,131	84,900	84,900	13,769
<u>Operation of Non-Instructional Services</u>							
Food Service	115,691	0	0	115,691	128,992	128,992	13,301
Early Childhood Education	29,022	0	0	29,022	30,914	30,914	1,892
Total Expenditures	\$ 22,237,092	\$ (494,606)	\$ 60,198	\$ 21,802,684	\$ 27,788,982	\$ 27,788,982	\$ 5,986,298

(Continued)

Exhibit K-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	\$ 58,754	\$ 494,606	\$ (60,198)	\$ 493,162	\$ 407,427	\$ 407,427	\$ 85,735
Other Financing Sources (Uses)							
Transfers In	\$ 500,000	\$ 0	\$ 0	\$ 500,000	\$ 218,883	\$ 218,883	\$ 281,117
Transfers Out	(300,572)	0	0	(300,572)	(656,507)	(656,507)	355,935
Total Other Financing Sources (Uses)	\$ 199,428	\$ 0	\$ 0	\$ 199,428	\$ (437,624)	\$ (437,624)	\$ 637,052
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 258,182	\$ 494,606	\$ (60,198)	\$ 692,590	\$ (30,197)	\$ (30,197)	\$ 722,787
	827,808	(494,606)	0	333,202	827,808	827,808	(494,606)
Fund Balance, June 30, 2011	\$ 1,085,990	\$ 0	\$ (60,198)	\$ 1,025,792	\$ 797,611	\$ 797,611	\$ 228,181

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Charges for Current Services	\$ 6,430,600	\$ 0	\$ 0	\$ 6,430,600	\$ 6,611,219	\$ 6,381,571	\$ 49,029
Other Local Revenues	59,268	0	0	59,268	52,000	56,669	2,599
State of Tennessee	163,874	0	0	163,874	158,000	163,874	0
Federal Government	9,311,467	0	0	9,311,467	7,441,203	9,264,688	46,779
Total Revenues	\$ 15,965,209	\$ 0	\$ 0	\$ 15,965,209	\$ 14,262,422	\$ 15,866,802	\$ 98,407
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 63,696	\$ 0	\$ 0	63,696	\$ 65,696	\$ 63,696	\$ 0
<u>Operation of Non-Instructional Services</u>							
Food Service	15,610,688	(339,823)	312,798	15,583,663	15,263,706	16,873,573	1,289,910
Total Expenditures	\$ 15,674,384	\$ (339,823)	\$ 312,798	\$ 15,647,359	\$ 15,329,402	\$ 16,937,269	\$ 1,289,910
Excess (Deficiency) of Revenues Over Expenditures	\$ 290,825	\$ 339,823	\$ (312,798)	\$ 317,850	\$ (1,066,980)	\$ (1,070,467)	\$ 1,388,317
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,487	\$ 0	\$ 0	3,487	\$ 0	\$ 3,487	\$ 0
Transfers Out	(45,028)	0	0	(45,028)	(66,630)	(66,630)	21,602
Total Other Financing Sources (Uses)	\$ (41,541)	\$ 0	\$ 0	\$ (41,541)	\$ (66,630)	\$ (63,143)	\$ 21,602
Net Change in Fund Balance	\$ 249,284	\$ 339,823	\$ (312,798)	\$ 276,309	\$ (1,133,610)	\$ (1,133,610)	\$ 1,409,919
Fund Balance, July 1, 2010	4,901,852	(339,823)	0	4,562,029	4,562,029	4,562,029	0
Fund Balance, June 30, 2011	\$ 5,151,136	\$ 0	\$ (312,798)	\$ 4,838,338	\$ 3,428,419	\$ 3,428,419	\$ 1,409,919

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 2,373,806	\$ 0	\$ 0	\$ 2,373,806	\$ 2,300,786	\$ 2,300,786	\$ 73,020
Other Local Revenues	850	0	0	850	0	0	850
Total Revenues	\$ 2,374,656	\$ 0	\$ 0	\$ 2,374,656	\$ 2,300,786	\$ 2,300,786	\$ 73,870
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 46,553	\$ 0	\$ 0	\$ 46,553	\$ 47,000	\$ 47,500	\$ 947
<u>Capital Projects</u>							
Education Capital Projects	2,265,058	(678,487)	180,086	1,766,657	2,240,420	3,037,070	1,270,413
Total Expenditures	\$ 2,311,611	\$ (678,487)	\$ 180,086	\$ 1,813,210	\$ 2,287,420	\$ 3,084,570	\$ 1,271,360
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 63,045	\$ 678,487	\$ (180,086)	\$ 561,446	\$ 13,366	\$ (783,784)	\$ 1,345,230
<u>Net Change in Fund Balance Fund Balance, July 1, 2010</u>	\$ 63,045	\$ 678,487	\$ (180,086)	\$ 561,446	\$ 13,366	\$ (783,784)	\$ 1,345,230
	1,418,896	(678,487)	0	740,409	1,594,959	1,594,959	(854,550)
<u>Fund Balance, June 30, 2011</u>	\$ 1,481,941	\$ 0	\$ (180,086)	\$ 1,301,855	\$ 1,608,325	\$ 811,175	\$ 490,680

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2011

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

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, 2011

		Private- Purpose Trust Fund
		<hr/> Endowment Fund <hr/>
	<u>ADDITIONS</u>	
Investment Income:		
Interest		\$ 461
Total Additions		<hr/> \$ 461 <hr/>
	<u>DEDUCTIONS</u>	
Education:		
Scholarship		\$ 461
Total Deductions		<hr/> \$ 461 <hr/>
Change in Net Assets		\$ 0
Net Assets, July 1, 2010		<hr/> 28,783 <hr/>
Net Assets, June 30, 2011		<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, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-11
PRIMARY GOVERNMENT									
NOTES PAYABLE									
Payable through General Debt Service Fund									
School Facilities and Public Improvement	\$ 10,000,000	2.7 %	11-21-08	1-7-11	\$ 10,000,000	\$ 0	\$ 0	\$ 10,000,000	\$ 0
School Facilities and Public Improvement	21,000,000	1.98	5-28-09	4-1-12	21,000,000	0	0	0	21,000,000
Refunding Notes	9,600,000	1.65	1-7-11	1-3-14	0	9,600,000	0	0	9,600,000
Total Notes Payable					<u>\$ 31,000,000</u>	<u>\$ 9,600,000</u>	<u>\$ 0</u>	<u>\$ 10,000,000</u>	<u>\$ 30,600,000</u>
BONDS PAYABLE									
Payable through General Debt Service Fund									
Refunding Bonds	73,585,000	4 to 5	3-22-01	3-31-11	\$ 52,260,000	\$ 0	\$ 6,785,000	\$ 45,475,000	\$ 0
School Facilities	30,850,000	4 to 5	3-22-01	3-31-11	1,345,000	0	1,345,000	0	0
School Facilities and Public Improvement	30,610,000	4 to 5	10-24-01	3-31-11	2,000,000	0	2,000,000	0	0
School Facilities and Public Improvement	23,610,000	4 to 5	6-1-02	4-29-11	15,510,000	0	1,100,000	14,410,000	0
Various Purpose and Refunding (24.29 %)	30,115,000	4.1446	4-1-03	4-1-23	21,500,000	0	1,050,000	13,410,000	7,040,000
School Facilities and Public Improvement	24,995,000	2.75 to 4.5	12-10-03	6-1-13	23,400,000	0	800,000	20,600,000	2,000,000
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-21	37,885,000	0	2,220,000	0	35,665,000
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	3-31-30	46,500,000	0	1,550,000	19,850,000	25,100,000
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	4-1-21	17,765,000	0	0	0	17,765,000
General Obligation Bonds	64,220,000	4.375 to 5	6-1-06	6-1-26	55,680,000	0	2,365,000	24,445,000	28,870,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-28	39,750,000	0	1,550,000	0	38,200,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	4-1-29	39,435,000	0	1,170,000	0	38,265,000
Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	0	88,800,000	0	0	88,800,000
Refunding Bonds	41,875,000	2.037	1-7-11	4-1-20	0	41,875,000	0	0	41,875,000
Total Bonds Payable					<u>\$ 353,030,000</u>	<u>\$ 130,675,000</u>	<u>\$ 21,935,000</u>	<u>\$ 138,190,000</u>	<u>\$ 323,580,000</u>

(Continued)

Exhibit L-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-11
<u>DISCRETELY PRESENTED RUTHERFORD</u>									
<u>COUNTY SCHOOL DEPARTMENT</u>									
<u>NOTES PAYABLE</u>									
Payable through General Purpose School Fund	\$								
Energy Efficiency Note	500,000	0	7-17-06	8-15-12	\$ 214,284	\$ 0	\$ 71,429	\$ 0	\$ 142,855
Energy Efficiency Note	1,109,188	3	7-22-10	4-1-16	0	1,109,188	34,358	0	1,074,830
Energy Efficiency Note	500,000	0	7-22-10	4-1-18	0	500,000	11,904	0	488,096
Total Notes Payable					\$ 214,284	\$ 1,609,188	\$ 117,691	\$ 0	\$ 1,705,781
<u>BONDS PAYABLE</u>									
Payable through General Purpose School Fund	4,035,000	3.7 to 4	12-1-05	2-1-13	\$ 1,735,000	\$ 0	\$ 555,000	\$ 0	\$ 1,180,000
School Facilities and Improvement									
Total Bonds Payable					\$ 1,735,000	\$ 0	\$ 555,000	\$ 0	\$ 1,180,000

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
2012	\$ 21,000,000	\$ 998,400	\$ 21,998,400
2013	0	158,400	158,400
2014	9,600,000	119,680	9,719,680
Total	\$ 30,600,000	\$ 1,276,480	\$ 31,876,480

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 23,115,000	\$ 14,473,795	\$ 37,588,795
2013	22,210,000	13,579,870	35,789,870
2014	23,485,000	12,545,520	36,030,520
2015	24,680,000	11,442,170	36,122,170
2016	24,230,000	10,316,645	34,546,645
2017	22,235,000	9,206,996	31,441,996
2018	23,345,000	8,205,596	31,550,596
2019	21,455,000	7,163,845	28,618,845
2020	20,475,000	6,252,164	26,727,164
2021	20,245,000	5,385,338	25,630,338
2022	17,300,000	4,464,339	21,764,339
2023	16,340,000	3,628,889	19,968,889
2024	12,130,000	2,837,833	14,967,833
2025	12,565,000	2,279,257	14,844,257
2026	13,020,000	1,743,751	14,763,751
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	\$ 323,580,000	\$ 116,066,134	\$ 439,646,134

(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
2012	\$ 352,648	\$ 29,376	\$ 382,024
2013	359,031	22,992	382,023
2014	294,180	16,416	310,596
2015	300,948	9,648	310,596
2016	267,998	2,715	270,713
2017	71,424	0	71,424
2018	59,552	0	59,552
Total	\$ 1,705,781	\$ 81,147	\$ 1,786,928

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 580,000	\$ 45,400	\$ 625,400
2013	600,000	22,200	622,200
Total	\$ 1,180,000	\$ 67,600	\$ 1,247,600

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2011

<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	\$ 60,743
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>7,559</u>
Total Investments				<u>\$ 68,302</u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2011

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-11
Industrial/Economic Development Fund:						
Former Rental Property	Wherry Housing	\$ 1,279,297	1-10-1994	3-09-19	10 %	\$ 747,130
Construction/Renovations	Smyrna/Rutherford County Airport	639,724	8-17-06	8-17-19	6	487,673
						<u>\$ 1,234,803</u>
General Debt Service Fund:						
Rockvale Utility District Waterlines	City of Murfreesboro, Tennessee	1,820,785	Various	Various	0	\$ 1,820,785
Total						<u><u>\$ 3,055,588</u></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, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 1,378,600
General Capital Projects	General	Capital project completed	10,331
Employee Insurance - Health	General	Operations	241,933
Workers' Compensation	General	Operations	241,933
Total Transfers Primary Government			<u>\$ 1,872,797</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 500,000
General Purpose School	Education Capital Projects	Excel energy project	61,160
School Federal Projects	General Purpose School	Indirect cost	300,572
Central Cafeteria	General Purpose School	Salaries	45,028
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 906,760</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, 2011

Official	Authorization for Salary	\$	121,132	\$	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA					60,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, TCA						
Director of Schools	State Board of Education and Local Board of Education		115,364			100,000	Ohio Farmers Insurance Company
Trustee	Section 8-24-102, TCA		134,619 (1)			50,000	Hartford Fire Insurance Company
Assessor of Property	Section 8-24-102, TCA		95,342			10,904,500	"
Director of Finance	Section 8-24-102, TCA		95,342			10,000	Ohio Farmers Insurance Company
County Clerk:	County Commission		105,200 (2)			100,000	Hartford Fire Insurance Company
Georgia Lynch (7-1-10 through 8-31-10)	Section 8-24-102, TCA		17,267			100,000	"
Lisa Crowell (9-1-10 through 6-30-11)	Section 8-24-102, TCA		78,075			100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk:							
Eloise Gaither (7-1-10 through 8-31-10)	Section 8-24-102, TCA and County Commission		18,993 (3)			100,000	"
Laura Bohling (9-1-10 through 6-30-11)	Section 8-24-102, TCA and County Commission		85,882 (4)			100,000	"
Clerk and Master	Section 8-24-102, TCA, Chancery Court Judge and County Commission		98,773 (5)			50,000	Ohio Farmers Insurance Company
Register:							
Jennifer Gerhart (7-1-10 through 8-31-10)	Section 8-24-102, TCA		17,267			100,000	Hartford Fire Insurance Company
Heather Dawbarn (9-1-10 through 6-30-11)	Section 8-24-102, TCA		78,075			100,000	"
Sheriff:							
Truman Jones (7-1-10 through 8-31-10)	Section 8-24-102, TCA		21,493 (6)			25,000	"
Robert Arnold (9-1-10 through 6-30-11)	Section 8-24-102, TCA		94,471			25,000	"
Other Bonds							
Employee Blanket Bond						500,000	"

- (1) Includes a \$6,000 career ladder payment. Does not include \$600 per month vehicle allowance.
(2) Includes longevity pay of \$350 and a salary supplement of \$1,800.
(3) Includes \$1,561 for serving more than one court.
(4) Includes \$9,369 for serving more than one court.
(5) Includes special commissioner fees of \$3,006 and longevity pay of \$425.
(6) Includes 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, 2011

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 31,918,961	\$ 0	\$ 5,071,234	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	709,161	0	120,622	0	0	0
Circuit/Clerk & Master Collections - Prior Years	429,557	0	73,064	0	0	0
Interest and Penalty	143,946	0	24,423	0	0	0
Pick-up Taxes	204,763	0	33,189	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,402	0	540	0	0	0
Payments in-Lieu-of Taxes - Other	7,076,204	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	362,889	1,088,668	0	0	0	0
Hotel/Motel Tax	1,067,000	0	0	0	0	0
Wheel Tax	2,864,219	0	0	0	0	0
Litigation Tax - General	213,733	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courtroom Security	580,835	0	0	0	0	0
Business Tax	741,282	0	117,774	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	432,750	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	76,982	0	0	0	0	0
Wholesale Beer Tax	811,144	0	0	0	0	0
Interstate Telecommunications Tax	1,108	0	0	0	0	0
Total Local Taxes	\$ 47,637,936	\$ 1,088,668	\$ 5,440,846	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 92,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	24,233	0	0	0	0	0
Cable TV Franchise	730,071	0	0	0	0	0
<u>Permits</u>						
Building Permits	357,204	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>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Plumbing Permits	\$ 45,660	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Food Handling Permits	225	0	0	0	0	0
Other Permits	26,685	0	0	0	0	0
Total Licenses and Permits	\$ 1,276,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 47,084	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	415,472	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	80,776
Drug Court Fees	18,990	0	0	0	0	0
Jail Fees	272,323	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,801	0	0	0	0	0
Courtroom Security Fee	357	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	6,290	0	0	0	0	0
Data Entry Fee - Criminal Court	3,026	0	0	0	0	0
Courtroom Security Fee	2,528	0	0	0	0	0
Victims Assistance Assessments	17,618	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	434,121	0	0	0	0	0
Game and Fish Fines	1,685	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	104,427
Drug Court Fees	51,042	0	0	0	0	0
DUI Treatment Fines	44,391	0	0	0	0	0
Data Entry Fee - General Sessions Court	44,981	0	0	0	0	0
Courtroom Security Fee	13,033	0	0	0	0	0
Victims Assistance Assessments	135,029	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	\$ 6,645	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	570	0	0	0	0	0
Drug Court Fees	10,759	0	0	0	0	0
Jail Fees	269,570	0	0	0	0	0
Data Entry Fee - Juvenile Court	4,836	0	0	0	0	0
Courtroom Security Fee	3,928	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	12,128	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	86,837	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Courts in Other District Counties						
District Attorney General Fees						
Judicial District Drug Program						
Victims Assistance Assessments	19,125	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	302,592
Total Fines, Forfeitures, and Penalties	\$ 1,925,169	\$ 0	\$ 0	\$ 0	\$ 0	\$ 487,795

Charges for Current Services

<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 386,348	\$ 0	\$ 0	\$ 0	0
Surcharge - Host Agency	0	872,180	0	0	0	0
Patient Charges	0	0	5,770,658	0	0	0
Past Due Collections - Ambulance	0	0	247,359	0	0	0
Zoning Studies	56,657	0	0	0	0	0
Work Release Charges for Board Fees	20,109	0	0	0	0	0
Subdivision Lot Fees	46,250	0	0	0	0	0
Recreation Fees	766	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>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Archives and Records Management Fee - County Clerk	\$ 27,692	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	239,887	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	92,844	0	0	0	0	0
Probation Fees	25,520	0	0	0	0	0
Data Processing Fee - Sheriff	24,365	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	7,950	0	0	0	0	0
Data Processing Fee - County Clerk	23,116	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEAs	179,318	0	0	0	0	0
TBI Criminal Background Fees	22,560	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	200	0	90,291	0	0	0
Total Charges for Current Services	\$ 767,234	\$ 1,258,528	\$ 6,108,308	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 393,095	\$ 0	\$ 0	\$ 108,875	\$ 73	\$ 1,891
Lease/Rentals	165,691	0	0	0	0	0
Sale of Materials and Supplies	7,758	0	2,337	0	0	0
Commissary Sales	55,090	0	0	0	0	0
Sale of Maps	15,645	0	0	0	0	0
Sale of Recycled Materials	4,196	382,842	0	0	0	0
Sale of Animals/Livestock	129,250	0	0	0	0	0
Miscellaneous Refunds	52,186	0	0	0	7	0
<u>Nonrecurring Items</u>						
Sale of Property	0	0	0	65,971	0	0
Contributions and Gifts	56,433	0	6,000	0	0	0
Performance Bond Forfeitures	58,113	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
Other Local Revenues (Cont.)						
Other Local Revenues	\$ 35,683	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 973,140	\$ 382,842	\$ 8,337	\$ 174,846	\$ 80	\$ 1,891
Fees Received from County Officials						
Excess Fees						
County Clerk	\$ 418,140	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	1,032,891	0	0	0	0	0
Register	253,064	0	0	0	0	0
Trustee	4,058,447	0	0	0	0	0
Fees in-Lieu-of Salary						
County Clerk	1,921,956	0	0	0	0	0
Clerk and Master	672,778	0	0	0	0	0
Register	988,910	0	0	0	0	0
Sheriff	60,921	0	0	0	0	0
Total Fees Received from County Officials	\$ 9,407,107	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	8,695	0	0	0	0
Other General Government Grants	106,400	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	111,000	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	1,640,590	0	0	0	0	0
Public Works Grants						
Litter Program	0	72,317	0	0	0	0
Other State Revenues						
Flood Control	0	0	0	0	0	0
Income Tax	232,121	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>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Beer Tax	\$ 18,724	\$ 0	\$ 0	\$ 0	\$ 0	0
Alcoholic Beverage Tax	219,431	0	0	0	0	0
Mixed Drink Tax	17,857	0	0	0	0	0
Contracted Prisoner Boarding	2,551,319	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	11,069	0	0	0	0	0
Other State Grants	80,714	4,077	1,058	0	0	0
Other State Revenues	483,356	251,509	0	0	1,000	0
Total State of Tennessee	\$ 5,481,581	\$ 336,598	\$ 1,058	\$ 0	\$ 1,000	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 27,047	\$ 0	\$ 0	\$ 0	\$ 0	0
USDA - Commodities	212	0	0	0	0	0
Breakfast	17,595	0	0	0	0	0
Community Development	2,100	0	0	0	0	0
Disaster Relief	25,268	25,042	6,500	0	0	0
Homeland Security Grants	725,686	0	0	0	0	0
Law Enforcement Grants	46,524	0	0	0	0	0
ARRA Grant No. 1	27,620	0	0	0	0	0
ARRA Grant No. 2	21,655	0	0	0	0	0
ARRA Grant No. 3	81,468	0	0	0	0	0
ARRA Grant No. 4	26,302	0	0	0	0	0
ARRA Grant No. 5	154,077	0	0	0	0	0
Other Federal through State	134,781	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	37,344	0	0	0	0	0
Asset Forfeiture Funds	31,313	0	0	0	73,829	0
ARRA Grant No. 6	195,464	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
Federal Government (Cont.)						
Direct Federal Revenue (Cont.)						
Other Direct Federal Revenue	\$ 55,637 \$	0 \$	0 \$	0 \$	0 \$	0
Total Federal Government	\$ 1,610,093 \$	25,042 \$	6,500 \$	0 \$	73,829 \$	0
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	\$ 27,743 \$	0 \$	0 \$	0 \$	0 \$	0
Contributions	50,990	0	20,000	0	0	0
Contracted Services	929,764	0	0	0	0	0
Citizens Groups						
Donations	16,000	0	0	0	0	0
Other	325	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,024,822 \$	0 \$	20,000 \$	0 \$	0 \$	0
Total	\$ 70,103,384 \$	3,091,678 \$	11,585,049 \$	174,846 \$	74,909 \$	489,686

(Continued)

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constituent Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0 \$	0 \$	511,385	\$ 36,081,064	0 \$	\$ 73,582,644
Trustee's Collections - Prior Year	0	0	12,537	916,860	0	1,759,180
Circuit/Clerk & Master Collections - Prior Years	0	0	7,594	555,367	0	1,065,582
Interest and Penalty	0	0	2,539	183,579	0	354,487
Pick-up Taxes	0	0	3,378	240,970	0	482,300
Payments in-Lieu-of Taxes - T.V.A.	0	0	54	3,846	0	7,842
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	7,076,204
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	362,889	0	0	1,814,446
Hotel/Motel Tax	0	0	0	0	0	1,067,000
Wheel Tax	0	0	2,864,219	0	0	5,728,438
Litigation Tax - General	0	0	0	621,166	0	834,899
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	815,683	0	815,683
Litigation Tax - Courtroom Security	0	0	0	0	0	580,835
Business Tax	0	0	11,876	837,942	0	1,708,874
Mineral Severance Tax	0	0	220,355	0	0	220,355
Adequate Facilities/Development Tax	0	0	0	432,750	0	865,500
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	76,982
Wholesale Beer Tax	0	0	0	0	0	811,144
Interstate Telecommunications Tax	0	0	0	0	0	1,108
Total Local Taxes	\$ 0 \$	0 \$	3,996,826	\$ 40,689,227	0 \$	\$ 98,853,503
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	\$ 92,224
Animal Vaccination	0	0	0	0	0	24,233
Cable TV Franchise	0	0	0	0	0	730,071
<u>Permits</u>						
Building Permits	0	0	0	0	0	357,204

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	General Capital Projects	
Licenses and Permits (Cont.)								
Permits (Cont.)								
Plumbing Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	45,660
Food Handling Permits	0	0	0	0	0	0	0	225
Other Permits	0	0	0	0	0	0	0	26,685
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,276,302
Fines, Forfeitures, and Penalties								
Circuit Court								
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	47,084
Officers Costs	0	0	0	0	0	0	0	415,472
Drug Control Fines	0	0	0	0	0	0	0	80,776
Drug Court Fees	0	0	0	0	0	0	0	18,990
Jail Fees	0	0	0	0	0	0	0	272,323
District Attorney General Fees	53,955	0	0	0	0	0	0	53,955
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	2,801
Courtroom Security Fee	0	0	0	0	0	0	0	357
Criminal Court								
DUI Treatment Fines	0	0	0	0	0	0	0	6,290
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	3,026
Courtroom Security Fee	0	0	0	0	0	0	0	2,528
Victims Assistance Assessments	0	0	0	0	0	0	0	17,618
General Sessions Court								
Fines	0	0	0	0	0	0	0	434,121
Game and Fish Fines	0	0	0	0	0	0	0	1,685
Drug Control Fines	0	0	0	0	0	0	0	104,427
Drug Court Fees	0	0	0	0	0	0	0	51,042
DUI Treatment Fines	0	0	0	0	0	0	0	44,391
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	44,981
Courtroom Security Fee	0	0	0	0	0	0	0	13,033
Victims Assistance Assessments	0	0	0	0	0	0	0	135,029

(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
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	6,645 570 10,759 269,570 4,836 3,928
Fines						
Drug Control Fines						
Drug Court Fees						
Jail Fees						
Data Entry Fee - Juvenile Court						
Courtroom Security Fee						
Chancery Court						
Data Entry Fee - Chancery Court						
Other Courts - In-county						
Fines	0	0	0	0	0	86,837 9,533
District Attorney General Fees	9,533	0	0	0	0	
Courts in Other District Counties						
District Attorney General Fees	2,130	0	0	0	0	2,130
Judicial District Drug Program						
Victims Assistance Assessments	0	0	0	0	0	19,125
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	302,592
Total Fines, Forfeitures, and Penalties	\$ 65,618	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,478,582
Charges for Current Services						
General Service Charges						
Tipping Fees	0 \$	0 \$	0 \$	0 \$	0 \$	386,348
Surcharge - Host Agency	0	0	0	0	0	872,180
Patient Charges	0	0	0	0	0	5,770,658
Past Due Collections - Ambulance	0	0	0	0	0	247,359
Zoning Studies	0	0	0	0	0	56,657
Work Release Charges for Board	0	0	0	0	0	20,109
Fees						
Subdivision Lot Fees	0	0	0	0	0	46,250
Recreation Fees	0	0	0	0	0	766

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund
	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>						
Archives and Records Management Fee - County Clerk	\$	0 \$	0 \$	0 \$	0 \$	27,692
Telephone Commissions	0	0	0	0	0	239,887
Constitutional Officers' Fees and Commissions	0	2,718,928	0	0	0	2,718,928
Special Commissioner Fees/Special Master Fees	0	3,006	0	0	0	3,006
Data Processing Fee - Register	0	0	0	0	0	92,844
Probation Fees	0	0	0	0	0	25,520
Data Processing Fee - Sheriff	0	0	0	0	0	24,365
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	7,950
Data Processing Fee - County Clerk	0	0	0	0	0	23,116
<u>Education Charges</u>						
Contract for Administrative Services with Other LEAs	0	0	0	0	0	179,318
TBI Criminal Background Fees	0	0	0	0	0	22,560
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	0	0	0	90,491
Total Charges for Current Services	\$ 0	\$ 2,721,934	\$ 0	\$ 0	\$ 0	\$ 10,856,004
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$	0 \$	35,319 \$	114,499 \$	669 \$	654,421
Lease/Rentals	0	0	0	130,200	0	295,891
Sale of Materials and Supplies	0	0	47,865	0	0	57,960
Commissary Sales	0	0	0	0	0	55,090
Sale of Maps	0	0	0	0	0	15,645
Sale of Recycled Materials	0	0	0	0	0	387,038
Sale of Animals/Livestock	0	0	0	0	0	129,250
Miscellaneous Refunds	0	0	10,682	0	0	62,875
<u>Nonrecurring Items</u>						
Sale of Property	0	0	0	0	0	65,971
Contributions and Gifts	0	0	0	0	0	62,433
Performance Bond Forfeitures	0	0	0	0	0	58,113

(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
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	35,683
\$	0 \$	0 \$	93,866 \$	244,699 \$	669 \$	1,880,370
Other Local Revenues (Cont.)						
Other Local Revenues						
Total Other Local Revenues						
Fees Received from County Officials						
Excess Fees						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	418,140
Circuit Court Clerk	0	0	0	0	0	1,032,891
Register	0	0	0	0	0	253,064
Trustee	0	0	0	0	0	4,058,447
Fees in-Lieu-of Salary						
County Clerk	0	0	0	0	0	1,921,956
Clerk and Master	0	0	0	0	0	672,778
Register	0	0	0	0	0	988,910
Sheriff	0	0	0	0	0	60,921
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	9,407,107
State of Tennessee						
General Government Grants						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Solid Waste Grants	0	0	0	0	0	8,695
Other General Government Grants	0	0	0	0	0	106,400
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	111,000
Health and Welfare Grants	0	0	0	0	0	1,640,590
Health Department Programs	0	0	0	0	0	72,317
Public Works Grants	0	0	0	0	0	72,317
Litter Program	0	0	0	0	0	72,317
Other State Revenues						
Flood Control	0	0	11,759	0	0	11,759
Income Tax	0	0	0	0	0	232,121

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	General Capital Projects	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	18,724
Beer Tax	0	0	0	0	0	0	0	219,431
Alcoholic Beverage Tax	0	0	0	0	0	0	0	17,857
Mixed Drink Tax	0	0	0	0	0	0	0	2,551,319
Contracted Prisoner Boarding	0	0	0	0	0	0	0	3,161,776
Gasoline and Motor Fuel Tax	0	0	3,161,776	0	0	0	0	146,184
Petroleum Special Tax	0	0	146,184	0	0	0	0	11,069
Registrar's Salary Supplement	0	0	0	0	0	0	0	802,345
Other State Grants	0	0	16,559	0	699,937	0	0	735,865
Other State Revenues	0	0	0	0	0	0	0	
Total State of Tennessee	0 \$	0 \$	3,336,278 \$	0 \$	699,937 \$	0 \$	0 \$	9,856,452
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	27,047
Federal Government	0	0	0	0	0	0	0	212
Federal Through State	0	0	0	0	0	0	0	17,595
USDA School Lunch Program	0	0	0	0	0	0	0	2,100
USDA - Commodities	0	0	0	0	0	0	0	158,529
Breakfast	0	0	0	0	0	0	0	725,686
Community Development	0	0	101,719	0	0	0	0	46,524
Disaster Relief	0	0	0	0	0	0	0	27,620
Homeland Security Grants	0	0	0	0	0	0	0	21,655
Law Enforcement Grants	0	0	0	0	0	0	0	81,468
ARRA Grant No. 1	0	0	0	0	0	0	0	26,302
ARRA Grant No. 2	0	0	0	0	0	0	0	154,077
ARRA Grant No. 3	0	0	0	0	0	0	0	134,781
ARRA Grant No. 4	0	0	0	0	0	0	0	
ARRA Grant No. 5	0	0	0	0	0	0	0	
Other Federal through State	0	0	0	0	0	0	0	
Direct Federal Revenue	0	0	0	0	0	0	0	
Police Service (Lake Area)	0	0	0	0	0	0	0	37,344
Asset Forfeiture Funds	0	0	0	0	0	0	0	105,142
ARRA Grant No. 6	0	0	0	0	0	0	0	195,464

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	General Capital Projects	
Federal Government (Cont.)								
Direct Federal Revenue (Cont.)								
Other Direct Federal Revenue	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	55,637
Total Federal Government	\$ 0 \$	0 \$	101,719 \$	0 \$	0 \$	0 \$	0 \$	1,817,183
Other Governments and Citizens Groups								
Other Governments								
Prisoner Board	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	27,743
Contributions	0	0	0	0	0	0	0	70,990
Contracted Services	0	0	0	0	0	0	0	929,764
Citizens Groups								
Donations	0	0	0	0	0	0	0	16,000
Other	0	0	0	0	0	0	0	325
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,044,822
Total	\$ 65,618 \$	2,721,934 \$	7,528,689 \$	40,933,926 \$	700,606 \$	137,470,325		

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
County Property Taxes						
Current Property Tax	\$ 56,167,227	\$ 0	\$ 0	\$ 2,218,245	\$ 0	\$ 58,385,472
Trustee's Collections - Prior Year	1,326,161	0	0	47,048	0	1,373,209
Circuit/Clerk & Master Collections - Prior Years	811,497	0	0	31,911	0	843,408
Interest and Penalty	268,842	0	0	10,543	0	279,385
Pick-up Taxes	366,515	0	0	14,487	0	381,002
Payments in-Lieu-of Taxes - T.V.A.	6,005	0	0	235	0	6,240
Payments in-Lieu-of Taxes - Local Utilities	834,756	0	0	0	0	834,756
County Local Option Taxes						
Local Option Sales Tax	37,676,314	0	0	0	0	37,676,314
Wheel Tax	3,254,968	0	0	0	0	3,254,968
Business Tax	1,309,026	0	0	51,337	0	1,360,363
Statutory Local Taxes						
Interstate Telecommunications Tax	10,492	0	0	0	0	10,492
Total Local Taxes	\$ 102,031,803	\$ 0	\$ 0	\$ 2,373,806	\$ 0	\$ 104,405,609
<u>Licenses and Permits</u>						
Licenses						
Marriage Licenses	\$ 11,841	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,841
Total Licenses and Permits	\$ 11,841	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,841
<u>Charges for Current Services</u>						
Education Charges						
Tuition - Summer School	\$ 65,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,800
Tuition - Other	39,197	0	0	0	0	39,197
Lunch Payments - Children	0	0	4,600,464	0	0	4,600,464
Lunch Payments - Adults	0	0	303,386	0	0	303,386
Income from Breakfast	0	0	860,063	0	0	860,063
A la carte Sales	0	0	662,835	0	0	662,835
Contract for Administrative Services with Other LEAs	10,416	0	0	0	0	10,416
Other Charges for Services						
Other Charges for Services	45,454	0	3,852	0	0	49,306
Total Charges for Current Services	\$ 160,867	\$ 0	\$ 6,430,600	\$ 0	\$ 0	\$ 6,591,467

(Continued)

Exhibit L-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 176,600	\$ 0	\$ 8,385	\$ 0	\$ 0	\$ 184,985
Sale of Materials and Supplies	39,777	0	0	0	0	39,777
Miscellaneous Refunds	78,826	0	50,135	0	0	128,961
<u>Nonrecurring Items</u>						
Sale of Equipment	10,983	0	748	0	0	11,731
Sale of Property	2,500	0	0	0	65,780	68,280
Contributions and Gifts	73,358	0	0	850	0	74,208
<u>Other Local Revenues</u>						
Other Local Revenues	10,127	0	0	0	0	10,127
Total Other Local Revenues	\$ 392,171	\$ 0	\$ 59,268	\$ 850	\$ 65,780	\$ 518,069
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 135,701,290	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,701,290
Basic Education Program - ARRA	12,030,710	0	0	0	0	12,030,710
Early Childhood Education	961,551	0	0	0	0	961,551
School Food Service	0	0	163,874	0	0	163,874
Energy Efficient School Initiative	0	0	0	0	803,210	803,210
Driver Education	188,314	0	0	0	0	188,314
Other State Education Funds	143,651	0	0	0	0	143,651
Coordinated School Health - ARRA	180,000	0	0	0	0	180,000
Statewide Student Management System (SSMS) - ARRA	92,563	0	0	0	0	92,563
Career Ladder Program	1,042,250	0	0	0	0	1,042,250
Career Ladder - Extended Contract - ARRA	151,243	0	0	0	0	151,243
<u>Other State Revenues</u>						
Mixed Drink Tax	275,852	0	0	0	0	275,852
State Revenue Sharing - T.V.A.	1,817,568	0	0	0	0	1,817,568
Safe Schools - ARRA	179,300	0	0	0	0	179,300
Other State Revenues	1,064	0	0	0	0	1,064
Total State of Tennessee	\$ 152,765,356	\$ 0	\$ 163,874	\$ 0	\$ 803,210	\$ 153,732,440

(Continued)

Exhibit L-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0 \$	0 \$	6,255,986 \$	0 \$	0 \$	6,255,986
USDA - Commodities	0	0	1,265,485	0	0	1,265,485
Breakfast	0	0	1,774,446	0	0	1,774,446
USDA - Other	0	0	15,550	0	0	15,550
Vocational Education - Basic Grants to States	0	503,503	0	0	0	503,503
Title I Grants to Local Education Agencies	0	4,212,212	0	0	0	4,212,212
Special Education - Grants to States	303,865	11,552,114	0	0	0	11,855,979
Special Education - Preschool Grants	41,215	180,391	0	0	0	221,606
English Language Acquisition Grants	0	254,833	0	0	0	254,833
Education for Homeless Children and Youth	0	118,202	0	0	0	118,202
Eisenhower Professional Development State Grants	0	729,472	0	0	0	729,472
Race to the Top - ARRA	0	1,130,989	0	0	0	1,130,989
Other Federal through State	457,027	3,614,130	0	0	0	4,071,157
Direct Federal Revenue						
ROTC Reimbursement	529,462	0	0	0	0	529,462
Total Federal Government	\$ 1,331,569 \$	\$ 22,295,846 \$	\$ 9,311,467 \$	\$ 0 \$	\$ 0 \$	\$ 32,938,882
Total	\$ 256,693,607 \$	\$ 22,295,846 \$	\$ 15,965,209 \$	\$ 2,374,656 \$	\$ 868,990 \$	\$ 298,198,308

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	80,179	
Other Per Diem and Fees		81,300	
Social Security		10,011	
Employer Medicare		2,341	
Total County Commission			\$ 173,831

Board of Equalization

Board and Committee Members Fees	\$	9,300	
Social Security		577	
Employer Medicare		135	
Legal Notices, Recording, and Court Costs		1,641	
Total Board of Equalization			11,653

County Mayor/Executive

County Official/Administrative Officer	\$	121,132	
Secretary(ies)		133,644	
Part-time Personnel		7,200	
Longevity Pay		1,875	
Social Security		15,383	
State Retirement		32,441	
Employee and Dependent Insurance		25,681	
Disability Insurance		532	
Employer Medicare		3,683	
Communication		712	
Legal Notices, Recording, and Court Costs		4,897	
Maintenance Agreements		165	
Maintenance and Repair Services - Office Equipment		438	
Postal Charges		2,313	
Duplicating Supplies		803	
Office Supplies		3,049	
Total County Mayor/Executive			353,948

Personnel Office

County Official/Administrative Officer	\$	82,150	
Assistant(s)		37,755	
Part-time Personnel		12,516	
Other Salaries and Wages		13,055	
In-Service Training		1,419	
Social Security		9,096	
State Retirement		17,006	

(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.)

Employee and Dependent Insurance	\$	1,876	
Disability Insurance		310	
Employer Medicare		2,098	
Communication		536	
Dues and Memberships		519	
Maintenance Agreements		905	
Postal Charges		325	
Travel		764	
Gasoline		43	
Instructional Supplies and Materials		95	
Library Books/Media		81	
Office Supplies		2,577	
Other Supplies and Materials		27	
Other Charges		8,677	
Total Personnel Office			\$ 191,830

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		80,538	
Longevity Pay		1,225	
Overtime Pay		623	
Social Security		9,416	
State Retirement		18,461	
Employee and Dependent Insurance		24,940	
Disability Insurance		318	
Employer Medicare		2,202	
Communication		409	
Dues and Memberships		2,500	
Legal Services		139,980	
Postal Charges		922	
Travel		850	
Office Supplies		759	
Total County Attorney			355,143

Election Commission

County Official/Administrative Officer	\$	59,187	
Salary Supplements		8,630	
Part-time Personnel		7,284	
Longevity Pay		1,625	
Overtime Pay		343	

(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.)

Other Salaries and Wages	\$	206,775	
Election Commission		13,665	
Election Workers		155,561	
In-Service Training		3,508	
Social Security		23,433	
State Retirement		34,914	
Employee and Dependent Insurance		40,660	
Disability Insurance		527	
Unemployment Compensation		119	
Employer Medicare		5,520	
Communication		7,856	
Data Processing Services		899	
Dues and Memberships		469	
Legal Notices, Recording, and Court Costs		17,659	
Maintenance Agreements		22,489	
Postal Charges		15,549	
Printing, Stationery, and Forms		3,575	
Rentals		100,650	
Travel		3,617	
Data Processing Supplies		2,034	
Diesel Fuel		77	
Office Supplies		9,081	
Office Equipment		7,887	
Total Election Commission			\$ 753,593

Register of Deeds

County Official/Administrative Officer	\$	73,572
Deputy(ies)		368,548
Part-time Personnel		27,501
Longevity Pay		5,350
In-Service Training		1,162
Social Security		26,918
State Retirement		56,560
Employee and Dependent Insurance		90,557
Disability Insurance		968
Unemployment Compensation		4,039
Employer Medicare		6,653
Communication		1,282
Data Processing Services		124,248
Maintenance Agreements		3,608

(Continued)

Exhibit L-9

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Postal Charges	\$	7,362	
Other Contracted Services		11,321	
Data Processing Supplies		1,725	
Office Supplies		5,825	
Data Processing Equipment		34,622	
Total Register of Deeds			\$ 851,821

Planning

County Official/Administrative Officer	\$	85,020	
Assistant(s)		181,847	
Supervisor/Director		63,925	
Secretary(ies)		104,420	
Part-time Personnel		9,700	
Longevity Pay		1,825	
Board and Committee Members Fees		22,600	
In-Service Training		4,979	
Social Security		28,354	
State Retirement		55,241	
Employee and Dependent Insurance		63,197	
Disability Insurance		955	
Unemployment Compensation		5,500	
Employer Medicare		6,632	
Communication		3,506	
Consultants		105,972	
Dues and Memberships		10,369	
Legal Notices, Recording, and Court Costs		3,825	
Maintenance Agreements		7,607	
Maintenance and Repair Services - Office Equipment		174	
Postal Charges		1,991	
Printing, Stationery, and Forms		1,148	
Data Processing Supplies		6,031	
Gasoline		2,834	
Office Supplies		5,867	
Periodicals		1,560	
Other Supplies and Materials		4,288	
Total Planning			789,367

Codes Compliance

Communication	\$	857	
Total Codes Compliance			857

(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

Data Processing Personnel	\$	198,019	
Part-time Personnel		13,635	
Longevity Pay		1,050	
Overtime Pay		2,068	
Social Security		12,803	
State Retirement		25,461	
Employee and Dependent Insurance		24,358	
Disability Insurance		434	
Employer Medicare		2,994	
Data Processing Services		34,848	
Dues and Memberships		40	
Maintenance Agreements		46,012	
Postal Charges		25	
Travel		977	
Data Processing Supplies		5,635	
Data Processing Equipment		48,446	
Other Capital Outlay		382,808	
Total Geographical Information Systems			\$ 799,613

County Buildings

Supervisor/Director	\$	65,089
Clerical Personnel		29,965
Custodial Personnel		81,342
Maintenance Personnel		144,634
Part-time Personnel		202,280
Longevity Pay		2,000
Overtime Pay		6,304
Social Security		32,170
State Retirement		41,419
Employee and Dependent Insurance		88,493
Disability Insurance		765
Employer Medicare		7,524
Communication		40,142
Maintenance and Repair Services - Buildings		49,500
Travel		1,893
Other Contracted Services		87,238
Custodial Supplies		35,963
Gasoline		16,847
Utilities		554,547
Other Supplies and Materials		76,568

(Continued)

Exhibit L-9

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

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

Building Improvements	\$	218,956	
Maintenance Equipment		3,369	
Motor Vehicles		18,917	
Total County Buildings			\$ 1,805,925

Other General Administration

Supervisor/Director	\$	72,785	
Teachers		102,390	
Salary Supplements		4,500	
Longevity Pay		1,300	
Social Security		10,966	
State Retirement		22,875	
Employee and Dependent Insurance		12,726	
Disability Insurance		384	
Employer Medicare		2,565	
Communication		2	
Maintenance Agreements		771	
Riprap		2,468	
Other Supplies and Materials		2,077	
Total Other General Administration			235,809

Preservation of Records

County Official/Administrative Officer	\$	43,637	
Longevity Pay		75	
Other Salaries and Wages		9,185	
Social Security		3,128	
State Retirement		5,525	
Employee and Dependent Insurance		12,372	
Disability Insurance		96	
Employer Medicare		732	
Communication		781	
Consultants		3,000	
Dues and Memberships		504	
Maintenance Agreements		257	
Postal Charges		250	
Library Books/Media		188	
Office Supplies		1,694	
Other Supplies and Materials		5,922	
Other Charges		19,827	
Data Processing Equipment		842	

(Continued)

Exhibit L-9

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

General Fund (Cont.)General Government (Cont.)Preservation of Records (Cont.)

Furniture and Fixtures	\$	4,000	
Total Preservation of Records			\$ 112,015

Risk Management

Supervisor/Director	\$	73,642	
Clerical Personnel		140,014	
Longevity Pay		575	
Other Salaries and Wages		117,553	
Board and Committee Members Fees		4,000	
Social Security		20,328	
State Retirement		41,938	
Employee and Dependent Insurance		50,226	
Disability Insurance		721	
Employer Medicare		4,763	
Communication		1,764	
Maintenance Agreements		1,293	
Postal Charges		3,709	
Travel		590	
Gasoline		456	
Office Supplies		5,388	
Other Charges		21,436	
Total Risk Management			488,396

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	103,050	
Accountants/Bookkeepers		404,350	
Salary Supplements		7,200	
Clerical Personnel		25,648	
Part-time Personnel		22,955	
Longevity Pay		5,275	
Overtime Pay		2,997	
Other Salaries and Wages		59,910	
Social Security		37,759	
State Retirement		76,905	
Employee and Dependent Insurance		91,958	
Disability Insurance		1,301	
Employer Medicare		8,831	
Communication		840	
Dues and Memberships		2,304	

(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.)

Maintenance Agreements	\$	1,253	
Maintenance and Repair Services - Equipment		850	
Postal Charges		11,073	
Travel		5,268	
Other Contracted Services		910	
Office Supplies		23,693	
Total Accounting and Budgeting			\$ 894,330

Property Assessor's Office

County Official/Administrative Officer	\$	95,342	
Deputy(ies)		860,210	
Salary Supplements		6,500	
Part-time Personnel		5,262	
Longevity Pay		5,375	
In-Service Training		4,564	
Social Security		57,901	
State Retirement		122,282	
Employee and Dependent Insurance		177,486	
Disability Insurance		2,084	
Employer Medicare		13,618	
Communication		2,961	
Data Processing Services		79,782	
Maintenance Agreements		21,187	
Maintenance and Repair Services - Equipment		481	
Postal Charges		9,954	
Travel		8	
Other Contracted Services		143,775	
Data Processing Supplies		232	
Office Supplies		17,489	
Other Supplies and Materials		1,042	
Data Processing Equipment		74,450	
Furniture and Fixtures		10,070	
Total Property Assessor's Office			1,712,055

Reappraisal Program

Deputy(ies)	\$	327,076	
Longevity Pay		3,125	
Social Security		19,498	
State Retirement		41,187	
Employee and Dependent Insurance		73,152	

(Continued)

Exhibit L-9

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

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

Disability Insurance	\$	712	
Employer Medicare		4,560	
Communication		5,928	
Maintenance and Repair Services - Vehicles		85	
Postal Charges		9,675	
Data Processing Supplies		2,350	
Gasoline		20,319	
Other Supplies and Materials		1,383	
Total Reappraisal Program			\$ 509,050

County Trustee's Office

Communication	\$	460	
Data Processing Services		1,865	
Legal Notices, Recording, and Court Costs		200	
Maintenance Agreements		756	
Postal Charges		38,349	
Office Supplies		13,826	
Total County Trustee's Office			55,456

County Clerk's Office

County Official/Administrative Officer	\$	73,154	
Deputy(ies)		958,729	
Part-time Personnel		9,584	
Longevity Pay		10,650	
Social Security		63,104	
State Retirement		131,777	
Employee and Dependent Insurance		181,479	
Disability Insurance		2,277	
Employer Medicare		14,759	
Communication		18,816	
Data Processing Services		16,298	
Maintenance Agreements		6,793	
Maintenance and Repair Services - Equipment		545	
Postal Charges		41,537	
Travel		1,539	
Gasoline		2,321	
Office Supplies		42,767	
Uniforms		253	
Other Supplies and Materials		1,984	
Communication Equipment		259	

(Continued)

Exhibit L-9

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

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

Data Processing Equipment	\$	3,363	
Total County Clerk's Office			\$ 1,581,988

Data Processing

County Official/Administrative Officer	\$	95,586	
Data Processing Personnel		553,300	
Part-time Personnel		64,462	
Longevity Pay		2,325	
Overtime Pay		6,294	
Social Security		43,885	
State Retirement		77,605	
Employee and Dependent Insurance		92,096	
Disability Insurance		1,426	
Unemployment Compensation		36	
Employer Medicare		10,264	
Communication		131,530	
Data Processing Services		153,284	
Dues and Memberships		1,551	
Maintenance Agreements		44,182	
Postal Charges		100	
Travel		1,867	
Data Processing Supplies		31,889	
Gasoline		18,068	
Data Processing Equipment		346,603	
Furniture and Fixtures		18,563	
Total Data Processing			1,694,916

Administration of JusticeCircuit Court

Jury and Witness Expense	\$	51,545	
Communication		3,259	
Data Processing Services		81,048	
Legal Services		32,287	
Maintenance Agreements		22,302	
Postal Charges		32,579	
Office Supplies		40,413	
Other Supplies and Materials		318	
Other Charges		125,000	
Data Processing Equipment		13,294	
Furniture and Fixtures		1,082	

(Continued)

Exhibit L-9

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

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

Office Equipment	\$	15,554	
Total Circuit Court			\$ 418,681

Circuit Court Judge

Assistant(s)	\$	46,799	
Deputy(ies)		123,610	
Longevity Pay		200	
Social Security		10,227	
State Retirement		20,942	
Employee and Dependent Insurance		36,644	
Disability Insurance		348	
Employer Medicare		2,392	
Travel		979	
Other Supplies and Materials		980	
Total Circuit Court Judge			243,121

General Sessions Court

Judge(s)	\$	437,982	
Assistant(s)		48,436	
Deputy(ies)		99,693	
Part-time Personnel		26,031	
Longevity Pay		2,275	
Overtime Pay		3,423	
Other Salaries and Wages		293,584	
Social Security		48,202	
State Retirement		111,270	
Employee and Dependent Insurance		96,059	
Disability Insurance		1,662	
Employer Medicare		12,885	
Communication		3,041	
Data Processing Services		16,800	
Dues and Memberships		2,445	
Evaluation and Testing		151,950	
Maintenance Agreements		2,925	
Maintenance and Repair Services - Office Equipment		33	
Travel		9,868	
Library Books/Media		2,007	
Office Supplies		6,312	
Uniforms		210	
Office Equipment		4,600	
Total General Sessions Court			1,381,693

(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

Assistant(s)	\$	39,210	
Supervisor/Director		56,500	
Secretary(ies)		9,231	
Part-time Personnel		16,620	
Longevity Pay		600	
Overtime Pay		54	
Other Salaries and Wages		105,153	
Social Security		13,398	
State Retirement		26,632	
Employee and Dependent Insurance		39,374	
Disability Insurance		461	
Employer Medicare		3,133	
Communication		2,524	
Dues and Memberships		200	
Maintenance Agreements		1,339	
Postal Charges		362	
Office Supplies		1,125	
Other Supplies and Materials		26,266	
Total Drug Court			\$ 342,182

Chancery Court

County Official/Administrative Officer	\$	95,342
Deputy(ies)		380,506
Attendants		29,220
Part-time Personnel		35,086
Longevity Pay		3,200
Overtime Pay		2,756
Jury and Witness Expense		3,463
Social Security		32,478
State Retirement		64,549
Employee and Dependent Insurance		67,918
Disability Insurance		1,105
Employer Medicare		7,596
Communication		2,406
Data Processing Services		4,836
Dues and Memberships		720
Maintenance Agreements		13,521
Maintenance and Repair Services - Equipment		213
Postal Charges		23,659
Travel		1,174

(Continued)

Exhibit L-9

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

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

Other Contracted Services	\$	659	
Office Supplies		19,858	
Total Chancery Court			\$ 790,265

Juvenile Court

Judge(s)	\$	145,994	
Deputy(ies)		31,292	
Secretary(ies)		33,559	
Part-time Personnel		23,722	
Longevity Pay		75	
Other Salaries and Wages		82,150	
Social Security		16,905	
State Retirement		37,013	
Employee and Dependent Insurance		34,746	
Disability Insurance		560	
Employer Medicare		4,444	
Communication		890	
Dues and Memberships		2,023	
Maintenance Agreements		615	
Postal Charges		193	
Travel		1,575	
Other Contracted Services		36,301	
Library Books/Media		2,882	
Office Supplies		2,008	
Other Supplies and Materials		1,453	
Total Juvenile Court			458,400

District Attorney General

Assistant(s)	\$	50,634	
Longevity Pay		150	
Social Security		3,018	
State Retirement		6,419	
Employee and Dependent Insurance		6,127	
Disability Insurance		111	
Employer Medicare		706	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			71,880

(Continued)

Exhibit L-9

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

General Fund (Cont.)Administration of Justice (Cont.)Office of Public Defender

Postal Charges	\$	293	
Other Contracted Services		24,000	
Total Office of Public Defender			\$ 24,293

Probation Services

County Official/Administrative Officer	\$	59,147	
Assistant(s)		42,111	
Youth Service Officer(s)		138,994	
Secretary(ies)		29,443	
Longevity Pay		1,625	
In-Service Training		930	
Social Security		16,171	
State Retirement		34,295	
Employee and Dependent Insurance		53,347	
Disability Insurance		592	
Employer Medicare		3,782	
Communication		1,768	
Contracts with Private Agencies		464,144	
Data Processing Services		4,050	
Maintenance Agreements		975	
Postal Charges		64	
Travel		3,074	
Office Supplies		2,216	
Other Supplies and Materials		478	
Total Probation Services			857,206

Victims Assistance Programs

Assistant(s)	\$	43,908	
Part-time Personnel		26,740	
Longevity Pay		125	
Other Salaries and Wages		42,111	
In-Service Training		624	
Social Security		6,808	
State Retirement		10,889	
Employee and Dependent Insurance		13,389	
Disability Insurance		189	
Employer Medicare		1,592	
Communication		1,017	
Dues and Memberships		400	
Maintenance Agreements		1,463	

(Continued)

Exhibit L-9

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

General Fund (Cont.)Administration of Justice (Cont.)Victims Assistance Programs (Cont.)

Other Contracted Services	\$	4,315	
Office Supplies		<u>1,700</u>	
Total Victims Assistance Programs			\$ 155,270

Public SafetySheriff's Department

County Official/Administrative Officer	\$	115,364
Deputy(ies)		25,348
Salary Supplements		111,000
Part-time Personnel		403,891
Longevity Pay		57,425
Overtime Pay		540,611
Other Salaries and Wages		9,649,487
In-Service Training		126,446
Other Per Diem and Fees		13,461
Social Security		658,898
State Retirement		1,321,000
Employee and Dependent Insurance		1,777,842
Disability Insurance		21,199
Unemployment Compensation		51,758
Employer Medicare		154,100
Communication		159,736
Contracts with Private Agencies		1,800
Data Processing Services		38,119
Dues and Memberships		6,620
Maintenance Agreements		11,204
Maintenance and Repair Services - Equipment		62,809
Maintenance and Repair Services - Vehicles		103,233
Medical and Dental Services		10,639
Postal Charges		10,722
Printing, Stationery, and Forms		8,191
Rentals		2,226
Other Contracted Services		7,651
Data Processing Supplies		7,790
Gasoline		624,766
Instructional Supplies and Materials		19,025
Law Enforcement Supplies		59,801
Office Supplies		43,528
Periodicals		5,022
Uniforms		154,731

(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.)

Vehicle Parts	\$	149,741	
Other Supplies and Materials		31,493	
Judgments		13,250	
Other Charges		9,524	
Communication Equipment		36,190	
Data Processing Equipment		3,846	
Law Enforcement Equipment		76,539	
Motor Vehicles		458,506	
Office Equipment		8,210	
Site Development		11,968	
Total Sheriff's Department			\$ 17,164,710

Special Patrols

Nightwatchmen	\$	34,487	
Social Security		2,138	
State Retirement		4,359	
Employer Medicare		500	
Total Special Patrols			41,484

Traffic Control

Maintenance and Repair Services - Equipment	\$	3,097	
Utilities		6,010	
Total Traffic Control			9,107

Administration of the Sexual Offender Registry

In-Service Training	\$	2,789	
Other Charges		1,900	
Total Administration of the Sexual Offender Registry			4,689

Jail

Maintenance Personnel	\$	86,628	
Part-time Personnel		6,568	
Longevity Pay		18,850	
Overtime Pay		152,836	
Other Salaries and Wages		4,745,164	
In-Service Training		9,622	
Social Security		300,588	
State Retirement		630,202	
Employee and Dependent Insurance		1,054,015	
Disability Insurance		10,497	

(Continued)

Exhibit L-9

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

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

Unemployment Compensation	\$	25,108	
Employer Medicare		70,300	
Dues and Memberships		820	
Maintenance Agreements		43,481	
Maintenance and Repair Services - Buildings		168,685	
Maintenance and Repair Services - Equipment		31,476	
Printing, Stationery, and Forms		4,094	
Transportation - Other than Students		70,609	
Other Contracted Services		3,114,376	
Custodial Supplies		90,419	
Data Processing Supplies		15,623	
Food Preparation Supplies		39,859	
Food Supplies		907,191	
Law Enforcement Supplies		8,875	
Office Supplies		13,443	
Prisoners Clothing		76,611	
Uniforms		63,219	
Utilities		611,218	
Other Supplies and Materials		6,168	
Building Improvements		31,956	
Communication Equipment		4,850	
Data Processing Equipment		10,356	
Food Service Equipment		4,375	
Total Jail			\$ 12,428,082

Workhouse

County Official/Administrative Officer	\$	63,523
Captain(s)		56,717
Lieutenant(s)		48,965
Sergeant(s)		195,389
Guards		947,004
Secretary(ies)		42,804
Clerical Personnel		114,127
Part-time Personnel		12,768
Longevity Pay		3,700
Overtime Pay		11,907
Board and Committee Members Fees		4,200
In-Service Training		5,201
Social Security		90,414
State Retirement		185,366

(Continued)

Exhibit L-9

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

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

Employee and Dependent Insurance	\$	283,588	
Disability Insurance		3,119	
Unemployment Compensation		3,601	
Employer Medicare		21,145	
Communication		7,795	
Dues and Memberships		305	
Evaluation and Testing		2,282	
Operating Lease Payments		585	
Maintenance Agreements		15,008	
Maintenance and Repair Services - Buildings		6,945	
Maintenance and Repair Services - Equipment		12,462	
Postal Charges		306	
Other Contracted Services		592,012	
Custodial Supplies		26,891	
Data Processing Supplies		4,394	
Equipment and Machinery Parts		3,912	
Gasoline		7,782	
Law Enforcement Supplies		3,428	
Office Supplies		6,678	
Prisoners Clothing		15,100	
Uniforms		10,810	
Utilities		266,174	
Other Supplies and Materials		15,198	
Other Equipment		74,709	
Total Workhouse			\$ 3,166,314

Juvenile Services

County Official/Administrative Officer	\$	63,523
Captain(s)		52,812
Lieutenant(s)		45,504
Sergeant(s)		202,672
Guards		213,879
Secretary(ies)		36,048
Attendants		497,528
Part-time Personnel		16,689
Longevity Pay		2,250
Overtime Pay		29,998
In-Service Training		1,297
Social Security		69,888
State Retirement		144,080

(Continued)

Exhibit L-9

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

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

Employee and Dependent Insurance	\$	202,671	
Disability Insurance		2,480	
Unemployment Compensation		2,580	
Employer Medicare		16,345	
Communication		2,465	
Data Processing Services		7,115	
Evaluation and Testing		1,395	
Maintenance Agreements		1,926	
Maintenance and Repair Services - Equipment		165	
Maintenance and Repair Services - Vehicles		386	
Medical and Dental Services		36,400	
Postal Charges		458	
Printing, Stationery, and Forms		650	
Travel		147	
Other Contracted Services		58,106	
Gasoline		737	
Office Supplies		781	
Uniforms		9,455	
USDA - Commodities		212	
Other Supplies and Materials		32,071	
Total Juvenile Services			\$ 1,752,713

Rural Fire Protection

County Official/Administrative Officer	\$	58,695
Social Security		3,497
State Retirement		7,419
Employee and Dependent Insurance		12,201
Disability Insurance		123
Employer Medicare		818
Communication		10,141
Dues and Memberships		1,189
Evaluation and Testing		2,331
Maintenance Agreements		978
Maintenance and Repair Services - Buildings		9
Maintenance and Repair Services - Vehicles		21,271
Postal Charges		152
Rentals		16,875
Travel		533
Other Contracted Services		289,200
Custodial Supplies		2,500

(Continued)

Exhibit L-9

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

General Fund (Cont.)Public Safety (Cont.)Rural Fire Protection (Cont.)

Diesel Fuel	\$	9,040	
Gasoline		5,652	
Instructional Supplies and Materials		2,030	
Office Supplies		4,421	
Uniforms		14,144	
Utilities		21,048	
Other Supplies and Materials		23,107	
In Service/Staff Development		559	
Other Charges		3,500	
Communication Equipment		2,966	
Total Rural Fire Protection			\$ 514,399

Disaster Relief

County Official/Administrative Officer	\$	71,132
Assistant(s)		50,965
Supervisor/Director		42,467
Secretary(ies)		34,783
Longevity Pay		950
In-Service Training		824
Social Security		11,934
State Retirement		25,318
Employee and Dependent Insurance		24,865
Disability Insurance		431
Employer Medicare		2,791
Communication		29,408
Contributions		2,000
Dues and Memberships		700
Maintenance Agreements		3,852
Maintenance and Repair Services - Vehicles		2,659
Postal Charges		202
Printing, Stationery, and Forms		150
Travel		40
Other Contracted Services		3,036
Data Processing Supplies		2,140
Diesel Fuel		999
Electricity		3,603
Gasoline		6,559
Instructional Supplies and Materials		1,546
Office Supplies		1,797
Uniforms		3,160

(Continued)

Exhibit L-9

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

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

Other Supplies and Materials	\$	15,271	
Communication Equipment		7,328	
Other Equipment		581,937	
Total Disaster Relief			\$ 932,847

Inspection and Regulation

County Official/Administrative Officer	\$	75,439	
Deputy(ies)		331,170	
Clerical Personnel		93,669	
Longevity Pay		3,725	
Board and Committee Members Fees		400	
Social Security		30,528	
State Retirement		63,706	
Employee and Dependent Insurance		75,320	
Disability Insurance		1,101	
Employer Medicare		7,140	
Communication		5,406	
Data Processing Services		352	
Dues and Memberships		1,291	
Maintenance Agreements		2,874	
Postal Charges		882	
Printing, Stationery, and Forms		1,470	
Travel		2,336	
Other Contracted Services		9,512	
Gasoline		12,192	
Office Supplies		5,463	
Uniforms		352	
Other Supplies and Materials		988	
In Service/Staff Development		1,784	
Total Inspection and Regulation			727,100

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,825	
Other Salaries and Wages		211,465	
Social Security		12,552	
State Retirement		26,960	
Employee and Dependent Insurance		58,267	
Disability Insurance		477	
Employer Medicare		2,935	

(Continued)

Exhibit L-9

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

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

Communication	\$	13,144	
Contracts with Government Agencies		128,375	
Maintenance and Repair Services - Buildings		8,640	
Maintenance and Repair Services - Equipment		4,270	
Travel		2,512	
Other Contracted Services		46,526	
Drugs and Medical Supplies		15,925	
Utilities		70,547	
Other Supplies and Materials		15,873	
Total Local Health Center			\$ 620,293

Rabies and Animal Control

County Official/Administrative Officer	\$	70,908
Supervisor/Director		67,586
Secretary(ies)		34,783
Attendants		334,245
Part-time Personnel		81,725
Longevity Pay		1,800
Overtime Pay		36,077
Other Salaries and Wages		14,503
Social Security		39,193
State Retirement		69,880
Employee and Dependent Insurance		80,280
Disability Insurance		1,093
Unemployment Compensation		8,172
Employer Medicare		9,166
Advertising		72
Communication		15,912
Dues and Memberships		395
Evaluation and Testing		1,625
Maintenance Agreements		14,547
Maintenance and Repair Services - Buildings		10,997
Maintenance and Repair Services - Vehicles		6,637
Medical and Dental Services		68
Postal Charges		135
Travel		2,446
Veterinary Services		59,603
Other Contracted Services		66,529
Animal Food and Supplies		6,859
Custodial Supplies		12,214

(Continued)

Exhibit L-9

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

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

Drugs and Medical Supplies	\$	46,010	
Gasoline		32,174	
Office Supplies		7,424	
Uniforms		2,501	
Utilities		56,642	
Other Supplies and Materials		9,827	
Refunds		784	
Building Improvements		5,764	
Data Processing Equipment		569	
Other Equipment		22,401	
Total Rabies and Animal Control			\$ 1,231,546

Dental Health Program

Medical and Dental Services	\$	11,665	
Total Dental Health Program			11,665

Other Local Health Services

Medical Personnel	\$	1,083,344	
Longevity Pay		5,150	
Social Security		64,600	
State Retirement		128,213	
Employee and Dependent Insurance		303,966	
Disability Insurance		2,279	
Employer Medicare		15,108	
Maintenance and Repair Services - Buildings		16,000	
Travel		14,291	
Other Supplies and Materials		1,100	
Health Equipment		3,600	
Total Other Local Health Services			1,637,651

General Welfare Assistance

Contributions	\$	43,500	
Total General Welfare Assistance			43,500

Sanitation Management

Contracts with Private Agencies	\$	40,132	
Total Sanitation Management			40,132

Other Public Health and Welfare

Medical and Dental Services	\$	14,400	
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(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 (Cont.)

Other Contracted Services	\$ 210,400	
Liability Insurance	1,913	
Total Other Public Health and Welfare		\$ 226,713

Social, Cultural, and Recreational ServicesAdult Activities

Contributions	\$ 32,000	
Total Adult Activities		32,000

Senior Citizens Assistance

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

Libraries

Contributions	\$ 1,080,277	
Total Libraries		1,080,277

Parks and Fair Boards

Supervisor/Director	\$ 27,500	
Other Salaries and Wages	143,830	
Board and Committee Members Fees	2,600	
Social Security	9,079	
Unemployment Compensation	121	
Employer Medicare	2,522	
Contributions	106,700	
Maintenance and Repair Services - Buildings	2,422	
Matching Share	10,000	
Postal Charges	98	
Travel	2,011	
Other Contracted Services	40,000	
Equipment and Machinery Parts	13,784	
Office Supplies	235	
Other Supplies and Materials	1,601	
Total Parks and Fair Boards		362,503

Agriculture and Natural ResourcesAgriculture Extension Service

Teachers	\$ 70,862	
Secretary(ies)	90,886	
Part-time Personnel	41,928	

(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	\$	875	
Board and Committee Members Fees		1,400	
Social Security		12,625	
State Retirement		20,556	
Employee and Dependent Insurance		25,190	
Disability Insurance		355	
Employer Medicare		2,953	
Communication		4,434	
Contracts with Government Agencies		228,974	
Data Processing Services		263	
Postal Charges		2,000	
Travel		3,631	
Other Contracted Services		3,800	
Fertilizer, Lime, and Seed		247	
Gasoline		2,923	
Office Supplies		4,973	
Utilities		92,533	
Other Supplies and Materials		10,733	
Total Agriculture Extension Service			\$ 622,141

Soil Conservation

Assistant(s)	\$	37,303	
Part-time Personnel		38,255	
Longevity Pay		300	
Social Security		4,613	
State Retirement		4,753	
Employee and Dependent Insurance		8,850	
Disability Insurance		82	
Employer Medicare		1,079	
Contributions		12,000	
Total Soil Conservation			107,235

Storm Water Management

Assistant(s)	\$	52,812	
Part-time Personnel		14,048	
Longevity Pay		125	
In-Service Training		904	
Social Security		4,049	
State Retirement		6,691	
Employee and Dependent Insurance		12,201	

(Continued)

Exhibit L-9

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

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

Disability Insurance	\$	116	
Employer Medicare		947	
Communication		1,822	
Contracts with Private Agencies		33,654	
Dues and Memberships		783	
Engineering Services		5,864	
Travel		628	
Other Contracted Services		375	
Data Processing Supplies		526	
Gasoline		1,228	
Office Supplies		897	
Other Supplies and Materials		6,761	
Total Storm Water Management			\$ 144,431

Other OperationsTourism

Contributions	\$	360,100	
Total Tourism			360,100

Other Economic and Community Development

Contracts with Other Public Agencies	\$	2,100	
Total Other Economic and Community Development			2,100

Other Charges

Mechanic(s)	\$	44,762	
Laborers		69,607	
Longevity Pay		850	
Overtime Pay		373	
Social Security		7,093	
State Retirement		14,611	
Employee and Dependent Insurance		20,686	
Disability Insurance		251	
Employer Medicare		1,659	
Communication		833	
Maintenance Agreements		23	
Gasoline		10,234	
Utilities		21,850	
Vehicle Parts		19,143	
Other Supplies and Materials		8,538	
Total Other Charges			220,513

(Continued)

Exhibit L-9

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

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

Unemployment Compensation	\$	3,001	
Other Fringe Benefits		188,435	
Workers' Compensation Insurance		276,500	
Total Employee Benefits			\$ 467,936

Payments to Cities

Contracts with Government Agencies	\$	1,916,068	
Total Payments to Cities			1,916,068

ARRA Grant No. 1

Secretary(ies)	\$	18,219	
Longevity Pay		150	
Social Security		1,116	
State Retirement		2,322	
Employee and Dependent Insurance		2,123	
Disability Insurance		40	
Employer Medicare		261	
Consultants		3,600	
Office Supplies		26	
Total ARRA Grant No. 1			27,857

ARRA Grant No. 2

Part-time Personnel	\$	27,386	
Social Security		1,652	
Employer Medicare		386	
Printing, Stationery, and Forms		725	
Travel		4,963	
Total ARRA Grant No. 2			35,112

ARRA Grant No. 3

Temporary Personnel	\$	73,057	
Social Security		4,530	
Employer Medicare		1,059	
Total ARRA Grant No. 3			78,646

ARRA Grant #No.4

Longevity Pay	\$	75	
Other Salaries and Wages		37,594	
Social Security		2,257	
State Retirement		4,761	

(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. 4 (Cont.)

Employee and Dependent Insurance	\$	4,250	
Disability Insurance		80	
Employer Medicare		528	
Total ARRA Grant No. 4			\$ 49,545

ARRA Grant No. 5

Law Enforcement Equipment	\$	95,476	
Total ARRA Grant No. 5			95,476

ARRA Grant No. 6

Maintenance and Repair Services - Buildings	\$	161,876	
Total ARRA Grant No. 6			161,876

Miscellaneous

Audit Services	\$	54,607	
Consultants		6,000	
Contributions		417,780	
Dues and Memberships		31,434	
Engineering Services		6,500	
Legal Services		93,499	
Maintenance Agreements		9,481	
Maintenance and Repair Services - Buildings		69,999	
Maintenance and Repair Services - Office Equipment		1,080	
Travel		411	
Building and Contents Insurance		82,844	
Judgments		1,175,000	
Liability Insurance		418,763	
Premiums on Corporate Surety Bonds		33,233	
Trustee's Commission		901,397	
Tax Relief Program		448,382	
Other Charges		49,311	
Other Capital Outlay		500	
Total Miscellaneous			<u>3,800,221</u>

Total General Fund \$ 68,233,069

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$	25,772	
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(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.)

Part-time Personnel	\$	13,110	
Longevity Pay		275	
Overtime Pay		3	
Other Salaries and Wages		40,636	
Social Security		4,808	
State Retirement		8,429	
Employee and Dependent Insurance		15,007	
Disability Insurance		148	
Employer Medicare		1,125	
Travel		220	
Gasoline		9,099	
Instructional Supplies and Materials		2,076	
Other Supplies and Materials		6,118	
Total Sanitation Education/Information			\$ 126,826

Convenience Centers

Supervisor/Director	\$	61,295
Foremen		37,450
Truck Drivers		380,351
Laborers		346,918
Clerical Personnel		33,318
Maintenance Personnel		28,390
Part-time Personnel		2,854
Longevity Pay		3,675
Overtime Pay		23,520
Social Security		55,551
State Retirement		73,821
Employee and Dependent Insurance		115,346
Disability Insurance		1,204
Employer Medicare		12,993
Advertising		1,028
Communication		11,520
Contracts with Private Agencies		10,046
Evaluation and Testing		38
Maintenance and Repair Services - Buildings		4,721
Maintenance and Repair Services - Equipment		25,361
Maintenance and Repair Services - Vehicles		110,442
Postal Charges		52
Rentals		23,735
Tow-in Services		1,450

(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.)

Travel	\$	619	
Asphalt		5,136	
Crushed Stone		864	
Diesel Fuel		205,253	
Equipment and Machinery Parts		61,177	
Gasoline		11,675	
Office Supplies		566	
Tires and Tubes		58,670	
Uniforms		5,479	
Utilities		17,232	
Other Supplies and Materials		10,174	
Communication Equipment		7,445	
Motor Vehicles		265,556	
Total Convenience Centers			\$ 2,014,925

Other Waste Collection

Laborers	\$	23,891	
Overtime Pay		795	
Social Security		1,531	
State Retirement		3,120	
Employee and Dependent Insurance		34	
Disability Insurance		52	
Employer Medicare		358	
Maintenance and Repair Services - Equipment		437	
Other Contracted Services		2,232	
Other Supplies and Materials		973	
Solid Waste Equipment		18,144	
Total Other Waste Collection			51,567

Landfill Operation and Maintenance

Mechanic(s)	\$	36,048	
Laborers		65,642	
Clerical Personnel		27,733	
Longevity Pay		625	
Overtime Pay		3,711	
Social Security		7,957	
State Retirement		16,907	
Employee and Dependent Insurance		40,214	
Disability Insurance		285	
Employer Medicare		1,861	

(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.)

Communication	\$	8,421	
Contracts with Private Agencies		124,263	
Maintenance and Repair Services - Equipment		5,158	
Postal Charges		5	
Travel		300	
Disposal Fees		211,713	
Other Contracted Services		1,443	
Crushed Stone		10,076	
Data Processing Supplies		888	
Diesel Fuel		22,576	
Electricity		3,085	
Equipment Parts - Light		984	
Equipment and Machinery Parts		7,100	
Garage Supplies		175	
Lubricants		428	
Propane Gas		4,255	
Small Tools		380	
Tires and Tubes		1,021	
Uniforms		2,641	
Other Supplies and Materials		2,378	
Total Landfill Operation and Maintenance			\$ 608,273

Postclosure Care Costs

Contracts with Private Agencies	\$	14,442	
Disposal Fees		83	
Contracts for Postclosure Care Costs		5,000	
Fertilizer, Lime, and Seed		630	
Testing		8,725	
Total Postclosure Care Costs			28,880

Other OperationsEmployee Benefits

Unemployment Compensation	\$	550	
Workers' Compensation Insurance		24,040	
Total Employee Benefits			24,590

Miscellaneous

Building and Contents Insurance	\$	3,024	
Judgments		40,850	
Liability Insurance		7,487	

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Other Operations (Cont.)Miscellaneous (Cont.)

Trustee's Commission	\$ 28,070	
Total Miscellaneous		\$ 79,431

Total Solid Waste/Sanitation Fund \$ 2,934,492

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

County Official/Administrative Officer	\$ 84,170
Supervisor/Director	1,194,552
Accountants/Bookkeepers	187,754
Paraprofessionals	3,713,400
Dispatchers/Radio Operators	392,894
Custodial Personnel	22,105
Part-time Personnel	364,436
Longevity Pay	25,625
Overtime Pay	193,053
In-Service Training	48,697
Social Security	372,062
State Retirement	733,163
Employee and Dependent Insurance	996,791
Disability Insurance	9,122
Unemployment Compensation	1,767
Employer Medicare	87,013
Communication	98,451
Contracts with Private Agencies	53,783
Evaluation and Testing	11,495
Maintenance and Repair Services - Buildings	45,016
Maintenance and Repair Services - Vehicles	146,267
Medical and Dental Services	12,103
Pest Control	5,268
Postal Charges	25,859
Printing, Stationery, and Forms	5,102
Travel	2,036
Other Contracted Services	88,775
Custodial Supplies	11,626
Data Processing Supplies	6,418
Drugs and Medical Supplies	272,774
Gasoline	197,190
Instructional Supplies and Materials	5,735

(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.)

Office Supplies	\$	12,265	
Uniforms		52,822	
Utilities		97,831	
Other Supplies and Materials		32,379	
Judgments		62,500	
Refunds		60,044	
Trustee's Commission		163,571	
In Service/Staff Development		16,721	
Other Charges		74,586	
Data Processing Equipment		9,339	
Total Ambulance/Emergency Medical Services			\$ 9,996,560

Total Ambulance Service Fund \$ 9,996,560

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	105,280	
Contributions		96,500	
Trustee's Commission		1,070	
Total Industrial Development			\$ 202,850

Payments to Cities

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

Total Industrial/Economic Development Fund 219,880

Special Purpose FundPublic SafetySheriff's Department

In-Service Training	\$	7,985	
Confidential Drug Enforcement Payments		62,482	
Maintenance and Repair Services - Buildings		1,321	
Maintenance and Repair Services - Vehicles		1,704	
Animal Food and Supplies		305	
Law Enforcement Supplies		296	
Uniforms		514	
Other Supplies and Materials		5,140	
Total Sheriff's Department			\$ 79,747

Total Special Purpose Fund 79,747

(Continued)

Exhibit L-9

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

Drug Control FundPublic SafetyDrug Enforcement

Longevity Pay	\$	1,300	
Overtime Pay		70,468	
Other Salaries and Wages		232,174	
In-Service Training		12,804	
Social Security		18,213	
State Retirement		38,418	
Employee and Dependent Insurance		64,933	
Disability Insurance		508	
Employer Medicare		4,260	
Confidential Drug Enforcement Payments		154,000	
Maintenance and Repair Services - Vehicles		13,140	
Veterinary Services		1,668	
Animal Food and Supplies		1,846	
Law Enforcement Supplies		1,561	
Other Supplies and Materials		11,640	
Trustee's Commission		5,855	
Law Enforcement Equipment		4,515	
Motor Vehicles		18,300	
Total Drug Enforcement		<u>655,603</u>	
Total Drug Control Fund			\$ 655,603

District Attorney General FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	662	
Total Other General Administration			\$ 662

Administration of JusticeDistrict Attorney General

Dues and Memberships	\$	1,320	
Janitorial Services		228	
Travel		1,644	
Other Contracted Services		1,233	
Other Supplies and Materials		3,365	
In Service/Staff Development		3,160	
Other Charges		8,398	
Other Equipment		960	
Total District Attorney General		<u>20,308</u>	

Total District Attorney General Fund 20,970

(Continued)

Exhibit L-9

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

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$ 227,766	
Total Register of Deeds		\$ 227,766

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 471,714	
Total County Trustee's Office		471,714

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 517,223	
Total County Clerk's Office		517,223

Administration of JusticeCircuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 1,929,802	
Total Circuit Court Clerk		1,929,802

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 3,006	
Constitutional Officers' Operating Expenses	4,211	
Total Chancery Court		7,217

Juvenile Court

Constitutional Officers' Operating Expenses	\$ 120	
Total Juvenile Court		120

Total Constitutional Officers - Fees Fund		\$ 3,153,842
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 115,364
Assistant(s)	62,308
Secretary(ies)	81,611
Longevity Pay	1,300
Board and Committee Members Fees	24,900
Social Security	17,399
State Retirement	32,938
Employee and Dependent Insurance	34,144
Disability Insurance	548

(Continued)

Exhibit L-9

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

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

Employer Medicare	\$	4,069	
Communication		5,951	
Dues and Memberships		7,995	
Janitorial Services		6,306	
Legal Notices, Recording, and Court Costs		935	
Postal Charges		748	
Printing, Stationery, and Forms		1,278	
Travel		964	
Drugs and Medical Supplies		180	
Electricity		22,522	
Natural Gas		10,925	
Office Supplies		1,613	
Water and Sewer		8,500	
Building and Contents Insurance		8,075	
Judgments		94,855	
Liability Insurance		64,070	
Trustee's Commission		78,236	
Other Charges		9,977	
Office Equipment		3,082	
Total Administration			\$ 700,793

Highway and Bridge Maintenance

Foremen	\$	248,961
Equipment Operators		769,235
Truck Drivers		317,571
Laborers		20,800
Longevity Pay		13,600
Overtime Pay		11,126
Social Security		81,815
State Retirement		172,768
Employee and Dependent Insurance		307,182
Disability Insurance		2,961
Employer Medicare		19,135
Engineering Services		7,982
Other Contracted Services		30,838
Asphalt		2,802,141
General Construction Materials		1,168
Pipe - Metal		36,138
Road Signs		98,680
Salt		65,124

(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.)

Uniforms	\$	17,659	
Total Highway and Bridge Maintenance			\$ 5,024,884

Operation and Maintenance of Equipment

Foremen	\$	45,909	
Mechanic(s)		179,674	
Laborers		65,051	
Longevity Pay		2,200	
Overtime Pay		9,930	
Social Security		18,262	
State Retirement		38,269	
Employee and Dependent Insurance		58,164	
Disability Insurance		637	
Employer Medicare		4,271	
Maintenance and Repair Services - Equipment		69,848	
Other Contracted Services		13,316	
Diesel Fuel		195,237	
Equipment and Machinery Parts		118,179	
Garage Supplies		9,367	
Gasoline		43,915	
Lubricants		6,930	
Tires and Tubes		45,066	
Other Supplies and Materials		16,985	
Total Operation and Maintenance of Equipment			941,210

Other Charges

Assistant(s)	\$	58,621	
Salary Supplements		10,000	
Foremen		40,983	
Equipment Operators		83,401	
Secretary(ies)		38,273	
Longevity Pay		1,000	
Overtime Pay		64	
In-Service Training		4,096	
Social Security		13,586	
State Retirement		29,368	
Employee and Dependent Insurance		54,253	
Disability Insurance		484	
Employer Medicare		3,177	
Communication		1,062	

(Continued)

Exhibit L-9

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

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

Legal Notices, Recording, and Court Costs	\$	17	
Maintenance and Repair Services - Equipment		2,867	
Travel		1,333	
Other Contracted Services		5,307	
Data Processing Supplies		634	
Diesel Fuel		10,711	
Equipment and Machinery Parts		980	
Gasoline		4,504	
General Construction Materials		1,072	
Lubricants		185	
Tires and Tubes		3,341	
Other Supplies and Materials		1,350	
Total Other Charges			\$ 370,669

Employee Benefits

Unemployment Compensation	\$	284	
Other Fringe Benefits		81,300	
Workers' Compensation Insurance		55,320	
Total Employee Benefits			136,904

Capital Outlay

Bridge Construction	\$	80,169	
Building Improvements		3,145	
Highway Equipment		137,591	
Total Capital Outlay			220,905

Total Highway/Public Works Fund \$ 7,395,365

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	785,019	
Other Debt Service		5,940	
Total Other General Administration			\$ 790,959

Principal on DebtGeneral Government

Principal on Bonds	\$	3,901,685	
Principal on Notes		1,500,000	
Total General Government			5,401,685

(Continued)

Exhibit L-9

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

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

Principal on Bonds	\$ 18,033,315	
Principal on Notes	<u>8,500,000</u>	
Total Education		\$ 26,533,315

Interest on DebtGeneral Government

Interest on Bonds	\$ 2,042,302	
Interest on Notes	<u>76,494</u>	
Total General Government		2,118,796

Education

Interest on Bonds	\$ 11,151,700	
Interest on Notes	<u>1,007,466</u>	
Total Education		12,159,166

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 97,379	
Other Debt Issuance Charges	<u>73,845</u>	
Total General Government		171,224

Education

Underwriter's Discount	\$ 438,746	
Other Debt Issuance Charges	<u>248,055</u>	
Total Education		<u>686,801</u>

Total General Debt Service Fund \$ 47,861,946

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Architects	\$ 424	
Building Construction	<u>8,505</u>	
Total General Administration Projects		\$ 8,929

Public Safety Projects

Consultants	\$ 43,510	
Engineering Services	42,600	
Building Construction	24,205	
Building Improvements	25,257	

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Safety Projects (Cont.)</u>			
Other Construction	\$	12,621	
Other Capital Outlay		<u>505,147</u>	
Total Public Safety Projects			\$ 653,340
<u>Public Health and Welfare Projects</u>			
Architects	\$	26,798	
Engineering Services		<u>4,400</u>	
Total Public Health and Welfare Projects			31,198
<u>Agriculture and Natural Resource Projects</u>			
Other Contracted Services	\$	23,598	
Other Equipment		<u>7,842</u>	
Total Agriculture and Natural Resource Projects			31,440
<u>Highway and Street Capital Projects</u>			
Contracts with Government Agencies	\$	88,698	
Highway Construction		<u>248,330</u>	
Total Highway and Street Capital Projects			<u>337,028</u>
Total General Capital Projects Fund			<u>\$ 1,061,935</u>
Total Governmental Funds - Primary Government			<u><u>\$ 141,613,409</u></u>

Exhibit L-10

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 89,014,336	
Career Ladder Program	523,035	
Career Ladder Extended Contracts	164,600	
Educational Assistants	3,495,004	
Other Salaries and Wages	1,075,618	
Social Security	5,670,996	
State Retirement	8,590,363	
Life Insurance	115,816	
Medical Insurance	16,211,962	
Unemployment Compensation	166,439	
Employer Medicare	1,327,527	
Other Fringe Benefits	206,525	
Maintenance and Repair Services - Equipment	995	
Contracts for Substitute Teachers - Certified	478,544	
Contracts for Substitute Teachers - Non-certified	930,998	
Other Contracted Services	66,674	
Instructional Supplies and Materials	2,265,154	
Textbooks	6,047,988	
Other Supplies and Materials	191,718	
Fee Waivers	63,309	
Other Charges	199,411	
Regular Instruction Equipment	567,413	
Total Regular Instruction Program		\$ 137,374,425

Alternative Instruction Program

Teachers	\$ 1,042,864	
Career Ladder Program	6,946	
Educational Assistants	106,829	
Social Security	70,065	
State Retirement	107,810	
Life Insurance	1,552	
Medical Insurance	174,695	
Employer Medicare	16,386	
Other Fringe Benefits	2,586	
Contracts for Substitute Teachers - Certified	7,213	
Contracts for Substitute Teachers - Non-certified	11,292	
Other Contracted Services	2,312	
Instructional Supplies and Materials	21,090	
Other Equipment	1,453	
Total Alternative Instruction Program		1,573,093

(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	\$	9,749,226	
Career Ladder Program		95,848	
Educational Assistants		2,713,171	
Speech Pathologist		1,245,648	
Other Salaries and Wages		128,441	
Social Security		832,086	
State Retirement		1,356,932	
Life Insurance		21,524	
Medical Insurance		2,832,403	
Unemployment Compensation		39,502	
Employer Medicare		194,863	
Other Fringe Benefits		31,480	
Contracts for Substitute Teachers - Certified		45,345	
Contracts for Substitute Teachers - Non-certified		192,152	
Other Contracted Services		754,632	
Instructional Supplies and Materials		102,643	
Textbooks		14,064	
Other Supplies and Materials		3,267	
Other Charges		34,295	
Special Education Equipment		53,466	
Total Special Education Program			\$ 20,440,988

Vocational Education Program

Teachers	\$	6,923,449
Career Ladder Program		32,074
Clerical Personnel		83,544
Other Salaries and Wages		5,213
In-Service Training		3,785
Social Security		424,854
State Retirement		636,847
Life Insurance		8,130
Medical Insurance		1,119,176
Unemployment Compensation		4,976
Employer Medicare		99,364
Other Fringe Benefits		15,422
Maintenance and Repair Services - Equipment		62,451
Contracts for Substitute Teachers - Certified		42,341
Contracts for Substitute Teachers - Non-certified		103,645
Other Contracted Services		60,704

(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	\$	201,521	
T&I Construction Materials		12,379	
Textbooks		123,019	
Other Supplies and Materials		41,073	
Vocational Instruction Equipment		74,588	
Total Vocational Education Program			\$ 10,078,555

Adult Education Program

Teachers	\$	284,165	
Other Salaries and Wages		23,572	
Social Security		18,856	
State Retirement		17,238	
Life Insurance		179	
Medical Insurance		17,842	
Employer Medicare		4,410	
Other Fringe Benefits		403	
Other Contracted Services		4,937	
Instructional Supplies and Materials		27,170	
Other Supplies and Materials		4,653	
Other Equipment		3,067	
Total Adult Education Program			406,492

Support Services

Attendance

Supervisor/Director	\$	75,191	
Career Ladder Program		5,200	
Social Workers		223,880	
Clerical Personnel		70,711	
Social Security		20,111	
State Retirement		32,735	
Life Insurance		312	
Medical Insurance		50,487	
Employer Medicare		5,302	
Other Fringe Benefits		705	
Travel		5,537	
Other Contracted Services		99,694	
Other Supplies and Materials		2,324	
In Service/Staff Development		170	
Attendance Equipment		2,718	
Total Attendance			595,077

(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	\$ 1,894,016	
Other Salaries and Wages	386,654	
Social Security	137,964	
State Retirement	281,899	
Life Insurance	2,583	
Medical Insurance	322,323	
Employer Medicare	32,266	
Other Fringe Benefits	4,915	
Travel	19,819	
Drugs and Medical Supplies	3,046	
Other Supplies and Materials	60,155	
In Service/Staff Development	2,240	
Other Charges	2,732	
Health Equipment	18,022	
Total Health Services		\$ 3,168,634

Other Student Support

Career Ladder Program	\$ 37,000	
Guidance Personnel	4,018,256	
Clerical Personnel	189,001	
Attendants	278,794	
Other Salaries and Wages	484,916	
Social Security	299,366	
State Retirement	462,243	
Life Insurance	5,940	
Medical Insurance	859,683	
Unemployment Compensation	4,736	
Employer Medicare	70,177	
Other Fringe Benefits	10,732	
Contracts with Government Agencies	179,125	
Evaluation and Testing	383,328	
Travel	12,784	
Contracts for Substitute Teachers - Certified	12,007	
Contracts for Substitute Teachers - Non-certified	13,013	
Other Contracted Services	74,292	
Other Supplies and Materials	8,218	
In Service/Staff Development	8,862	
Other Equipment	17,010	
Total Other Student Support		7,429,483

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	630,516	
Career Ladder Program		86,998	
Career Ladder Extended Contracts		14,000	
Librarians		2,539,323	
Materials Supervisor		39,698	
Instructional Computer Personnel		1,488,837	
Secretary(ies)		70,555	
Clerical Personnel		69,614	
Educational Assistants		508,838	
Other Salaries and Wages		612,663	
In-Service Training		5,411	
Social Security		364,927	
State Retirement		575,431	
Life Insurance		6,850	
Medical Insurance		963,665	
Unemployment Compensation		1,366	
Employer Medicare		85,389	
Other Fringe Benefits		13,110	
Travel		40,540	
Contracts for Substitute Teachers - Certified		7,219	
Contracts for Substitute Teachers - Non-certified		21,004	
Other Contracted Services		78,945	
Library Books/Media		172,132	
Other Supplies and Materials		29,261	
In Service/Staff Development		68,244	
Other Equipment		35,569	
Total Regular Instruction Program			\$ 8,530,105

Alternative Instruction Program

Supervisor/Director	\$	163,501
Career Ladder Program		7,946
Guidance Personnel		109,627
Librarians		49,956
Clerical Personnel		49,186
Other Salaries and Wages		128,799
Social Security		30,725
State Retirement		45,011
Life Insurance		573
Medical Insurance		73,586

(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.)

Employer Medicare	\$	7,186	
Other Fringe Benefits		1,081	
Contracts for Substitute Teachers - Certified		719	
Contracts for Substitute Teachers - Non-certified		751	
Other Contracted Services		2,628	
Library Books/Media		6,768	
Other Supplies and Materials		4,304	
In Service/Staff Development		3,158	
Other Equipment		1,233	
Total Alternative Instruction Program			\$ 686,738

Special Education Program

Supervisor/Director	\$	151,950	
Career Ladder Program		20,442	
Psychological Personnel		414,009	
Career Ladder Extended Contracts		6,000	
Clerical Personnel		32,475	
Other Salaries and Wages		4,000	
In-Service Training		300	
Social Security		37,764	
State Retirement		58,106	
Life Insurance		539	
Medical Insurance		64,413	
Employer Medicare		8,831	
Other Fringe Benefits		1,326	
Travel		76,188	
Other Contracted Services		9,302	
Other Supplies and Materials		2,277	
In Service/Staff Development		11,202	
Other Charges		5,447	
Other Equipment		877	
Total Special Education Program			905,448

Vocational Education Program

Supervisor/Director	\$	88,325	
Clerical Personnel		22,845	
Social Security		6,822	
State Retirement		10,881	
Life Insurance		91	

(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.)

Medical Insurance	\$	6,598	
Employer Medicare		1,595	
Other Fringe Benefits		240	
Travel		10,716	
Other Supplies and Materials		790	
In Service/Staff Development		3,828	
Total Vocational Education Program			\$ 152,731

Adult Programs

Supervisor/Director	\$	88,325	
Clerical Personnel		46,700	
Social Security		2,861	
State Retirement		13,896	
Life Insurance		134	
Medical Insurance		13,234	
Employer Medicare		669	
Other Fringe Benefits		293	
Travel		1,543	
Other Supplies and Materials		2,477	
In Service/Staff Development		2,233	
Other Charges		445	
Other Equipment		7,991	
Total Adult Programs			180,801

Board of Education

Secretary to Board	\$	115,405	
Board and Committee Members Fees		57,377	
Social Security		10,663	
State Retirement		13,307	
Life Insurance		84	
Medical Insurance		1,507,287	
Employer Medicare		2,494	
Other Fringe Benefits		247	
Audit Services		44,000	
Dues and Memberships		14,154	
Legal Services		40,462	
Other Contracted Services		4,000	
Liability Insurance		323,500	
Trustee's Commission		1,811,854	

(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.)

Workers' Compensation Insurance	\$	526,381	
In Service/Staff Development		17,713	
Criminal Investigation of Applicants - TBI		36,804	
Total Board of Education			\$ 4,525,732

Director of Schools

County Official/Administrative Officer	\$	134,619	
Other Salaries and Wages		31,085	
Social Security		8,579	
State Retirement		17,362	
Life Insurance		104	
Medical Insurance		20,946	
Employer Medicare		2,457	
Other Fringe Benefits		7,504	
Communication		119,068	
Dues and Memberships		1,150	
Postal Charges		40,854	
Travel		279	
Other Contracted Services		31,960	
In Service/Staff Development		6,298	
Other Charges		28,042	
Administration Equipment		3,441	
Total Director of Schools			453,748

Office of the Principal

Principals	\$	3,449,117	
Career Ladder Program		105,000	
Accountants/Bookkeepers		682,278	
Career Ladder Extended Contracts		95,600	
Assistant Principals		3,798,939	
Secretary(ies)		1,047,180	
Clerical Personnel		1,120,305	
Social Security		621,508	
State Retirement		1,009,799	
Life Insurance		11,344	
Medical Insurance		1,619,619	
Unemployment Compensation		13,496	
Employer Medicare		145,354	
Other Fringe Benefits		21,548	

(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.)

Communication	\$	317,872	
Dues and Memberships		36,200	
Contracts for Substitute Teachers - Certified		14,629	
Contracts for Substitute Teachers - Non-certified		12,540	
Other Contracted Services		88,901	
Office Supplies		890	
Other Charges		114,924	
Administration Equipment		22,881	
Total Office of the Principal			\$ 14,349,924

Fiscal Services

Supervisor/Director	\$	210,118	
Accountants/Bookkeepers		263,225	
Purchasing Personnel		86,719	
Social Security		34,041	
State Retirement		70,792	
Life Insurance		635	
Medical Insurance		82,667	
Employer Medicare		7,957	
Other Fringe Benefits		1,197	
Travel		1,419	
Other Contracted Services		2,470	
Office Supplies		21,682	
Other Supplies and Materials		1,426	
In Service/Staff Development		4,015	
Administration Equipment		6,251	
Total Fiscal Services			794,614

Human Services/Personnel

Supervisor/Director	\$	98,310	
Clerical Personnel		103,871	
Other Salaries and Wages		76,866	
Social Security		16,926	
State Retirement		28,983	
Life Insurance		260	
Medical Insurance		38,540	
Employer Medicare		3,959	
Other Fringe Benefits		590	
Travel		507	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Other Contracted Services	\$	1,470	
Other Supplies and Materials		3,078	
In Service/Staff Development		6,534	
Administration Equipment		3,664	
Total Human Services/Personnel			\$ 383,558

Operation of Plant

Custodial Personnel	\$	5,329,331	
Social Security		320,495	
State Retirement		662,837	
Life Insurance		10,731	
Medical Insurance		1,054,237	
Unemployment Compensation		78,163	
Employer Medicare		74,962	
Other Fringe Benefits		10,893	
Other Contracted Services		421,924	
Custodial Supplies		592,045	
Electricity		8,947,384	
Natural Gas		1,410,742	
Water and Sewer		1,024,891	
Other Supplies and Materials		9,245	
Building and Contents Insurance		343,500	
Other Charges		27,762	
Plant Operation Equipment		47,450	
Total Operation of Plant			20,366,592

Maintenance of Plant

Supervisor/Director	\$	402,209	
Secretary(ies)		114,074	
Maintenance Personnel		1,873,577	
Social Security		144,132	
State Retirement		269,925	
Life Insurance		2,986	
Medical Insurance		432,888	
Unemployment Compensation		97	
Employer Medicare		33,707	
Other Fringe Benefits		5,108	
Laundry Service		17,737	
Maintenance and Repair Services - Buildings		655,953	

(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 - Equipment	\$	453,792	
Other Contracted Services		693,962	
Other Supplies and Materials		827,561	
Vehicle and Equipment Insurance		68,000	
In Service/Staff Development		7,814	
Other Charges		15,816	
Maintenance Equipment		86,671	
Total Maintenance of Plant			\$ 6,106,009

Transportation

Supervisor/Director	\$	67,539	
Clerical Personnel		90,209	
Other Salaries and Wages		37,310	
Social Security		11,559	
State Retirement		24,655	
Life Insurance		260	
Medical Insurance		32,793	
Employer Medicare		2,703	
Other Fringe Benefits		423	
Contracts with Private Agencies		307,201	
Contracts with Parents		126	
Contracts with Vehicle Owners		11,707,195	
Travel		3,563	
Other Contracted Services		25,439	
Other Supplies and Materials		9,139	
Vehicle and Equipment Insurance		80,000	
In Service/Staff Development		2,097	
Other Charges		23,708	
Administration Equipment		343	
Transportation Equipment		37,416	
Total Transportation			12,463,678

Central and Other

Supervisor/Director	\$	168,491	
Computer Programmer(s)		845,888	
Clerical Personnel		66,459	
Other Salaries and Wages		187,599	
Social Security		77,284	
State Retirement		160,330	

(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	\$	1,235	
Medical Insurance		161,428	
Employer Medicare		18,074	
Other Fringe Benefits		2,726	
Data Processing Services		90,278	
Maintenance and Repair Services - Equipment		17,579	
Travel		9,418	
Other Contracted Services		49,446	
Data Processing Supplies		71,248	
Other Supplies and Materials		61,729	
In Service/Staff Development		6,136	
Administration Equipment		2,540	
Data Processing Equipment		6,366	
Other Equipment		32,027	
Total Central and Other			\$ 2,036,281

Operation of Non-Instructional Services

Community Services

Other Charges	\$	26,382	
Total Community Services			26,382

Early Childhood Education

Teachers	\$	882,384	
Career Ladder Program		7,000	
Educational Assistants		352,888	
Social Security		74,158	
State Retirement		124,473	
Life Insurance		2,177	
Medical Insurance		307,203	
Unemployment Compensation		1,352	
Employer Medicare		17,343	
Other Fringe Benefits		2,862	
Travel		400	
Contracts for Substitute Teachers - Certified		4,536	
Contracts for Substitute Teachers - Non-certified		18,790	
Other Contracted Services		1,416	
Food Supplies		4,343	
Instructional Supplies and Materials		10,296	
Other Supplies and Materials		1,495	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

In Service/Staff Development	\$ 6,623	
Total Early Childhood Education		\$ 1,819,739

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$ 1,925	
Total Regular Capital Outlay		1,925

Principal on Debt

Education

Principal on Bonds	\$ 555,000	
Principal on Notes	117,691	
Total Education		672,691

Interest on Debt

Education

Interest on Bonds	\$ 67,600	
Interest on Notes	5,504	
Total Education		73,104

Other Debt Service

Education

Other Debt Service	\$ 250	
Total Education		250

Total General Purpose School Fund		\$ 255,596,797
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,345,883
Clerical Personnel	1,270
Educational Assistants	554,691
Other Salaries and Wages	69,968
Social Security	239,313
State Retirement	376,989
Life Insurance	3,337
Medical Insurance	493,738
Unemployment Compensation	1,499

(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.)

Employer Medicare	\$	56,528	
Other Fringe Benefits		4,787	
Contracts for Substitute Teachers - Non-certified		142,213	
Other Contracted Services		35,807	
Instructional Supplies and Materials		842,494	
Other Supplies and Materials		119,292	
Other Charges		15,000	
Regular Instruction Equipment		250,318	
Total Regular Instruction Program			\$ 6,553,127

Alternative Instruction Program

Teachers	\$	20,760	
Educational Assistants		2,195	
Social Security		1,423	
State Retirement		2,156	
Employer Medicare		333	
Total Alternative Instruction Program			26,867

Special Education Program

Teachers	\$	1,384,411	
Educational Assistants		1,325,621	
Speech Pathologist		218,198	
Other Salaries and Wages		172,452	
Social Security		183,425	
State Retirement		332,715	
Life Insurance		5,972	
Medical Insurance		761,374	
Employer Medicare		43,075	
Other Fringe Benefits		6,709	
Contracts for Substitute Teachers - Non-certified		60,837	
Other Contracted Services		2,920,083	
Instructional Supplies and Materials		684,968	
Special Education Equipment		696,072	
Total Special Education Program			8,795,912

Vocational Education Program

Teachers	\$	136,963	
Clerical Personnel		63,731	
Social Security		12,327	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

State Retirement	\$	20,451	
Life Insurance		156	
Medical Insurance		23,731	
Employer Medicare		2,883	
Other Fringe Benefits		143	
Instructional Supplies and Materials		138,143	
Other Supplies and Materials		69,263	
Vocational Instruction Equipment		323,933	
Total Vocational Education Program			\$ 791,724

Support Services

Attendance

Other Contracted Services	\$	60,000	
Total Attendance			60,000

Health Services

Medical Personnel	\$	33,996	
Other Salaries and Wages		180,788	
Social Security		13,088	
State Retirement		26,636	
Life Insurance		156	
Medical Insurance		19,898	
Employer Medicare		3,061	
Other Fringe Benefits		377	
Total Health Services			278,000

Other Student Support

Guidance Personnel	\$	77,610	
Social Workers		399,150	
Clerical Personnel		3,027	
Attendants		180,326	
Other Salaries and Wages		120,100	
Social Security		45,597	
State Retirement		69,275	
Life Insurance		1,017	
Medical Insurance		139,613	
Employer Medicare		10,997	
Other Fringe Benefits		1,399	
Contracts with Other School Systems		11,725	

(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.)

Other Student Support (Cont.)

Travel	\$	33,235	
Other Contracted Services		15,198	
Other Supplies and Materials		125,993	
In Service/Staff Development		32,512	
Other Charges		29,961	
Total Other Student Support			\$ 1,296,735

Regular Instruction Program

Supervisor/Director	\$	84,556	
Librarians		50,851	
Instructional Computer Personnel		25,057	
Secretary(ies)		33,385	
Educational Assistants		9,440	
Other Salaries and Wages		224,120	
In-Service Training		53,390	
Social Security		29,121	
State Retirement		45,694	
Life Insurance		268	
Medical Insurance		51,772	
Employer Medicare		6,809	
Other Fringe Benefits		734	
Travel		12,305	
Contracts for Substitute Teachers - Certified		5,769	
Contracts for Substitute Teachers - Non-certified		15,288	
Other Contracted Services		640	
Other Supplies and Materials		21,273	
In Service/Staff Development		1,110,214	
Other Equipment		69,797	
Total Regular Instruction Program			1,850,483

Alternative Instruction Program

Supervisor/Director	\$	3,270	
Guidance Personnel		2,100	
Librarians		1,012	
Clerical Personnel		1,026	
Other Salaries and Wages		2,638	
Social Security		623	
State Retirement		983	
Employer Medicare		146	
Total Alternative Instruction Program			11,798

(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	\$	701,882	
Clerical Personnel		37,720	
Other Salaries and Wages		667,965	
Social Security		83,434	
State Retirement		125,978	
Life Insurance		1,272	
Medical Insurance		147,500	
Employer Medicare		19,820	
Other Fringe Benefits		2,932	
Other Supplies and Materials		27,475	
In Service/Staff Development		153,483	
Total Special Education Program			\$ 1,969,461

Vocational Education Program

Clerical Personnel	\$	8,189	
In-Service Training		356	
Social Security		507	
State Retirement		1,067	
Life Insurance		13	
Medical Insurance		2,199	
Employer Medicare		119	
Other Fringe Benefits		17	
In Service/Staff Development		15,372	
Total Vocational Education Program			27,839

Office of the Principal

Principals	\$	68,616	
Accountants/Bookkeepers		13,520	
Assistant Principals		76,614	
Secretary(ies)		21,519	
Clerical Personnel		21,838	
Social Security		12,531	
State Retirement		20,333	
Employer Medicare		2,931	
Total Office of the Principal			237,902

Operation of Plant

Custodial Personnel	\$	100,923	
Social Security		6,257	

(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.)

Operation of Plant (Cont.)

State Retirement	\$	12,757	
Employer Medicare		<u>1,463</u>	
Total Operation of Plant			\$ 121,400

Transportation

Contracts with Vehicle Owners	\$	4,495	
Gasoline		3,934	
Transportation Equipment		<u>62,702</u>	
Total Transportation			71,131

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	26,967	
Cafeteria Personnel		69,209	
Social Security		5,963	
State Retirement		12,157	
Employer Medicare		<u>1,395</u>	
Total Food Service			115,691

Early Childhood Education

Teachers	\$	17,398	
Educational Assistants		7,248	
Social Security		1,528	
State Retirement		2,491	
Employer Medicare		<u>357</u>	
Total Early Childhood Education			<u>29,022</u>

Total School Federal Projects Fund \$ 22,237,092

Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$	11,000	
Workers' Compensation Insurance		<u>52,696</u>	
Total Board of Education			\$ 63,696

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	1,439,912	
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(Continued)

Exhibit L-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	75,008	
Cafeteria Personnel		3,691,164	
Other Salaries and Wages		92,132	
Social Security		318,382	
State Retirement		325,062	
Life Insurance		7,953	
Medical Insurance		876,473	
Unemployment Compensation		36,071	
Employer Medicare		74,650	
Other Fringe Benefits		7,049	
Communication		668	
Maintenance and Repair Services - Equipment		49,206	
Postal Charges		3,533	
Transportation - Other than Students		131,753	
Travel		4,933	
Other Contracted Services		289,518	
Food Preparation Supplies		357,318	
Food Supplies		5,617,134	
Office Supplies		21,687	
Uniforms		8,148	
USDA - Commodities		1,265,485	
Other Supplies and Materials		214,656	
In Service/Staff Development		36,853	
Other Charges		3,303	
Food Service Equipment		662,637	
Total Food Service			\$ 15,610,688

Total Central Cafeteria Fund \$ 15,674,384

Education Capital Projects Fund

Support Services

Board of Education

Trustee's Commission	\$	46,553	
Total Board of Education			\$ 46,553

Capital Projects

Education Capital Projects

Architects	\$	15,540	
Engineering Services		65,530	

(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	\$ 2,183,988		
Total Education Capital Projects		\$ 2,265,058	
Total Education Capital Projects Fund			\$ 2,311,611
<u>Other Capital Projects Fund</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Other Debt Issuance Charges	\$ 13,153		
Total Education		\$ 13,153	
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$ 1,253,893		
Engineering Services	74,648		
Other Contracted Services	2,413,115		
Building Construction	292,520		
Building Improvements	820,323		
Furniture and Fixtures	877,211		
Regular Instruction Equipment	2,857,528		
Site Development	2,281,210		
Other Equipment	30,951		
Other Capital Outlay	557,992		
Total Education Capital Projects		11,459,391	
Total Other Capital Projects Fund			11,472,544
Total Governmental Funds - Rutherford County School Department			\$ 307,292,428

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, 2011

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 10,127,195	\$ 10,127,195
Trustee's Collections - Prior Years	0	276,490	276,490
Circuit/Clerk and Master Collections - Prior Years	0	134,130	134,130
Interest and Penalty	0	50,832	50,832
Pick-up Taxes	0	67,132	67,132
Payments in-Lieu-of Taxes - T.V.A.	0	1,058	1,058
Payments in-Lieu-of Taxes - Local Utilities	0	145,235	145,235
Local Option Sales Tax	42,394,755	6,521,213	48,915,968
Wheel Tax	0	565,470	565,470
Business Tax	0	255,469	255,469
Interstate Telecommunications Tax	0	2,176	2,176
Marriage Licenses	0	2,036	2,036
Total Cash Receipts	<u>\$ 42,394,755</u>	<u>\$ 18,148,436</u>	<u>\$ 60,543,191</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 41,970,808	\$ 17,843,790	\$ 59,814,598
Trustee's Commission	423,947	295,166	719,113
Total Cash Disbursements	<u>\$ 42,394,755</u>	<u>\$ 18,138,956</u>	<u>\$ 60,533,711</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 9,480	\$ 9,480
Cash Balance, July 1, 2010	0	199,872	199,872
Cash Balance, June 30, 2011	<u>\$ 0</u>	<u>\$ 209,352</u>	<u>\$ 209,352</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	249-261
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	262-266
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	11-12	267-268
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	13-14	269-270
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	15-17	271-273

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

Table 1

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

	<u>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>2011</u>
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 115,910	\$ 149,327	\$ 166,358	\$ 162,068	\$ 146,463	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854
Restricted For:										
Capital Projects	4,978	16,114	10,606	14,397	29,782	17,761	7,674	2,071	403	3,650
Debt Service	29,430	26,657	26,632	31,323	32,053	31,703	30,879	32,067	34,939	-
Public Safety	-	-	-	-	-	-	-	-	-	1,576
Ambulance Service	-	-	-	-	-	-	-	-	5,216	-
Highways/Public Works	-	-	-	6,034	6,412	6,725	6,924	6,823	6,579	1,351
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	709
Adequate Facilities/Development Tax	-	-	-	5,827	5,873	5,925	4,340	4,269	-	-
District Attorney	-	-	-	-	-	-	-	210	241	286
Alcohol and Drug Treatment	-	-	-	-	-	-	-	139	-	-
Litigation Tax - Jail, Workhouse, or Courthouse	-	-	-	-	-	872	820	1,412	2,124	-
Victims Assistance Programs	-	-	-	-	-	-	-	169	229	281
Computer System - Register	-	-	-	-	-	-	-	647	691	589
Other Purposes	6,910	7,590	10,618	2,924	6,468	475	1,187	46	112	61
Unrestricted (2)	(217,979)	(218,611)	(221,776)	(254,549)	(278,388)	(250,973)	(267,988)	(325,800)	(300,698)	(225,824)
Total Governmental Activities Net Assets	\$ (60,751)	\$ (18,923)	\$ (7,562)	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)

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	\$ 405,517
Restricted For:										
Capital Projects	37,769	19,815	16,309	38,446	51,723	15,927	14,976	46,795	10,924	1,482
Education	-	-	-	-	-	-	-	-	-	292
Textbooks	-	-	-	-	3,556	-	-	-	-	-
Advances to Other	-	-	-	-	1,080	1,002	1,569	-	-	-
School Federal Projects	-	-	-	-	-	1,569	384	394	828	86
Central Cafeteria	-	-	-	-	-	-	3,160	4,198	4,902	5,151
Career Ladder	-	-	-	-	-	-	-	-	335	-
Driver Education	-	-	-	-	-	-	-	260	-	-
Other Purposes	681	819	1,315	1,986	3,098	268	244	25	-	-
Unrestricted	13,049	12,457	17,378	16,968	14,592	19,856	14,475	(226)	(2,383)	(8,963)
Total Governmental Activities Net Assets	\$ 276,229	\$ 279,660	\$ 296,948	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565

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. 54 was implemented for the fiscal year ended June 30, 2011, which affects the comparability of restricted net assets in prior periods.

Table 2

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 9,291	\$ 930	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325
Finance	4,414	5,143	4,863	5,480	5,727	5,874	5,889	6,989	7,366	7,748
Administration of Justice	4,289	4,609	4,970	4,753	5,331	6,265	4,760	6,496	6,844	6,659
Public Safety	20,611	23,719	24,925	26,807	28,398	34,122	32,701	39,703	38,545	39,080
Public Health and Welfare	9,802	10,709	10,928	10,792	15,762	17,313	16,622	17,927	17,768	18,458
Social, Cultural and Rec. Services	1,023	2,538	1,203	1,186	1,352	1,350	1,380	2,458	2,786	1,838
Agriculture and Natural Resources	402	346	971	1,439	802	918	724	864	1,036	1,085
Other Operations (Note 2)	-	5,118	4,811	6,880	6,104	6,899	6,876	13,523	-	-
Highways/Public Works	13,268	7,369	10,784	13,859	9,750	11,855	14,437	14,529	16,925	9,264
Education (Pymts to Comp. Unit)	52,058	28,827	40,140	67,167	70,937	23,940	62,793	99,547	33,085	35,351
Interest on Long-term Debt	12,480	13,346	13,497	13,123	14,510	16,617	16,447	16,221	17,064	13,850
Other Debt Service	-	20	-	1,146	-	-	154	-	-	-
Total Governmental Activities Expenses	\$ 127,638	\$ 102,674	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658
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	\$ 2,721
Finance	4,102	4,351	5,126	5,514	5,273	6,819	6,483	6,695	6,759	7,158
Administration of Justice	2,987	4,299	4,908	5,525	5,271	5,879	6,243	5,723	6,145	5,803
Public Safety	4,883	4,055	3,459	3,874	525	3,904	3,473	5,222	3,621	2,643
Public Health and Welfare	3,792	4,727	5,719	5,616	5,291	7,647	6,866	7,900	8,024	8,335
Social, Cultural and Rec. Services	9	9	9	8	5	1	1	58	-	1
Agriculture and Natural Resources	3	6	65	126	118	113	-	19	-	23
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	40,077
Operating Grants and Contributions	6,361	7,446	5,120	6,279	11,045	7,002	7,158	6,950	8,161	9,591
Capital Grants and Contributions	10,594	2,271	9,292	2,327	4,873	5,041	5,050	13,745	14,707	1,936
Total Governmental Activities Program Revenues	\$ 36,262	\$ 42,816	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288

(Continued)

Table 2

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue Governmental Activities	\$ (91,376)	\$ (59,858)	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)
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	39,193
Property Tax Levied for Debt Service	19,689	20,805	22,621	25,016	27,009	30,523	33,151	38,072	39,729	37,780
Payments in-Lieu-of Taxes	-	-	-	-	-	-	6,188	6,526	5,535	7,084
Local Option Sales Tax	4,328	3,967	3,891	4,007	4,279	4,812	4,767	2,037	2,035	1,671
Hotel/Motel Tax	-	-	-	-	-	-	986	932	951	1,067
Wheel Tax	-	-	-	-	-	-	5,707	5,701	5,696	5,729
Business Tax	-	-	-	-	-	-	1,385	1,269	1,424	1,709
Litigation Tax	-	-	-	-	-	-	1,062	1,863	2,242	2,232
Development Tax	-	-	-	-	-	-	3,960	2,579	1,395	865
Mineral Severance Tax	-	-	-	-	-	-	-	359	232	220
Bank Excise Tax	-	-	-	-	-	-	-	-	-	77
Wholesale Beer Tax	-	-	-	-	-	-	-	861	837	811
Interstate Telecommunications Tax	-	-	-	-	-	-	-	2	1	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	618
Investment Earnings	2,377	1,583	1,065	2,501	5,114	8,500	5,671	2,603	1,218	654
Gain on Disposal of Capital Assets	-	-	36	2,500	62	-	-	-	-	-
Miscellaneous	32	779	467	325	-	424	130	264	119	63
Total Governmental Activities	\$ 59,615	\$ 62,445	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774
Change in Net Assets	\$ (31,761)	\$ 2,587	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)	\$ (50,916)	\$ 31,774	\$ 27,404

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
(2) Most of the activities previously reported in Other Operations have been reclassified to General Government in fiscal year 2010.

Table 2a

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	195,749
Operation of Non-Instructional Services	-	-	-	-	-	-	94,371	107,541	95,279	106,283
Interest on Long-term Debt	-	-	-	-	-	-	14,510	13,763	15,857	17,093
							120	100	79	65
Total Governmental Activities Expenses	\$ 150,607	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 315	\$ 241	\$ 244	\$ 258	\$ 218	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641
Operating Grants and Contributions	8,953	9,377	13,040	16,650	17,002	18,018	21,131	20,249	29,948	31,830
Capital Grants and Contributions	52,058	14,930	23,511	43,554	46,255	-	36,322	71,724	-	803
Total Governmental Activities Program Revenues	\$ 61,326	\$ 24,548	\$ 36,795	\$ 60,462	\$ 63,475	\$ 18,233	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274
Net (Expense)/Revenue Governmental Activities	\$ (89,281)	\$ (133,904)	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)
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	\$ 61,012
Payments in-Lieu-of Taxes	-	-	-	-	-	-	650	734	828	841
Local Option Sales Tax	22,921	24,124	27,946	29,887	32,888	34,922	37,195	36,185	35,408	37,871
Wheel Tax	-	-	-	-	-	-	3,202	3,215	3,214	3,255
Business Tax	-	-	-	-	-	-	1,227	1,077	1,120	1,360
Interstate Telecommunications Tax	-	-	-	-	-	-	20	19	13	10
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	154,124
Investment Earnings	463	281	203	460	1,171	1,624	1,396	731	327	185
Gain on Disposal of Capital Assets	-	-	356	-	573	-	514	-	-	-
Miscellaneous	92	311	296	498	-	359	360	143	197	145
Total Governmental Activities	\$ 129,199	\$ 137,335	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803
Change in Net Assets	\$ 39,918	\$ 3,431	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)

Notes:

(1) Rutherford County Schools do not engage in any business-type activities.

Table 3

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

Fiscal Year	Property Tax for General Purposes	Property Tax for Debt Service	Payment in-Lieu-of Taxes	Sales Tax - Primary Government	Hotel/Motel Tax	Wheel Tax	Business Tax	Litigation Tax	Develop. Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom. Tax	Other Local Tax - Primary Govt.	Total
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
2011	39,193	37,780	7,084	1,671	1,067	5,729	1,709	2,232	865	220	811	77	1	-	98,439

Table 3a
Rutherford County, Tennessee
Governmental Activities Tax Revenue by Source
Rutherford County Board of Education

Last Ten Fiscal Years
(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
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
2011	61,012	841	37,871	3,255	1,360	10	-	104,349

Table 4

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	(Note 1) 2011
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43
Reserved	1,006	1,561	2,247	2,978	3,387	3,794	2,700	2,983	4,013	-
Restricted	-	-	-	-	-	-	-	-	-	5,660
Committed	-	-	-	-	-	-	-	-	-	1,275
Assigned	-	-	-	-	-	-	-	-	-	2,210
Unassigned	-	-	-	-	-	-	-	-	-	14,524
Unreserved	11,958	12,331	16,234	16,936	20,580	19,931	17,025	12,794	18,694	-
Total General Fund	\$ 12,964	\$ 13,892	\$ 18,481	\$ 19,914	\$ 23,967	\$ 23,725	\$ 19,725	\$ 15,777	\$ 22,707	\$ 23,712
All Other Governmental Funds										
Reserved	\$ 837	\$ 724	\$ 757	\$ 501	\$ 508	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628	\$ -
Restricted	-	-	-	-	-	-	-	-	-	3,016
Committed	-	-	-	-	-	-	-	-	-	769
Assigned	-	-	-	-	-	-	-	-	-	49,641
Unreserved, Reported in:										
Special Revenue Funds	10,190	11,031	14,743	18,308	19,805	19,540	17,753	17,581	14,376	-
Debt Service	31,664	28,975	28,765	30,267	31,183	30,928	30,705	32,182	33,214	-
Capital Projects Funds	8,456	12,869	6,117	14,382	29,708	17,719	9,084	1,020	196	-
Total All Other Governmental Funds	\$ 51,148	\$ 53,600	\$ 50,381	\$ 63,458	\$ 81,204	\$ 69,023	\$ 58,762	\$ 53,727	\$ 50,414	\$ 53,426

(Note 1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was effective and implemented for the fiscal year ended June 30, 2011. Restricted Fund Balances were reported as Reserved Fund Balances in prior fiscal periods. Committed, Assigned, and Unassigned Fund Balances were reported as Unreserved Fund Balances in prior periods.

Table 4a

Rutherford County, Tennessee
General Government Fund Balances - Rutherford County Board of Education

Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	(Note 1) 2011
COMPONENT UNIT - Rutherford County										
Board of Education										
General Purpose School Fund										
Reserved	\$ 3,045	\$ 4,415	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123	\$ -
Restricted	-	-	-	-	-	-	-	-	-	797
Committed	-	-	-	-	-	-	-	-	-	11
Assigned	-	-	-	-	-	-	-	-	-	6,873
Unassigned	-	-	-	-	-	-	-	-	-	12,641
Unreserved	7,484	5,412	6,954	9,875	11,283	12,832	11,396	10,948	16,318	-
Total General Purpose School Fund	<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>	<u>\$ 20,322</u>
All other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248
Reserved	28,556	22,738	7,535	5,659	21,178	15,802	23,167	37,366	8,409	-
Restricted	-	-	-	-	-	-	-	-	-	6,471
Committed	-	-	-	-	-	-	-	-	-	1,572
Unreserved, Reported in:										
Debt Service	-	-	-	-	68	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	3,141	3,972	4,695	-
Capital Projects Funds	9,894	(2,104)	10,089	33,399	31,229	1,127	(7,787)	10,049	3,549	-
Total All Other School Funds	<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>	<u>\$ 8,291</u>

(Note 1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was effective and implemented for the fiscal year ended June 30, 2011. Restricted Fund Balances were reported as Reserved Fund Balances in prior fiscal periods. Committed, Assigned, and Unassigned Fund Balances were reported as Unreserved Fund Balances in prior periods.

Table 5

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

Last Ten Fiscal Years

(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 56,738	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854
Licenses & Permits	932	1,099	1,248	1,679	2,040	1,830	1,688	1,263	1,295	1,276
Fines & Forfeitures	1,546	1,881	2,338	2,638	2,979	2,479	2,875	2,724	2,490	2,479
Charges for Service	11,549	13,453	9,177	9,822	10,349	12,004	12,283	11,998	12,511	10,856
Other Local Revenue	3,348	2,487	1,997	3,613	6,423	9,566	7,069	3,588	2,667	1,880
Fees from Co. Officials	(*)	(*)	6,029	6,327	7,147	7,730	7,147	6,559	6,621	9,407 (1)
State Revenues	8,540	9,729	9,551	8,898	10,695	11,187	11,382	10,518	9,162	9,856
Federal Revenues	648	1,140	1,323	1,805	3,138	1,533	432	602	1,297	1,817
Other Govt/Citizens	2,926	1,206	545	452	1,004	804	508	3,559	2,299	1,045
Total Revenues	\$ 86,227	\$ 90,667	\$ 101,815	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043	\$ 128,899	\$ 136,396	\$ 137,470

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Expenditures

General Government	\$ 8,786	\$ 4,608	\$ 5,168	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)
Finance	4,392	5,022	4,872	5,452	5,953	6,417	6,876	6,968	7,065	7,437 (1)
Admin. of Justice	4,267	4,566	4,752	4,780	5,258	6,073	6,206	6,311	6,487	6,700
Public Safety	19,927	22,028	24,010	25,910	29,316	32,044	34,455	35,961	35,072	37,477
Public Health/Welfare	9,505	10,528	11,564	11,591	13,614	16,018	16,656	15,843	15,867	16,639
Social, Cultural/Rec.	1,023	1,095	1,103	1,086	1,252	1,350	1,381	1,418	1,422	1,476
Agriculture & Natural	386	359	852	1,418	690	735	772	755	780	874
Other Operations	-	5,109	4,805	12,010	9,271	6,878	6,913	7,088	8,535	7,540
Highway & Bridge	5,555	5,831	6,048	6,478	7,000	8,254	8,928	7,688	7,811	7,395
Debt Service:										
Principal	14,069	16,974	16,384	17,719	20,004	24,539	24,515	22,670	22,375	31,935
Interest	12,537	13,105	13,761	14,065	14,769	16,897	16,341	16,441	17,815	14,277
Other Charges	448	-	164	1,146	237	-	349	432	-	858
Capital Projects	53,826	20,469	32,142	46,579	52,523	13,632	54,019	85,202	4,709	1,062
	\$ 134,721	\$ 109,694	\$ 125,625	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903	\$ 214,110	\$ 135,028	\$ 141,613

Excess of Revenues Over

(Under) Expenditures	\$ (48,494)	\$ (19,027)	\$ (23,810)	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)	\$ (85,211)	\$ 1,368	\$ (4,143)
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(*) Excess fees are shown as other financing sources.

(1) Effective October 1, 2010, all fees from the Offices of Register and County Clerk were remitted to the county, and the salaries for their operations are included in the Primary Government.

(Continued)

Table 5

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)										
Transfers In	\$ 10,969	\$ 9,932	\$ 6,166	\$ 6,421	\$ 7,819	\$ 7,287	\$ 6,509	\$ 3,238	\$ 6,413	\$ 1,873
Transfers Out	(11,953)	(10,262)	(5,980)	(6,911)	(7,580)	(6,971)	(6,130)	(2,843)	(5,997)	(1,389)
Insurance Recovery	-	-	-	-	-	113	-	100	12	49
Bond Proceeds	54,220	22,581	24,995	53,500	64,220	-	42,700	41,325	-	-
Note Proceeds	-	-	-	-	-	-	-	31,000	-	-
Proceeds on Refunded Bonds	-	7,534	-	60,165	-	-	-	-	-	140,275
Payments to Refunded Bond										
Escrow Agent	-	(7,534)	-	(64,792)	-	-	-	-	-	(153,003)
Premiums on Debt Issued	628	158	-	6,501	3,018	-	473	3,408	-	20,355
Transfer to Component Unit	-	-	-	-	-	-	-	-	-	-
Transfer from Component Unit	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	4,000	-	-	47	-	-	-
TOTAL OTHER SOURCES	\$ 53,864	\$ 22,409	\$ 25,181	\$ 58,884	\$ 67,477	\$ 429	\$ 43,599	\$ 76,228	\$ 428	\$ 8,160
Net Change in Fund Balances	\$ 5,370	\$ 3,382	\$ 1,371	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)	\$ 1,796	\$ 4,017

Debt Service as a Percentage of
Noncapital Expenditures

Capital Expenditures \$ 9,366 \$ 9,326 \$ 12,225 \$ 13,739 \$ 9,096 \$ 18,652 \$ 22,426 \$ 10,514 \$ 4,924 \$ 2,299

21.2%

30.0%

26.6%

22.7%

22.2%

34.2%

25.1%

19.2%

30.9%

33.2%

(Continued)

Table 5
Rutherford County, Tennessee
General Governmental TAX Revenues by Source
Last Ten Fiscal Years (expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property Tax & PILOT	\$ 41,186	\$ 43,205	\$ 50,038	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328
Sales Tax	4,112	4,098	3,895	4,011	4,246	4,770	4,762	2,296	2,016	1,814
Hotel/Motel Tax	543	579	644	645	748	843	986	932	951	1,067
Wheel Tax	4,261	4,384	4,624	4,897	5,167	5,370	5,707	5,701	5,695	5,729
Litigation Tax	750	873	884	909	965	975	1,062	1,863	2,242	2,231
Business Tax	752	772	870	1,040	1,147	1,236	1,385	1,269	1,424	1,709
Mineral Severance	335	361	453	534	524	690	642	359	232	221
Development Tax	3,890	4,429	7,150	7,702	6,697	6,229	3,960	2,579	1,395	866
Bank Excise Tax	241	214	279	406	372	501	307	342	219	77
Wholesale Beer Tax	658	744	761	627	701	800	845	861	837	811
Other Statutory Tax	10	13	9	9	30	29	54	14	8	1
	<u>\$ 56,738</u>	<u>\$ 59,672</u>	<u>\$ 69,607</u>	<u>\$ 73,957</u>	<u>\$ 76,601</u>	<u>\$ 79,885</u>	<u>\$ 83,659</u>	<u>\$ 88,088</u>	<u>\$ 98,054</u>	<u>\$ 98,854</u>

Table 5a

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 58,859	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406
Licenses and Permits	13	13	14	14	15	16	15	11	11	12
Charges for Service	156	187	208	223	186	186	6,428	7,111	6,594	6,591
Other Local Revenue	813	726	885	1,158	1,924	3,577	6,584	1,255	743	518
State Revenues	70,377	75,109	82,029	94,000	101,319	112,189	133,203	140,433	144,467	153,732
Federal Revenues	8,423	8,577	12,334	14,246	15,477	15,826	15,593	17,784	24,958	32,939
Other Govt/Citizens	52,058	14,930	23,497	43,554	46,255	-	35,322	71,724	-	-
Total Revenues	\$ 190,699	\$ 161,718	\$ 191,524	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621	\$ 334,962	\$ 276,680	\$ 298,198
Expenditures										
Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	186,041
Support Services	42,725	44,958	51,068	55,884	63,264	67,680	76,848	82,531	82,355	89,164
Operational Services	3,062	2,904	3,950	4,343	5,211	6,298	13,970	14,089	15,070	17,602
Capital Outlay	83	45	69	150	347	150	666	38	124	2
Debt Service	-	-	-	-	300	541	561	581	601	673
Principal	-	-	-	-	27	148	129	109	89	73
Interest	-	-	-	-	-	-	-	-	-	13
Other Debt Service	-	-	-	-	-	-	-	-	-	13
Capital Projects	45,726	32,804	26,939	25,681	40,587	40,975	46,557	43,803	38,137	13,724
	\$ 184,408	\$ 180,236	\$ 190,138	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095	\$ 303,059	\$ 304,137	\$ 307,292
Excess of Revenues Over (Under) Expenditures	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)	\$ 31,903	\$ (27,457)	\$ (9,094)
Other Financing Sources (Uses)										
Transfers In	\$ 1,341	\$ 1,020	\$ 1,217	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724	\$ 907
Transfers Out	(1,341)	(1,020)	(1,217)	(4,766)	(3,972)	(3,942)	(7,433)	(1,836)	(724)	(907)
Insurance Recovery	-	-	-	-	-	-	1	-	-	4
Bond Proceeds	-	-	-	-	4,035	-	-	-	-	-
Note Proceeds	-	-	-	-	-	500	-	-	-	1,609
Premiums on Bonds Sold	-	-	-	-	55	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	562	-	-	-
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	\$ -	\$ 4,090	\$ 500	\$ 563	\$ -	\$ -	\$ 1,613
Net Change in Fund Balances	\$ 6,291	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)	\$ 31,903	\$ (27,457)	\$ (7,481)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.2%	0.4%	0.3%	0.3%	0.3%	0.2%
Capital Expenditures	\$ 38,898	\$ 27,886	\$ 20,997	\$ 22,677	\$ 79,765	\$ 68,239	\$ 38,735	\$ 30,257	\$ 30,607	\$ 8,243

(Continued)

Table 5a

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property Tax and PILOT										
Sales Tax	\$ 33,107	\$ 34,947	\$ 41,502	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104
Wheel Tax	22,697	24,074	27,654	29,689	32,452	35,001	37,056	36,381	35,359	37,676
Business Tax	2,364	2,436	2,581	2,752	2,900	3,006	3,202	3,215	3,214	3,255
Other Statutory Tax	668	691	794	929	1,022	1,164	1,227	1,077	1,120	1,360
Total	\$ 58,859	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406

Table 6

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

Fiscal Year Ended June 30	Tax Year	Tax Rate	<u>Real Property</u>		<u>Personal Property</u>		<u>Public Utilities</u>		Equalization Ratio	<u>Total</u>		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
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%
2011	2010	2.4652	20,685,542,300	5,538,134,975	1,333,641,764	400,109,784	293,610,342	161,485,688	100.00%	22,312,794,406	6,099,730,447	27.34%

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				
					Benefit of the City of Murfreesboro	City of Murfreesboro	Town of Smyrna	City of LaVergne	City of Eagleville
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
2011	2010 **	2.4652	0.1482	2.2891	7.14%	1.270	0.7595	0.50	0.7512

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

(1) Average daily attendance factor is the weighted full-time equivalent determined by the Tennessee Department of Education and is based on the number of students attending county and city school systems. By law, Rutherford County must share locally generated revenue with the City of Murfreesboro for its school system.

(2) Net county rate is arrived at by multiplying the portion of the tax rate designated for school purposes by the ADA factor and subtracting from the total county rate.

** Reappraisal year

Table 8

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2011

Taxpayer	Type of Business	2010			Percentage of			2001			Total Taxes Levied (2)	Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2010 Tax Liability	Total Taxes Levied (2)	Rank	Assessed Valuation	2001 Tax Liability				
Nissan Motor Mfg. Co.		1	\$ 491,928,991	\$ 4,176,976	2.80%	1	\$ 395,671,746	\$ 3,390,461	(1)	4.29%		
Automobile Maker												
Middle Tennessee Electric		2	52,666,905	1,440,440	0.97%	3	28,529,113	793,110		1.00%		
Public Utility-Electric Company												
Pillsbury Co./General Mills		3	54,324,277	1,320,552	0.89%	4	24,643,648	685,094		0.87%		
Bakery Goods												
Bridgestone		4	44,552,882	1,098,318	0.74%	2	51,547,382	1,433,017		1.81%		
Tire Maker												
Southpark, Nashville, LLC		5	35,797,560	882,482	0.59%	6	14,943,640	415,434		0.53%		
Warehousing												
CF Murfreesboro Assoc.		6	31,243,835	770,223	0.52%							
Retail Mall (The Avenues)												
Embassy Suites		7	28,982,251	714,470	0.48%							
Hotel & Convention Center												
Stone Ridge Farms		8	24,883,760	613,435	0.41%							
Apartments												
BellSouth		9	21,863,104	597,956	0.40%	5	22,954,833	638,144		0.81%		
Public Utility-Telephone Co.												
Swanson Development		10	23,863,110	588,280	0.39%							
Commercial Properties												
State Farm Insurance						7	14,341,700	398,698		0.50%		
Regional Office-Insurance Co.												
Ingram Books						8	14,188,476	394,439		0.50%		
Book Distributor												
United Cities Gas - Atmos						9	8,710,256	242,145		0.31%		
Public Utilities												
Tennex						10	8,610,715	239,378		0.30%		
Retail Store												
					8.18%							10.92%

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

- (1) The taxes represent \$669,985 (2001 tax year) and \$633,892 (2010 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amount of \$2,720,476 (2001) and \$3,543,084 (2010) represents net tax payments collected through payment in-lieu of tax agreements.
- (2) This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2011

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of		Ratio of	
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy	
2001	\$ 76,232,827	\$ 72,780,582	95.47%	\$ 3,325,841	\$ 76,106,423	99.83%	\$ 126,404	0.17%	
2002	79,909,122	76,104,340	95.24%	3,715,522	79,819,862	99.89%	89,260	0.11%	
2003	93,099,927	89,736,798	96.39%	3,262,604	92,999,402	99.89%	100,525	0.11%	
2004 (2)	97,889,256	94,864,349	96.91%	2,924,508	97,788,857	99.90%	100,399	0.10%	
2005 (2)	105,297,727	101,990,111	96.86%	3,242,133	105,232,244	99.94%	65,483	0.06%	
2006 (2)	111,419,529	108,059,865	96.98%	3,179,952	111,239,817	99.84%	179,712	0.16%	
2007	119,023,978	113,890,715	95.69%	4,818,872	118,709,587	99.74%	314,391	0.26%	
2008	131,273,518	125,819,556	95.85%	4,769,341	125,819,556	95.85%	684,621	0.52%	
2009	147,086,182	140,414,404	95.46%	4,658,886	140,414,404	95.46%	2,012,892	1.37%	
2010	149,180,338	142,559,175	95.56%	(1)	142,559,175	95.56%	6,671,778	4.47%	

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

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

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

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

Fiscal Year Ended June 30	Tax Year	Estimated	Assessed	Tax Payments
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
2011	2010	1,514,930,777	534,627,764	5,160,136

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 16 companies in 2010-2011, with Nissan representing approximately 68.66% of the total. Section 7-53-305, *TCA* is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds, and establish these agreements during the term of the bonds.

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

Table 11
Rutherford County, Tennessee
Ratio of Net General Obligation Bonded Debt
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt (3)	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)
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	5.18%
2007	338,565,000	30,928,426	307,636,574	4,583,953,898	6.71%	228,829	1,344	4.42%
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	4.75%
2010	384,030,000	33,214,372	350,815,628	5,371,366,282	6.53%	257,048	1,365	4.49%
2011	354,180,000	33,913,474	320,266,526	6,099,730,447	5.25%	262,604	1,220	3.88%

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

- (1) Population figures are estimated for all years except the 2011 fiscal year.
(2) See Table 13 for personal income data.
(3) For fiscal periods 2010 through 2011, amounts available in Debt Service Funds do not include a long-term note receivable of \$1,820,785.
NOTE: General Bonded Debt on this table includes capital outlay notes.

Table 12

Rutherford County, TennesseeDirect and Overlapping DebtGeneral Obligation Bonds and NotesAs of June 30, 2011

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 323,580,000		
Capital Outlay Notes	30,600,000		
Less: General Debt Service Funds (2)	<u>(33,913,474)</u>		
Total Direct Debt	\$ 320,266,526	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 215,448,487	42.56%	45.06%
Town of Smyrna	21,776,631	18.19%	16.50%
City of La Vergne	14,082,697	11.95%	13.22%
City of Eagleville	542,500	0.28%	0.24%
County School District of Rutherford (Bonds)	1,180,000	57.44%	54.94%
County School District of Rutherford (Notes)	<u>1,738,890</u>	57.44%	54.94%
Total Overlapping Debt	<u>254,769,205</u>		
Total Direct and Overlapping Debt	\$ 575,035,731		

Source: City Recordors, Table 6, Rutherford County Assessor

Note (1) The percentages represent the ratio of the overlapping government's property value to the county's property value.

Note (2) Amounts available in Debt Service funds do not include a long-term note receivable of \$1,820,785.

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
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	29,700	6,483,272,400	31.2	32,827	4.2%
2007	228,829	30,400	6,956,401,600	31.2	34,512	3.7%
2008	241,462	31,300	7,557,760,600	31.2	35,781	4.4%
2009	249,270	31,600	7,876,932,000	31.2	36,414	7.9%
2010	257,048	30,400	7,814,259,200	31.2	37,152	8.9%
2011	262,604	31,400	8,245,765,600	32.1	38,013	8.4%

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

(1) Populations are estimated for all years except fiscal year 2011.

(2) The Census Bureau determines the median age for local areas each decade.
The last determination was during the 2010 census and will be determined
again after the 2020 census.

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

Employer	2011			2002		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Rutherford County Government and Board of Education	5,503	1	4.23%	3,183	2	3.27%
Nissan Motor Manufacturing Corp. USA	3,400	2	2.61%	6,300	1	6.48%
Middle Tennessee State University	2,225	3	1.71%	1,670	5	1.72%
City of Murfreesboro and Board of Education	2,025	4	1.56%	1,324	8	1.36%
State Farm Insurance	1,626	5	1.25%			
Alvin C. York Veterans Administration Medical Center	1,461	6	1.12%	1,500	6	1.54%
Ingram Book Company	1,324	7	1.02%	2,200	3	2.26%
Middle Tennessee Medical Center	1,150	8	0.88%	1,000	9	1.03%
Verizon	1,068	9	0.82%			
Asurion	1,050	10	0.81%			
Bridgestone/Firestone, Inc.				1,800	4	1.85%
Whirlpool Corp.				1,500	7	1.54%
Perrigo				1,000	10	1.03%
Total			<u>11.79%</u>			<u>17.78%</u>

Source: Rutherford County Chamber of Commerce

Table 15

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

		Employees as of June 30,									
		<u>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>2011</u>
Function:											
General Government	59	60	60	60	60	67	74	79	81	79	80
Finance	87	87	87	87	87	85	86	89	88	90	90
Justice	73	76	77	78	78	81	85	85	89	89	88
Public Safety	357	366	387	397	397	439	469	478	504	501	504
Health and Welfare	159	169	179	186	186	205	212	218	217	217	216
Agriculture	6	6	7	12	12	7	8	8	8	8	7
Other	3	3	3	3	3	3	3	3	3	3	3
Road and Bridge	73	71	71	71	71	77	77	77	77	70	72
Total	817	838	871	894	894	964	1014	1037	1067	1057	1060
COMPONENT UNIT:											
Education	2,467	2,444	2,597	2,748	2,748	2,779	3,098	3,987	4,129	4,332	4,443

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

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	<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>2011</u>
<u>General Government</u>										
Registered Voters	93,415	96,682	105,286	116,705	121,222	123,350	132,477	141,090	144,150	142,856
Building Permits Issued										
Single Family Homes	618	585	566	828	996	811	623	314	388	305
All Other Permits	1,583	1,668	1,588	1,586	2,488	2,471	2,235	1,646	1,549	1,445
<u>Public Safety</u>										
Number of Warrants Served:										
State	10,155	9,518	10,542	10,216	10,799	11,177	12,140	12,215	12,012	12,722
Civil	16,762	16,390	17,638	17,655	17,516	17,499	19,101	19,966	19,795	19,069
<u>Public Health</u>										
Ambulance - Call Volume	14,803	16,432	17,341	16,978	16,993	17,923	19,378	18,600	19,724	22,119
Response Time - avg. minutes	8.30	8.10	8.20	8.50	8.00	7.79	7.83	8.02	7.70	7.60
Animal Control										
Requests for Service	12,764	14,765	13,313	10,937	13,953	14,332	16,415	16,824	16,539	14,328
Animals Impounded	8,822	9,739	8,510	7,421	8,511	8,615	9,193	9,220	8,616	8,208
Animals Adopted	1,498	1,385	1,596	1,774	2,104	2,359	2,457	2,009	2,010	1,658
<u>Road and Bridge</u>										
Street Resurfaced (miles)	N/A	N/A	N/A	71.7	62.8	58.9	62.3	54.4	57.4	55.9
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	92.9	97.9	103.1	111.8	110.9	103.9	110.9	105.7	106.3	103.8
Recyclables Collected	N/A	N/A	10.8	12.7	11.2	8.1	7.5	8.1	8.3	12.4

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

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

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	<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>2011</u>
Highways and Streets										
Number of Streets in System	1,689	1,724	1,759	1,763	1,829	1,914	1,962	2,004	2,034	2,039
Number of Miles	940	942	941	946	942	951	956	959	964	965
Number of Bridges	162	157	157	157	157	163	163	163	164	165
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	1
Ambulance Stations	8	8	8	10	10	11	12	12	12	12
Number of Ambulance Units	14	14	17	20	20	22	24	24	25	25
Sanitation/Landfill										
Number of Trucks	10	11	12	13	14	16	16	16	16	17
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										
						Director of Schools, Appointed				
Number of Employees	2,823	2,893	2,969	3,145	3,264	3,487	3,988	4,129	4,332	4,332
Elementary Schools	21	21	21	21	21	22	23	23	24	24
Middle Schools	3	3	6	7	7	8	8	9	9	10
High Schools	6	6	7	7	7	7	7	7	7	7
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	1	1	2	2	2	2	2	2	2	2
Magnet School	-	-	-	-	-	-	-	-	-	1

Source: Rutherford County Highway Department, Sheriff's Department, Ambulance Department, Convenience Center Department, and 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

October 26, 2011

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, 2011, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated October 26, 2011. 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: 11.02 and 11.05. 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

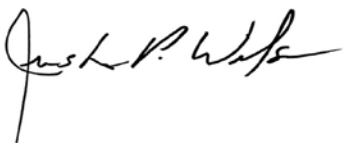
As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 11.01, 11.03, and 11.04.

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
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NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 26, 2011

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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

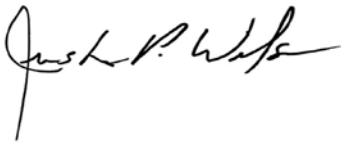
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County as of and for the year ended June 30, 2011, and have issued our report thereon dated October 26, 2011. 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 as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates

directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.

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 line extending downwards from the end.

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, 2011

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	\$ 1,792,041
National School Lunch Program	10.555	N/A	6,283,033 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	15,550
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	1,265,697 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-33797-00	31,198
Total U.S. Department of Agriculture			<u>\$ 9,387,519</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	HM10-40	\$ 2,100
Total U.S. Department of Housing and Urban Development			<u>\$ 2,100</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 40,430
Total U.S. Department of the Interior			<u>\$ 40,430</u>
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 73,829
Local Law Enforcement Block Grants	16.592	N/A	46,524
State Criminal Alien Assistance Program	16.606	N/A	16,127
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to			
Units of Local Government, Recovery Act	16.804	N/A	154,077
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	4157	71,790 (4)
Violence Against Women Formula Grants, Recovery Act	16.588	3734	47,957 (4)
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to			
States and Territories, Recovery Act	16.803	3575	109,088
Total U.S. Department of Justice			<u>\$ 519,392</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	(2)	\$ 62,991
Total U.S. Department of Transportation			<u>\$ 62,991</u>
U.S. Department of Energy:			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	N/A	\$ 195,464
Total U.S. Department of Energy			<u>\$ 195,464</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	\$ 257,227
Passed-through State Department of Education:			
Title 1 Cluster:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	3,808,998
Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	N/A	459,705

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	\$ 6,421,305
Special Education - Preschool Grants	84.173	N/A	118,646
Special Education - Grants to States, Recovery Act	84.391	N/A	5,358,675
Special Education - Preschool Grants, Recovery Act	84.392	N/A	77,348
Career and Technical Education - Basic Grants to States	84.048	(2)	564,655
Education for Homeless Children and Youth Cluster:			
Education for Homeless Children and Youth	84.196	(2)	82,570
Education for Homeless Children and Youth, Recovery Act	84.387	(2)	35,631
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	12,962
Education Technology State Grants, Recovery Act	84.386	(2)	32,659
English Language Acquisition Grants	84.365	(2)	254,605
Improving Teacher Quality State Grants	84.367	N/A	1,010,887
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	12,030,710
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	N/A	603,106
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	1,088,669
Education Jobs Fund	84.410	(2)	3,511,362
Total U.S. Department of Education			<u>\$ 35,729,720</u>
U.S. Department of Elections:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00210-21	\$ 100,000
Total U.S. Department of Elections			<u>\$ 100,000</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(2)	\$ 199,801
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	GG-09-25247-00	30,714
Total U.S. Department of Health and Human Services			<u>\$ 230,515</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)	\$ 44,067
Total Corporation for National and Community Service			<u>\$ 44,067</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-21911	\$ 157,200
Homeland Security Grant Program	97.067	6263	725,686
Total U.S. Department of Homeland Security			<u>\$ 882,886</u>
Total Expenditures of Federal Awards			<u><u>\$ 47,195,084</u></u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Soil and Water Conservation - State Department of Agriculture	N/A	DG-08-20998-00	\$ 5,910
Juvenile Court Prevention - State Department of Children Services	N/A	GG-11-32151-00	417,696
Community Early Intervention Services - State Department of Children Services	N/A	GG-11-32114-00	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)	961,551
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	49,453
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Emergency Management	N/A	(2)	23,023
Waste Tire Program - State Department of Environment and Conservation	N/A	Z-08-212965	225,654
Recycling Program - State Department of Environment and Conservation	N/A	(2)	8,695
Adult Education - State Department of Labor and Workforce Development	N/A	Z-10-218544-00	85,742
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	GG-11-32421-00	1,640,590
Historic Preservation Survey and Planning Grant - State Historical Commission	N/A	(2)	6,400
Litter Program - State Department of Transportation	N/A	Z-10-220375-00	72,317
Energy Efficient School Initiative Grant - State Department of Education	N/A	(2)	803,210
Tennessee Arts Commission Grant - State Department of Finance and Administration	N/A	(2)	1,000
Total State Grants			<u>\$ 4,406,689</u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is \$7,548,730.
(4) Total for CFDA No. 16.588 is \$119,747.

Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which has not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
10.03	277	The Ambulance Service did not issue prenumbered receipts

RUTHERFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unqualified opinion was issued on the financial statements of Rutherford County.
2. The audit of the financial statements disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no 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); 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); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$1,415,853 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 and register are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **BID SPECIFICATIONS FOR AN EQUIPMENT PURCHASE APPLIED ONLY TO ONE BRAND**

(Noncompliance Under *Government Auditing Standards*)

The office solicited and received three bids for the purchase of a roll-off truck and hoist. However, the bid specifications listed a particular brand and/or make/model. Using bid specifications that apply only to a particular brand violates the intent of Chapter 421, Private Acts of 1943, as amended, which requires competitive bids on purchases exceeding \$10,000.

RECOMMENDATION

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

FINDING 11.02 **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 collections. 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. However, the software application used by the Ambulance Service did not assign a sequential receipt number to collections within the system. Sound business practices dictate that adequate controls should be implemented. The office implemented a new software application on February 1, 2011, which generates consecutively numbered receipts; therefore, this deficiency has been corrected.

OFFICE OF REGISTER

FINDING 11.03

CASH TOTALING \$76 WAS UNACCOUNTED

(Noncompliance Under *Government Auditing Standard*)

On November 29, 2010, the register discovered that cash from the money bag totaling \$66 was missing, and on December 27, 2010, the register discovered an additional \$10 was missing. As a result, on December 29, 2010, the register filed a Fraud Reporting Form with our office informing us of these cash shortages. Subsequently, our office conducted an investigation; however, due to a lack of internal controls, we were unable to determine who may have taken the funds.

The office maintained a money bag to store petty cash totaling \$125 plus funds for nine cash drawers totaling \$225. At the end of the day, each employee placed their cash on hand (\$25) into the money bag for the night. Each morning the bag was passed to each employee to take out \$25 to reestablish their cash drawer for the day. This money bag was stored in a locked area; however, all employees had access to the key for this area.

The following internal control deficiencies provided opportunity for these funds to be misappropriated:

- A. All employees used the same money bag to store their cash on hand.
- B. All employees physically handled the money bag twice a day.
- C. All employees had access to the key where the money bag was stored.
- D. Petty cash and operating cash on hand were comingled.

The register of deeds liquidated the cash shortage of \$76 from personal funds.

RECOMMENDATION

Management should review its internal control procedures related to cash. Cash on hand from the nine cash drawers should be remitted to a supervisor who counts the cash and stores the cash overnight in a secured location not accessible to all employees. Petty cash should not be comingled with operating cash on hand from the cash drawers.

MANAGEMENTS' RESPONSE – REGISTER

We have established procedures that strictly limit access to cash by establishing seven drawers that accept only checks and two drawers that accept only cash. One of the drawers that accepts cash is located in the main office section and the other in the copy room. The two drawers contain \$25 each, and the cash is presented to the cashier in the morning in a clear zippered pouch. At the end of the business day, each cashier separates the day's cash receipts from the starting cash. The starting \$25 is returned to the register in the clear zippered bag and counted by the register before being transferred to the \$350 maintained in the Register's Office in the locked filing cabinet. The day's cash receipts along with the day's check receipts are placed in the deposit bag, which again is locked in the Register's Office in a filing cabinet. At the beginning of the next day, the register counts the \$350 in the locked filing cabinet. Then the register reissues \$25 cash to the main office and \$25 to the copy room cash drawer. The register reconciles the daily deposits with the cash and

checks and the deposit is prepared. The locked bank bag is deposited by the chief deputy. This has eliminated the loss of cash from the cash drawers.

OFFICE OF SHERIFF

FINDING 11.04 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**

(Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. System backup procedures were implemented in April 2011.

RECOMMENDATION

Management should ensure that backups are rotated off-site on a weekly basis.

OTHER FINDING AND RECOMMENDATION

FINDING 11.05 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER IN THE ANIMAL SHELTER DEPARTMENT AND THE OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Employees operated from the same cash drawer in the Animal Shelter Department and the Office of Circuit, General Sessions, and Juvenile Courts Clerk. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, officials would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision and results in a loss of control over assets.

RECOMMENDATION

To strengthen internal controls over cash collections, separate cash drawers should be maintained for each employee handling cash.

MANAGEMENTS' RESPONSE – FINANCE DIRECTOR

We concur. To correct the loss of control over assets at the Animal Control Department, a locking cash drawer has been assigned to each employee handling public funds. The employee must sign a log showing their acceptance of the cash drawer and verifying that the correct amount of start-up change is present. At the end of the day, the amount of cash is counted, recorded, and reconciled with receipts issued for the day. The employee signs the log at the end of the day showing that the box was returned. The reconciliation of receipts with cash is performed by a different employee to segregate the duties and improve internal controls.

BEST PRACTICE

RUTHERFORD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING

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. The Division of County Audit strongly believes that the adoption of a central system of purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Rutherford County. Therefore, 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.

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

There were no findings and questioned costs for federal awards.

RUTHERFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011

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

Rutherford County – Summary Schedule for Prior-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.