
COMPREHENSIVE ANNUAL FINANCIAL REPORT RUTHERFORD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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DIRECTOR OF FINANCE
RUTHERFORD COUNTY, TENNESSEE

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

RUTHERFORD COUNTY, TENNESSEE

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Audit Highlights

Comprehensive Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2012.

Results

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

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

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

- ◆ Multiple employees operated from the same cash drawer in the Risk Management Department and Planning Department.
- ◆ Competitive bids were not solicited for dozer/dirt work.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Rutherford County did not report a fringe benefit for School Department employees to the Internal Revenue Service.

OFFICE OF SHERIFF

- ◆ The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.
 - ◆ The office had deficiencies in computer system backup procedures.
-

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The office had cash drawer and accounting software deficiencies.
 - ◆ Duties were not segregated adequately in the Office of Circuit and General Sessions Courts Clerk.
-

BEST PRACTICE

Rutherford County does not have a central system of purchasing. The Division of Local Government 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

October 31, 2012

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, 2012, 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 Local Government 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, 2012, 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 Local Government 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, 2012, 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 and is the fifth largest county in 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 Fund, this comparison is presented on Exhibit F-1 as required supplementary information. For governmental funds with appropriated annual budgets, other than the General Fund, 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 continuing to successfully manage 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, growing at a rate of over 38 percent during the past ten years.

Our largest manufacturing employers include Nissan USA, Ingram Book Co., Asurion, Bridgestone, 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 26,000, a regional veteran's facility with 510 hospital beds and 166 nursing home beds, the south central regional office for State Farm Insurance, and numerous other companies including a call center for Verizon Wireless.

Investment for major manufacturing activity continues in Rutherford County. The construction of a battery plant and modification of the Nissan manufacturing facility represent 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 its 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 when completed is expected to employ up to 224 hourly and salary 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 improved over the course of the fiscal year. As of June 2012, Rutherford County had a labor force of 145,090 with 134,340 employed resulting in a 7.4 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2012, Rutherford County's unemployment rate was below both the state's average of 8.7 percent and the national average of 8.4 percent. These rates are lower than the June 2011 rates, which were reported as 9.1 percent for the county, 9.8 percent for the state, and 9.2 percent for the country.

Rutherford County Board of Education depends on the education component of the local option sales tax to provide 15 percent of their budget's income for FY 2013. After a peak in FY 2008 of \$37.1 million, sales tax finally exceeded the 2008 peak in FY 2011 coming in at \$37.7 million for schools. The improvement in the county's economy once again was reflected in the local option sales tax revenue for schools during FY 2012. This revenue increased seven percent to a new high of \$40.3 million.

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.

During the fiscal year, the Rutherford County Board began construction of a high school located near Smyrna. The core will accommodate 2,000 students. The total cost of the project is estimated at \$46.3 million. The school is expected to open in the fall of 2013 and will provide relief to the existing high schools located in LaVergne, Smyrna, and Murfreesboro. In addition to the high school, the Board of Education also began an expansion project to add ten classrooms at the Eagleville K-12 school. This was done to eliminate reliance on portable classroom buildings. Even with these two projects, the Board of Education determined it will need an additional elementary school and significant additions to existing schools within the next five years if growth continues.

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 \$14.7 million, which represents 20.33 percent of the General Fund's current-year expenditures and 19.31 percent of the 2012-2013 original appropriation. This exceeds the amount set by policy (15 percent). According to the commission's policy, the excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

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

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. 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 17 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, Robert Brown, Sue Hollandsworth, Sheryl Sandefur, Susan Thompson, and Nancy Jolly. I would also like to thank the staff of the county's Office of Information Technology for keeping our accounting system operational. Credit should also be given to the county mayor and the governing body for their interest and support in planning and conducting the operations of Rutherford County government in a responsible and progressive manner.

Sincerely,

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

Lisa A. Nolen, CPA, CGFM
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rutherford County
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Sandison

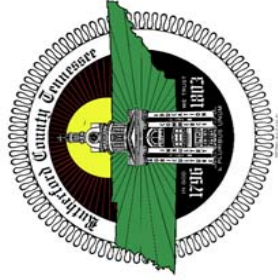
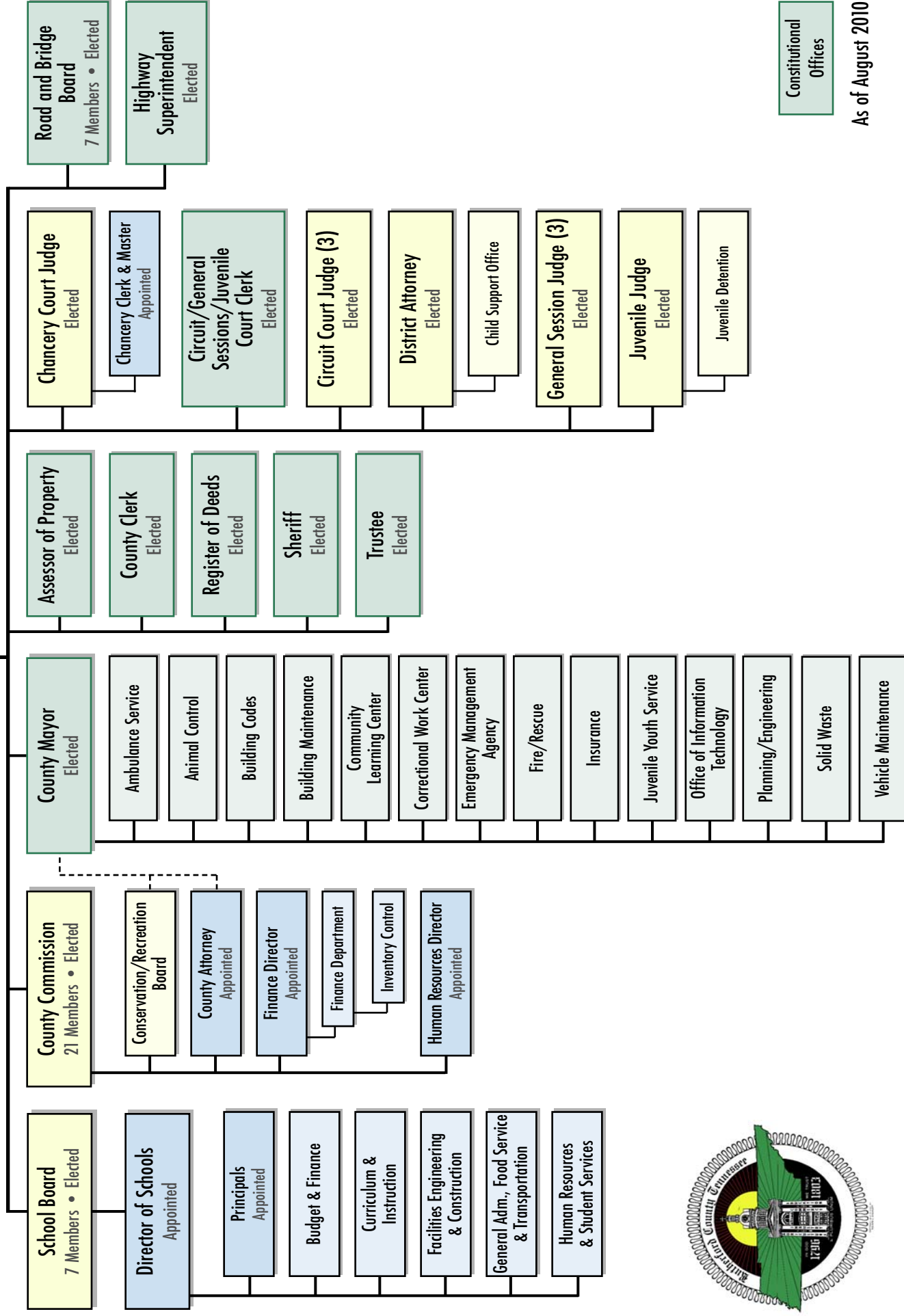
President

Jeffrey R. Enner

Executive Director

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

As of August 2010

Rutherford County Officials

June 30, 2012

Officials

Ernest G. 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 G. 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	Trey Gooch
Brad Turner	Chantho Sourinho

Highway Commissioners

Randal Jones, Chairman	Richard Stegall
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

Charlie Baum, Chairman
William Bratcher
Mark Crocker
Will Jordan

Wayne Blair
David Nipper
Jason King

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

October 31, 2012

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, 2012, 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 three 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

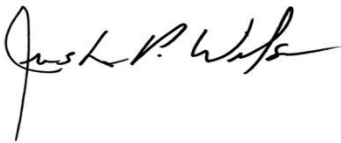
In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2012, on our consideration of Rutherford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 36 and the budgetary comparison, pension, and other postemployment benefits information on pages 114 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 the 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, sweeping underline that extends to the left.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2012**

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The liabilities of Rutherford County Government exceeded its assets at the close of the most recent fiscal year by \$42,468 (net assets). Of this amount, \$327,060 is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net assets decreased by \$27,000.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$83,490, an increase of \$6,351 in comparison with the prior year. Most of this total amount, \$68,356, 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 totaled \$3,838 in the General Fund. This amount will be used to fund operations in the 2012-2013 fiscal year. Unassigned fund balance for the General Fund was \$14,687, or 20.33 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, increased by \$25,165 (7.11%) during the current fiscal year. Bonded debt of \$69,280 was issued in February to provide funding to construct a high school, a road project, and to refund a \$21,000 capital outlay note.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Rutherford County, Tennessee, maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, General Debt Service Fund, and Education Capital Projects Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Rutherford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit E-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 fund's budgetary statement (General Fund). This required supplementary information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the required supplementary information. Combining and individual fund statements and schedules can be found on Exhibits G-1 through J-2 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Rutherford County, Tennessee, liabilities exceeded assets by \$42,468 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, 2012, Rutherford County had outstanding debt totaling \$327,060 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	
	2011	2012
Assets:		
Current and other assets	\$ 198,617	\$ 203,052
Capital assets	258,399	259,417
Total Assets	<u>\$ 457,016</u>	<u>\$ 462,469</u>
Liabilities:		
Long-term liabilities outstanding	\$ (339,933)	\$ (424,482)
Other liabilities	(132,551)	(80,455)
Total Liabilities	<u>\$ (472,484)</u>	<u>\$ (504,937)</u>
Net Assets:		
Invested in capital assets, net of related debt	\$ 201,854	\$ 207,456
Restricted	8,502	6,003
Unrestricted	(225,824)	(255,927)
Total Net Assets	<u><u>\$ (15,468)</u></u>	<u><u>\$ (42,468)</u></u>

By far the largest portion of Rutherford County's net assets (\$207,456) 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, (\$6,003) represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

Rutherford County's Changes in Net Assets

Governmental activities. Governmental activities decreased Rutherford County Government's net assets by \$27,000. As discussed further below, the decrease primarily resulted from a contribution to the Rutherford County Board of Education. Key elements of this decrease are displayed on the Changes in Net Assets Table. The table also presents 2012 revenues and expenditures as a percentage of total revenues and expenditures.

CHANGES IN NET ASSETS

	Governmental Activities		
	2011	2012	
Revenues:			
Program revenues:			
Charges for services	\$ 66,761	\$ 71,553	39%
Operating grants and contributions	9,591	8,590	5%
Capital grants and contributions	1,936	1,770	1%
General revenues:			
Property taxes	76,973	77,209	42%
Payment in-lieu-of taxes	7,084	6,751	4%
Local option sales taxes	1,671	1,583	1%
Hotel/Motel tax	1,067	1,216	1%
Wheel tax	5,729	5,860	3%
Business tax	1,709	1,825	1%
Litigation tax	2,231	2,422	1%
Development tax	866	2,051	1%
Mineral severance tax	220	257	0%
Bank excise tax	77	68	0%
Wholesale beer tax	811	825	0%
Interstate communication tax	1	5	0%
Grants and contributions not restricted to specific programs	618	1,351	1%
Unrestricted investment earnings	654	407	0%
Other	63	140	0%
Total Revenues	\$ 178,062	\$ 183,883	100%

		Governmental Activities (Cont.)		
		2011	2012	
Expenses:				
General government	\$	17,325	\$	16,038 8%
Finance		7,748		8,387 4%
Administration of justice		6,659		6,854 3%
Public safety		39,080		41,151 20%
Public health and welfare		18,458		19,369 9%
Social, cultural, and recreation services		1,838		2,112 1%
Agriculture and natural resources		1,085		1,141 1%
Highways		9,264		11,206 5%
Education		35,351		89,448 42%
Interest on long-term debt		13,851		15,177 7%
Total Expenses	\$	150,659	\$	210,883 100%
Increase (Decrease) in net assets		\$	27,403	\$ (27,000)
Net assets, July 1			(42,805)	(15,468)
Prior-period Adjustment			(66)	0
Net Assets, June 30		\$	(15,468)	\$ (42,468)

Governmental Program Expenses

The cost of all governmental activities was \$210,883. However, as shown on the previous page, 38.84 percent of these costs (\$81,913) was paid by those who directly benefited from the programs (\$71,553), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$8,590) and capital grants and contributions (\$1,770). The county paid for the remaining “public benefit” portion of governmental activities with taxes, general grants and contributions, and other miscellaneous revenue. Each program’s net cost to taxpayers is presented on the next page.

Education expenses of \$89,448 and Public Safety expenses of \$41,151 are the largest expenses of Rutherford County, which when combined (\$130,599) comprise 61.93 percent of total expenses. Of the \$130,599, \$43,798 was recovered by charges for services, \$859 from operating grants/contributions, and \$583 from capital grants/contributions. Rutherford County’s Board of Education is a component unit of the primary government and does not have the authority to issue debt. Rutherford County issues debt on the Board of Education’s behalf; then contributes the proceeds to the Board so that they can purchase, build, or renovate schools. The large increase in Education expenses during FY 2012, compared to the prior year, is the result of such a borrowing. Public Safety’s expenses increased due to the payout of overtime, unanticipated expenses related to the repair and maintenance of the jail and improvements to the facility.

Expenses by Governmental Activities

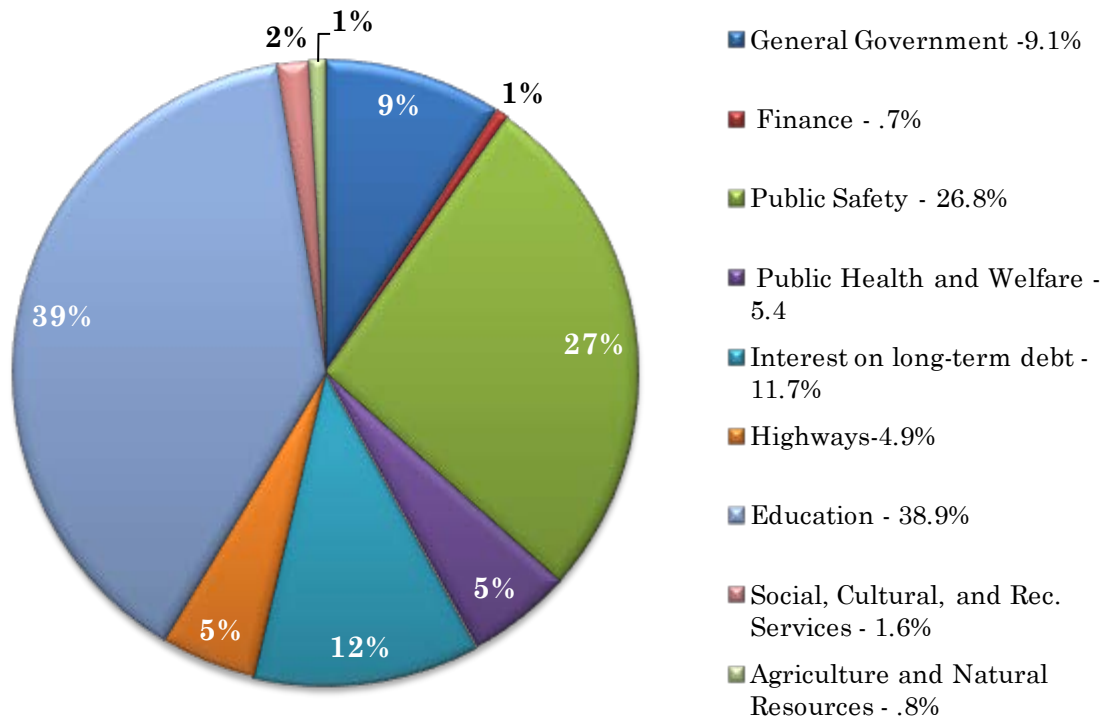
The following table shows the “net (expenses) revenue” as a percentage of the total expense. Net expense is all program expenses less all program revenues.

Net Program Cost to Taxpayers

Governmental Activities:	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General government	\$ 4,912	\$ 16,038	\$ (11,126)	5.3%
Finance	7,454	8,387	(933)	0.4%
Administration of justice	7,104	6,854	250	-0.1%
Public safety	6,352	41,151	(34,799)	16.5%
Public health and welfare	12,365	19,369	(7,004)	3.3%
Social, cultural, and recreational services	2	2,112	(2,110)	1.0%
Agriculture and natural resources	65	1,141	(1,076)	0.5%
Highway/public works	4,771	11,206	(6,435)	3.1%
Education	38,888	89,448	(50,560)	24.0%
Interest on long-term debt	-	15,177	(15,177)	7.2%
Total governmental activities	\$ 81,913	\$ 210,883	\$ (128,970)	61.2%

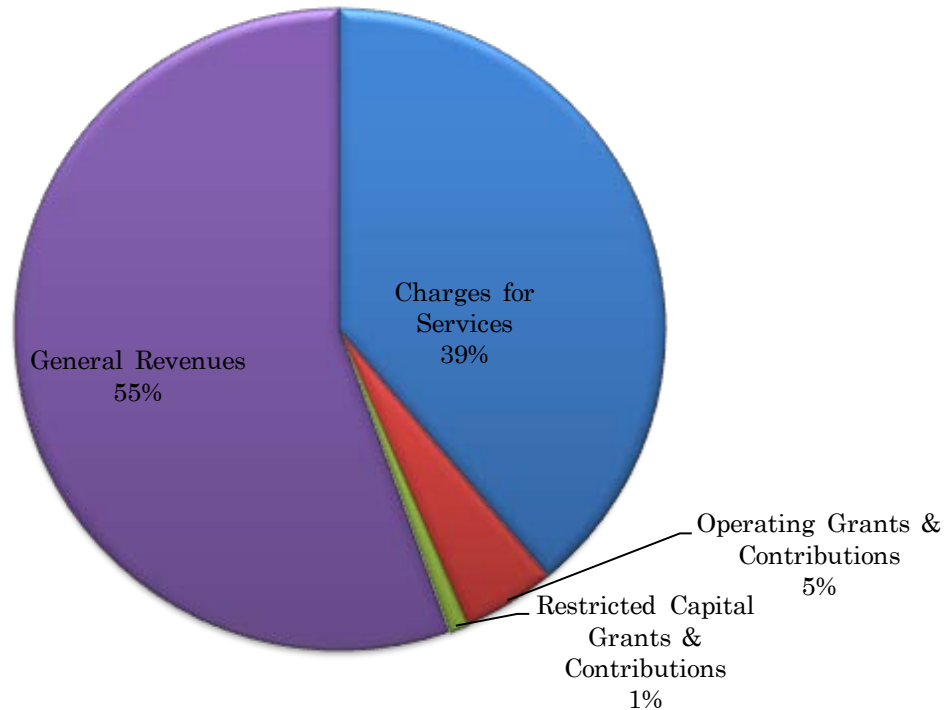
Unlike the preceding table, the next illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens' tax base, as a percentage. For example, 39 percent of the local citizen tax base is spent for Education.

Allocation of the Citizen Tax Base to Governmental Activities



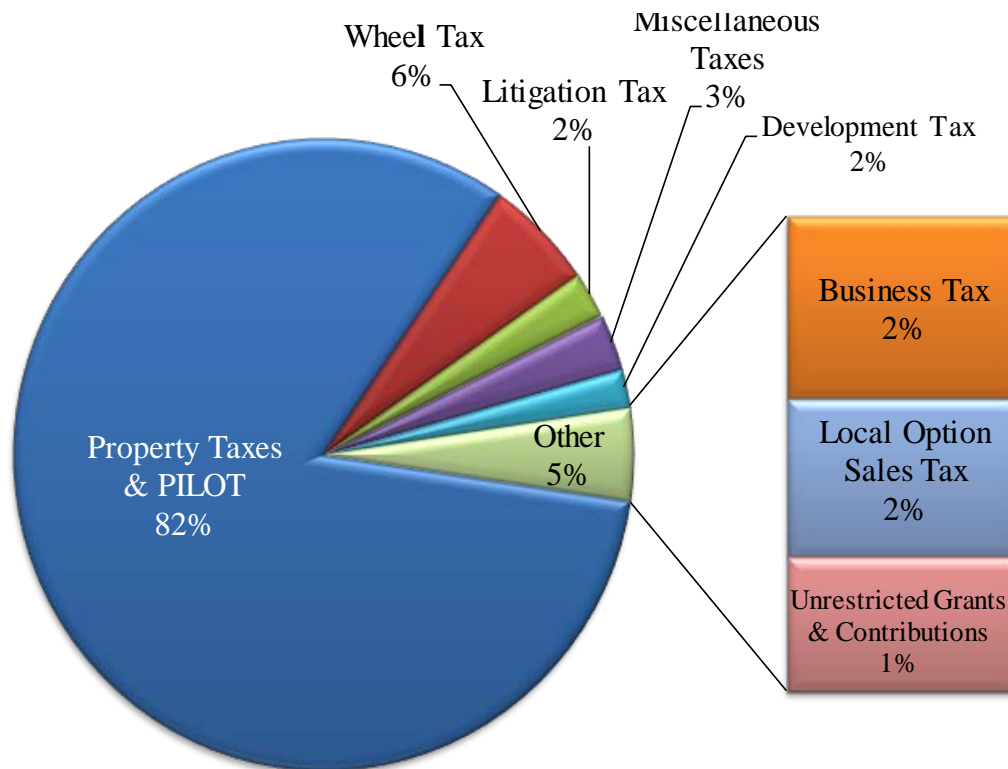
Revenues

Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 45 percent is received from program revenues and 55 percent from 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 are the largest revenue source. Within this major category, the largest single revenue source is property tax and payments in lieu of tax (PILOT) as is illustrated in the following chart.



In an attempt to increase program revenue for the Ambulance Department, a third-party billing service was used to bill all ambulance charges during the fiscal year. This resulted in an increase of almost seven percent over the prior year. The Rutherford County jail housed more state prisoners than the prior year. The State of Tennessee pays the county \$35 per inmate day, and the increase in state prisoners provided 28.64 percent more revenue than the prior year; however, this does not cover the cost to house those prisoners. A decline in federal grants was anticipated because many of the ARRA grants ended. Because of these events, program revenue increased only 4.6 percent over the prior year.

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, \$46 – 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, \$10,243 – 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, \$4,845 – 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, \$53,669 – 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, \$14,687 – 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 \$83,490, an increase of \$6,351 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 \$14,687 while total fund balance was \$23,310. Assigned fund balance was \$3,838, 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 20.33 percent of total General Fund expenditures, while total fund balance represents 32.27 percent of that same amount. It should be noted that with the adoption of the 2011-2012 original budget, the unassigned fund balance was estimated at \$14,556 at June 30, 2012. The General Fund's fund balance decreased by \$402 during the current fiscal year. The difference in estimated and actual was primarily due to the increase in fees collected from county officials, which came in \$1,107 higher than estimated but were offset by unanticipated expenses in public safety as detailed below.

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

	2011	2012
General Government	\$ 876	\$ 219
Finance	1,659	102
Administration of Justice	200	68
Public Safety	841	2,106
Public Health and Welfare	172	77
Social, Cultural, and Recreational Services	16	122
Agriculture and Natural Resources	6	50
Other Operations	959	273
Total Increase in Appropriations	\$ 4,729	\$ 3,017

There were several areas that had significant increases to their original budget: in General Government, the increase in appropriations resulted in the Election Commission needing additional funds for postage and the rentals of voting machines. The County Building's increase resulted from additional funds needed for communications and contracts with other government agencies.

The increase in Finance resulted in a new program manager for Data Processing during the year to aid the Circuit Court Clerk in changing software for all her operations along with the need for additional funding for communications.

The increase in Public Safety was in large part due to the Sheriff and Jail operations. Additional funding was appropriated for the purchase of patrol cars, communication equipment, communication expenses, gasoline, overtime, and food supplies.

The increase in Social, Cultural, and Recreational Services was due to an unanticipated donation given during the fiscal year to Motlow State Community College in Smyrna.

Other increases to the original budget were noted in Other Operations. This was primarily caused by the unanticipated costs related to the payment of judgments and legal services.

At the close of the fiscal year, actual expenditures were \$3.1 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.

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

	2011	2012
General Government	\$ 307	\$ 415
Finance	356	554
Administration of Justice	147	242
Public Safety	1,496	1,118
Public Health and Welfare	290	388
Social, Cultural, and Recreational Services	19	7
Agriculture and Natural Resources	52	42
Other Operations	768	350
Total Results	<u>\$ 3,435</u>	<u>\$ 3,116</u>

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2012, totaled \$259,417 (net of accumulated depreciation). 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 increase in Rutherford County Government's investment in capital assets for the current fiscal year totaled \$1,017, which represented a .4 percent increase over the prior year.

	Governmental Activities	
	2011	2012
Land	\$ 33,364	\$ 33,364
Intangibles (Right of Way)	45,184	45,035
Buildings and improvements	71,901	70,210
Infrastructure	99,701	97,759
Intangibles (other)	814	482
Other capital assets	5,880	6,368
Construction in progress	1,556	6,199
Total	<u>\$ 258,400</u>	<u>\$ 259,417</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 outstanding of \$369,745. 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	
	2011	2012	2011	2012	2011	2012
Notes	\$ 28,163	\$ 8,160	\$ 2,437	\$ 1,440	\$ 30,600	\$ 9,600
Bonds	273,196	318,900	50,384	50,845	323,580	369,745
Total	<u>\$301,359</u>	<u>\$327,060</u>	<u>\$52,821</u>	<u>\$52,285</u>	<u>\$354,180</u>	<u>\$379,345</u>

Rutherford County increased its long-term debt by \$25,165 (7.11%) during the 2011-2012 fiscal year. In February 2012, bonds totaling \$69.28 million were issued to refinance a \$21 million note and to provide funding for a new high school and road projects. 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, 2013, on June 29, 2012. As in prior years, many factors were considered when adopting this budget. Rutherford County continues to be one of the fastest growing areas in the state of Tennessee. In the last months of FY 2012, the county's economy appeared to begin a slow rebound. However, estimates for revenues from property tax, sales tax, development tax, and building related revenues were conservatively developed. Rutherford County's Board of Commissioners has strived to limit the tax burden on property owners.

The property tax rate for tax year 2012 was adopted at the same rate and ratio as for tax year 2011. The distribution of the property tax rate is shown below:

Distribution of the Property Tax Rate

	2011 & 2012 Adopted	
	Rate	Ratio
County General	\$ 0.5840	23.69%
Ambulance	0.0829	3.36%
Highway/Roads	0.0140	0.57%
Education	1.1430	46.37%
Ed. Capital Projects	0.0451	1.83%
General Debt Service	0.5962	24.18%
	<u>\$ 2.4652</u>	<u>100.00%</u>

At the end of the 2011-2012 fiscal year, projected amounts available 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 still maintain a stable tax rate. Rutherford County Government has appropriated \$3,838 for spending in the 2012-2013 fiscal year. This is reflected in the assigned fund balance of the General Fund. Unassigned fund balance in the General Fund is projected at \$14,687 as of June 30, 2013, which is 19.31 percent of the original 2012-2013 General Fund appropriations.

Fund balance in the General Debt Service Fund increased to \$35,814 at fiscal year end. It is anticipated that \$2,587 will be used to fund next year's appropriations. Projected fund balance in the General Debt Service Fund as of June 30, 2013, is projected to be \$31,406, or 75.4 percent of budgeted debt service expenditures.

Request for Information

This financial report is designed to provide a general overview of the Rutherford County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Rutherford County Government, Suite 201, Courthouse, Murfreesboro, TN 37130.

BASIC FINANCIAL STATEMENTS

Exhibit A

Rutherford County, Tennessee
Statement of Net Assets
June 30, 2012

		Component Units		
	Primary Government Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>ASSETS</u>				
Cash	\$ 2,545,472	\$ 1,302,963	\$ 2,511,263	\$ 4,532,116
Equity in Pooled Cash and Investments	112,945,311	76,130,157	0	0
Inventories	0	200,045	21,782	0
Investments	60,818	0	0	0
Accounts Receivable	13,556,243	562,438	1,388,214	42,791
Allowance for Uncollectibles	(10,173,024)	0	(100,000)	0
Property Taxes Receivable	81,393,719	64,494,812	0	0
Allowance for Uncollectible Property Taxes	(4,963,516)	(3,931,134)	0	0
Accrued Interest Receivable	0	0	0	1,783
Advances to Other Funds	125,000	0	0	0
Due from Other Governments	3,378,568	9,222,179	0	101,147
Due from Component Units	2,102	0	0	0
Prepaid Items	45,632	0	15,457	17,061
Notes Receivable - Long-term	2,257,122	0	0	0
Deferred Charges - Debt Issuance Costs	1,878,432	12,785	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	33,363,487	8,467,427	0	17,500
Intangible Assets (Right-of-Ways)	45,035,342	0	0	0
Construction in Progress	6,198,401	24,360,573	99,210	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	70,210,441	374,947,696	294,598	890,495
Infrastructure	97,759,341	0	0	0
Intangible Assets	482,044	251,979	0	0
Other Capital Assets	6,367,896	9,001,867	330,583	244,940
Total Assets	\$ 462,468,831	\$ 565,023,787	\$ 4,561,107	\$ 5,847,833
<u>LIABILITIES</u>				
Accounts Payable	\$ 816,621	\$ 3,764,068	\$ 186,085	\$ 25,103
Accrued Payroll	1,052,089	19,214,566	100,579	0
Contracts Payable	155,089	0	0	0
Retainage Payable	49,516	0	0	0
Accrued Interest Payable	3,523,083	10,609	0	0
Payroll Deductions Payable	1,391	6,028	79,925	0
Due to Primary Government	0	77	2,025	0
Unearned Revenue - Current Property Taxes	74,698,791	59,194,219	0	0
Other Current Liabilities	157,867	0	35,555	0
Noncurrent Liabilities:				
Due Within One Year	33,556,029	1,083,774	185,674	24,114
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	390,926,223	45,222,024	854,179	36,386
Total Liabilities	\$ 504,936,699	\$ 128,495,365	\$ 1,444,022	\$ 85,603

(Continued)

Exhibit A

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

		Component Units		
	Primary Government Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 207,456,447	\$ 414,557,764	\$ 0	\$ 0
Invested in Capital Assets	0	0	724,391	1,152,935
Restricted for:				
General Government	588,040	0	0	0
Finance	22,083	0	0	0
Administrative of Justice	950,782	0	0	0
Public Safety	1,092,117	0	0	0
Public Health and Welfare	98,532	0	0	0
Capital Projects	3,251,281	30,143,340	0	0
School Federal Projects	0	289,516	0	0
Central Cafeteria	0	5,058,735	0	0
Drivers Education	0	256,163	0	0
Other Purposes	0	10,235	0	0
Unrestricted	(255,927,150)	(13,787,331)	2,392,694	4,609,295
Total Net Assets (Deficit)	<u>\$ (42,467,868)</u>	<u>\$ 436,528,422</u>	<u>\$ 3,117,085</u>	<u>\$ 5,762,230</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, 2012

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 Government Total Governmental Activities	Component Units		
						Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 16,037,998	\$ 3,698,844	\$ 966,828	\$ 246,653	\$ (11,125,673)	\$ 0	\$ 0	\$ 0
Finance	8,387,329	7,454,002	0	0	(933,327)	0	0	0
Administration of Justice	6,853,818	6,400,255	704,009	0	250,446	0	0	0
Public Safety	41,151,384	4,910,204	859,231	582,991	(34,798,958)	0	0	0
Public Health and Welfare	19,368,964	10,090,453	2,211,912	63,000	(7,003,599)	0	0	0
Social, Cultural, and Recreational Services	2,111,812	1,440	0	0	(2,110,372)	0	0	0
Agriculture and Natural Resources	1,140,643	41,171	23,912	0	(1,075,560)	0	0	0
Highways/Public Works	11,205,993	68,610	3,824,643	877,646	(6,435,094)	0	0	0
Education	89,448,444	38,887,685	0	0	(50,560,759)	0	0	0
Interest on Long-term Debt	15,176,919	0	0	0	(15,176,919)	0	0	0
Total Primary Government	\$ 210,883,304	\$ 71,552,664	\$ 8,590,535	\$ 1,770,290	\$ (128,969,815)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 316,134,052	\$ 6,759,731	\$ 28,695,750	\$ 48,266,673	\$ 0	\$ (232,411,898)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,913,317	9,645,366	270,000	0	0	0	2,049	0
Emergency Communications District	1,725,416	1,561,237	0	0	0	0	0	(164,179)
Total Component Units	\$ 327,772,785	\$ 17,966,334	\$ 28,965,750	\$ 48,266,673	\$ 0	\$ (232,411,898)	\$ 2,049	\$ (164,179)

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units			
				Primary Government Total	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 41,131,696	\$ 61,079,959	\$ 0	0
Property Taxes Levied for Debt Service				36,076,873	0	0	0
Payments in-Lieu-of Tax				6,751,423	871,127	0	0
Local Option Sales Taxes				1,583,349	40,662,794	0	0
Hotel/Motel Tax				1,215,999	0	0	0
Wheel Tax				5,859,634	3,320,660	0	0
Business Tax				1,824,438	1,442,074	0	0
Litigation Tax				2,422,293	0	0	0
Adequate Facilities/Development Tax				2,051,250	0	0	0
Mineral Severance Tax				256,569	0	0	0
Bank Excise Tax				68,113	0	0	0
Wholesale Beer Tax				824,606	0	0	0
Interstate Telecommunications Tax				4,972	13,920	0	0
Grants and Contributions Not Restricted to Specific Programs				1,351,015	157,771,845	15,645	88,000
Unrestricted Investment Earnings				407,242	107,788	21,615	27,920
Miscellaneous				140,070	104,588	0	198
Total General Revenues				\$ 101,969,542	\$ 265,374,755	\$ 37,260	\$ 116,118
Change in Net Assets				\$ (27,000,273)	\$ 32,962,857	\$ 39,309	\$ (48,061)
Net Assets (Deficit), July 1, 2011				(15,467,595)	403,565,565	3,077,776	5,810,291
Net Assets (Deficit), June 30, 2012				\$ (42,467,868)	\$ 436,528,422	\$ 3,117,085	\$ 5,762,230

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, 2012

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 15,062	\$ 0	\$ 934,949	\$ 950,011
Equity in Pooled Cash and Investments	21,693,654	33,841,572	23,008,950	78,544,176
Investments	0	0	60,818	60,818
Accounts Receivable	385,901	9,467	13,160,952	13,556,320
Allowance for Uncollectibles	0	0	(10,173,024)	(10,173,024)
Due from Other Governments	2,211,897	70,459	863,881	3,146,237
Due from Other Funds	595,313	0	0	595,313
Due from Component Units	1,948	0	77	2,025
Property Taxes Receivable	37,220,211	37,997,756	6,175,752	81,393,719
Allowance for Uncollectible Property Taxes	(2,269,747)	(2,317,162)	(376,607)	(4,963,516)
Prepaid Items	45,632	0	0	45,632
Notes Receivable - Long-term	0	1,820,785	436,337	2,257,122
Total Assets	\$ 59,899,871	\$ 71,422,877	\$ 34,092,085	\$ 165,414,833
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 518,602	\$ 0	\$ 269,674	\$ 788,276
Accrued Payroll	658,924	0	393,165	1,052,089
Payroll Deductions Payable	1,391	0	0	1,391
Contracts Payable	0	0	155,089	155,089
Retainage Payable	0	0	49,516	49,516
Due to Other Funds	0	0	584,689	584,689
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	157,867	0	0	157,867
Deferred Revenue - Current Property Taxes	34,158,714	34,872,304	5,667,773	74,698,791
Deferred Revenue - Delinquent Property Taxes	721,180	736,246	119,662	1,577,088
Other Deferred Revenues	373,016	0	2,487,263	2,860,279
Total Liabilities	\$ 36,589,694	\$ 35,608,550	\$ 9,726,831	\$ 81,925,075
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Items	\$ 45,632	\$ 0	\$ 0	\$ 45,632
Restricted:				
Restricted for General Government	588,040	0	0	588,040
Restricted for Finance	22,083	0	0	22,083
Restricted for Administration of Justice	636,248	0	314,534	950,782
Restricted for Public Safety	427,995	0	664,122	1,092,117
Restricted for Public Health and Welfare	98,532	0	0	98,532
Restricted for Capital Projects	1,741,859	0	5,749,892	7,491,751
Committed:				
Committed for General Government	471,167	0	0	471,167
Committed for Finance	128,739	0	0	128,739
Committed for Administration of Justice	400	0	0	400
Committed for Public Safety	315,304	0	0	315,304

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General	Debt Service	Other Govern- mental Funds	
LIABILITIES AND FUND BALANCES (Cont.)				
Fund Balances (Cont.)				
Committed (Cont.):				
Committed for Public Health and Welfare	\$ 94,043	\$ 0	\$ 19,575	\$ 113,618
Committed for Agriculture and Natural Resources	207,989	0	0	207,989
Committed for Other Operations	6,998	0	0	6,998
Committed for Highways/Public Works	0	0	1,779,835	1,779,835
Committed for Debt Service	0	1,820,785	0	1,820,785
Assigned:				
Assigned for Finance	0	0	110,000	110,000
Assigned for Administration of Justice	0	0	246,101	246,101
Assigned for Public Health and Welfare	0	0	8,681,331	8,681,331
Assigned for Other Operations	0	0	1,267,743	1,267,743
Assigned for Highways/Public Works	0	0	5,532,121	5,532,121
Assigned for Debt Service	0	33,993,542	0	33,993,542
Assigned for Other Purposes	3,838,262	0	0	3,838,262
Unassigned	14,686,886	0	0	14,686,886
Total Fund Balances	\$ 23,310,177	\$ 35,814,327	\$ 24,365,254	\$ 83,489,758
Total Liabilities and Fund Balances	\$ 59,899,871	\$ 71,422,877	\$ 34,092,085	\$ 165,414,833

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, 2012

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)		\$	83,489,758
(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		45,035,342	
Add: construction in progress		6,198,401	
Add: buildings and improvements net of accumulated depreciation		70,210,441	
Add: infrastructure net of accumulated depreciation		97,759,341	
Add: intangible assets net of accumulated depreciation		482,044	
Add: other capital assets net of accumulated depreciation		6,367,896	259,416,952
(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.			25,525,414
(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	\$	(369,745,000)	
Less: notes payable		(9,600,000)	
Add: deferred amount on refunding		11,375,135	
Add: deferred charges - debt issuance costs		1,878,432	
Less: compensated absences payable		(4,983,466)	
Less: other postemployment benefits liability		(9,200,681)	
Less: landfill closure/postclosure care costs		(4,509,001)	
Less: accrued interest on notes and bonds		(3,523,083)	
Less: other deferred revenue - premium on debt		(27,029,695)	(415,337,359)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			4,437,367
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u>(42,467,868)</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, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 50,157,256	\$ 39,670,458	\$ 0	\$ 10,364,061	\$ 100,191,775
Licenses and Permits	1,421,316	0	0	0	1,421,316
Fines, Forfeitures, and Penalties	1,980,337	0	0	551,305	2,531,642
Charges for Current Services	1,040,918	0	0	10,709,173	11,750,091
Other Local Revenues	1,034,620	220,755	0	1,959,585	3,214,960
Fees Received from County Officials	10,232,149	0	0	0	10,232,149
State of Tennessee	6,284,062	0	0	4,974,555	11,258,617
Federal Government	1,382,298	0	0	697,442	2,079,740
Other Governments and Citizens Groups	882,958	0	0	3,610	886,568
Total Revenues	\$ 74,415,914	\$ 39,891,213	\$ 0	\$ 29,259,731	\$ 143,566,858
Expenditures					
Current:					
General Government	\$ 7,998,916	\$ 757,560	\$ 0	\$ 548	\$ 8,757,024
Finance	7,512,819	0	0	480,673	7,993,492
Administration of Justice	4,782,591	0	0	2,020,179	6,802,770
Public Safety	40,038,634	0	0	1,052,677	41,091,311
Public Health and Welfare	3,893,220	0	0	13,494,168	17,387,388
Social, Cultural, and Recreational Services	2,111,812	0	0	0	2,111,812
Agriculture and Natural Resources	964,336	0	0	0	964,336
Other Operations	4,928,662	0	0	359,303	5,287,965
Highways	0	0	0	8,659,167	8,659,167
Debt Service:					
Principal on Debt	0	23,115,000	0	0	23,115,000
Interest on Debt	0	15,338,853	0	0	15,338,853
Other Debt Service	0	503,538	0	0	503,538
Capital Projects	0	0	48,256,673	3,872,998	52,129,671
Total Expenditures	\$ 72,230,990	\$ 39,714,951	\$ 48,256,673	\$ 29,939,713	\$ 190,142,327
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,184,924	\$ 176,262	\$ (48,256,673)	\$ (679,982)	\$ (46,575,469)
Other Financing Sources (Uses)					
Bonds Issued	\$ 0	\$ 0	\$ 45,002,852	\$ 4,256,622	\$ 49,259,474
Refunding Debt Issued	0	20,020,526	0	0	20,020,526
Premiums on Debt Issued	0	1,303,011	3,253,821	0	4,556,832
Insurance Recovery	0	0	0	14,318	14,318
Transfers In	518,447	0	0	3,230,602	3,749,049
Transfers Out	(3,105,602)	0	0	(148,343)	(3,253,945)
Payments to Refunded Debt Escrow Agent	0	(21,419,731)	0	0	(21,419,731)
Total Other Financing Sources (Uses)	\$ (2,587,155)	\$ (96,194)	\$ 48,256,673	\$ 7,353,199	\$ 52,926,523
Net Change in Fund Balances	\$ (402,231)	\$ 80,068	\$ 0	\$ 6,673,217	\$ 6,351,054
Fund Balance, July 1, 2011	23,712,408	35,734,259	0	17,692,037	77,138,704
Fund Balance, June 30, 2012	\$ 23,310,177	\$ 35,814,327	\$ 0	\$ 24,365,254	\$ 83,489,758

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, 2012

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)		\$ 6,351,054
(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	\$ 7,582,761	
Less: current-year depreciation expense	(6,251,876)	1,330,885
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	\$ 45,045	
Less: loss on disposal of capital assets	(357,705)	(312,660)
(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, 2011	\$ (5,038,003)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	4,437,367	(600,636)
(4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (49,259,474)	
Less: refunding debt proceeds	(20,020,526)	
Less: change in premium on debt issuances	(2,242,955)	
Add: change in deferred debt issuance costs	352,070	
Add: principal payments on bonds	23,115,000	
Less: change in deferred amount on refunding debt	(1,684,499)	
Add: payment to refunding agent	21,419,731	
Less: additional interest paid to refunding agent	(419,731)	(28,740,384)
(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	\$ 103,755	
Change in landfill closure/postclosure care costs	44,436	
Change in other postemployment benefits liability	(1,850,035)	
Change in compensated absences payable	(545,876)	(2,247,720)
(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.		(2,780,812)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (27,000,273)</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, 2012

	Governmental Activities - Internal Service Funds
<hr/>	
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,595,461
Equity in Pooled Cash and Investments	34,401,135
Accounts Receivable	232,331
Advances to Other Funds	125,000
Total Assets	<u>\$ 36,353,927</u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 28,345
Claims and Judgments Payable	8,426,525
Due to Other Funds	10,624
Long-term Liabilities:	
Claims and Judgments Payable	2,363,019
Total Liabilities	<u>\$ 10,828,513</u>
 <u>NET ASSETS</u>	
Unrestricted	<u>\$ 25,525,414</u>
Total Net Assets	<u><u>\$ 25,525,414</u></u>

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

Exhibit D-2

Rutherford County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 45,482,752
Other Employee Benefits Charges/Contributions	1,162,048
Service Charges	6,951
Other Local Revenues:	
Retirees' Insurance Payments	3,130,680
Cobra Insurance Payments	223,096
State of Tennessee:	
On-Behalf Contributions for OPEB	100,888
Federal Government:	
On-Behalf Contributions for OPEB	231,157
Total Operating Revenues	<u>\$ 50,337,572</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,681,244
Disability Insurance	414,962
Bank Charges	1,200
Consultants	54,091
Contracts with Private Agencies	2,233,516
Drug and Medical Supplies	2,005
Premiums on Corporate Surety Bonds	7,500
Medical Claims	45,067,383
Liability Claims	1,974,288
Other Self-Insured Claims	535,792
Other Charges	10,414
Total Operating Expenses	<u>\$ 52,982,395</u>
Operating Income (Loss)	<u>\$ (2,644,823)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 359,115
Total Nonoperating Revenues (Expenses)	<u>\$ 359,115</u>
Income (Loss) Before Transfers	\$ (2,285,708)
Transfers Out	<u>(495,104)</u>
Change in Net Assets	\$ (2,780,812)
Net Assets, July 1, 2011	<u>28,306,226</u>
Net Assets, June 30, 2012	<u><u>\$ 25,525,414</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, 2012

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 50,302,755
Payments to Suppliers	(5,398,010)
Claims Paid	(47,572,351)
Insurance Recovery	359,115
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,308,491)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (495,104)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (495,104)</u>
Net Increase (Decrease) in Cash	\$ (2,803,595)
Cash, July 1, 2011	<u>38,800,191</u>
Cash, June 30, 2012	<u><u>\$ 35,996,596</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (2,644,823)
Insurance Recovery	359,115
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	(53,584)
(Increase) Decrease in Due from Other Governments	18,767
Increase (Decrease) in Accounts Payable	4,050
Increase (Decrease) in Due to Other Funds	6,126
Increase (Decrease) in Claims and Judgments Payable	1,858
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (2,308,491)</u></u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash per Net Assets	\$ 1,595,461
Equity in Pooled Cash and Investments per Net Assets	<u>34,401,135</u>
Cash, June 30, 2012	<u><u>\$ 35,996,596</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, 2012

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 88,256	\$ 7,456,486
Equity in Pooled Cash and Investments	91,728	241,800
Investments	0	7,277
Accounts Receivable	1,776	1,270
Due from Other Governments	0	9,586,245
Taxes Receivable	0	11,226,647
Allowance for Uncollectible Taxes	0	(686,479)
Total Assets	<u>\$ 181,760</u>	<u>\$ 27,833,246</u>
<u>LIABILITIES</u>		
Claims and Judgments Payable	\$ 942	\$ 0
Due to Other Taxing Units	0	20,355,390
Due to Litigants, Heirs, and Others	0	7,465,033
Due to Joint Ventures	0	12,823
Advances Payable to Other Funds	125,000	0
Total Liabilities	<u>\$ 125,942</u>	<u>\$ 27,833,246</u>
<u>NET ASSETS</u>		
Held in Trust for Other Employee Benefits	<u>\$ 55,818</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, 2012

	Other Employee Benefit Trust Fund
	Flexible Benefits Fund
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 693,729
Other Local Revenues:	
Miscellaneous Refunds	52
Total Additions	<u>\$ 693,781</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 710,344
Total Deductions	<u>\$ 710,344</u>
Change in Net Assets	\$ (16,563)
Net Assets, July 1, 2011	<u>72,381</u>
Net Assets, June 30, 2012	<u><u>\$ 55,818</u></u>

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

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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 all debt for the discretely presented Rutherford County School Department. Net debt issues totaling \$48,256,673 were contributed by the county to the School Department during the year ended June 30, 2012.

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.

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

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

Additionally, Rutherford County reports the following fund types:

Special Revenue Funds – These funds account for 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.

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

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Rutherford County, the city school system's share of educational revenues, and assets held in a custodial capacity for a regional planning agency. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Rutherford County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Other Capital Projects Fund – This fund accounts for and reports 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.

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.

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 and proprietary fund 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 that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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 two 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 reflected in the primary government funds represent deposits placed with Rutherford County for building codes certificates of occupancy totaling \$157,867. Claims and judgments payable totaling \$10,789,544 are discussed in Note V.A. – Risk Management. Other postemployment benefits payable totaling \$9,200,681 are discussed in Note V.G. – Other Postemployment Benefits.

Retainage payable in the primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects.

These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department totaling \$200,045 are recorded at cost, determined 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. 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, 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 \$6,002,835 of restricted net assets for the primary government, of which \$1,741,859 is restricted by enabling legislation.

As of June 30, 2012, Rutherford County had \$327,059,743 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, and shall remain binding unless removed in the same manner.

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 Commission has authorized the county's Budget/Finance Committee to make general government assignments. The Board of Education is authorized to make assignments for the School Department.

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. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – 15 percent of subsequent year appropriations.

General Debt Service Fund – fund balance adequate to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies,

(4) variable rate volatility contingencies, and (5) future forecasted needs.

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 Education Capital Projects and General Capital Projects funds 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, 2012, Rutherford County and the Rutherford County School Department reported the following significant encumbrances:

Funds	Description	Amount
<u>Primary Government</u>		
Major Fund:		
General	GIS flyover mapping	\$ 420,562
"	Bearcat G3 vehicle	274,933
<u>School Department</u>		
Major Funds:		
General Purpose School Textbooks		1,212,548
Other Capital Projects	School construction	23,650,336
Nonmajor Fund:		
School Federal Projects	Professional development training	201,653

B. Cash Shortage – Prior 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 were being withheld from the employee's bi-monthly payroll checks by the Rutherford County Finance Office. On February 3, 2012, the promissory note was fully liquidated.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Tourism major appropriations category (the legal level of control) of the General Fund by \$9. Expenditures exceeded appropriations approved by the County Commission in the Vocational Education Program and Attendance major appropriations categories (the legal level of control) of the School Federal Projects Fund by \$93 and \$640, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General and School Federal Projects funds.

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; deposits 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, 2012, 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.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Cost</u>
Pooled:		
State Treasurer's Investment Pool	6 to 164	<u>\$ 125,521,786</u>
Nonpooled:		
Primary Government:		
General Capital Projects Fund:		
State Treasurer's Investment Pool	6 to 164	\$ 60,818
Constitutional Officers - Agency Fund:		
Clerk and Master:		
State Treasurer's Investment Pool	6 to 164	<u>7,277</u>
Total Nonpooled		<u>\$ 68,095</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, 2012, 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

The Industrial/Economic Development Fund had a long-term note receivable of \$436,337 on June 30, 2012, 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, 2012, from financing projects for the City of Murfreesboro's Rockvale Utility District.

C. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 33,363,487	\$ 0	\$ 0	\$ 33,363,487
Intangible Assets (Right-of-Ways)	45,183,746	0	(148,404)	45,035,342
Construction in Progress	1,555,986	4,642,415	0	6,198,401
Total Capital Assets Not Depreciated	<u>\$ 80,103,219</u>	<u>\$ 4,642,415</u>	<u>\$ (148,404)</u>	<u>\$ 84,597,230</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 97,961,730	\$ 537,524	\$ 0	\$ 98,499,254
Infrastructure	135,336,905	83,538	(251,764)	135,168,679
Intangible Assets	2,357,048	0	0	2,357,048
Other Capital Assets	28,649,018	2,364,329	(396,463)	30,616,884
Total Capital Assets Depreciated	<u>\$ 264,304,701</u>	<u>\$ 2,985,391</u>	<u>\$ (648,227)</u>	<u>\$ 266,641,865</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 26,060,806	\$ 2,228,007	\$ 0	\$ 28,288,813
Infrastructure	35,636,338	1,836,323	(63,323)	37,409,338
Intangible Assets	1,542,888	332,116	0	1,875,004
Other Capital Assets	22,769,161	1,855,430	(375,603)	24,248,988
Total Accumulated Depreciation	<u>\$ 86,009,193</u>	<u>\$ 6,251,876</u>	<u>\$ (438,926)</u>	<u>\$ 91,822,143</u>
Total Capital Assets Depreciated, Net	<u>\$ 178,295,508</u>	<u>\$ (3,266,485)</u>	<u>\$ (209,301)</u>	<u>\$ 174,819,722</u>
Governmental Activities Capital Assets, Net	<u>\$ 258,398,727</u>	<u>\$ 1,375,930</u>	<u>\$ (357,705)</u>	<u>\$ 259,416,952</u>

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

Governmental Activities:

General Government	\$	584,277
Finance		507,464
Administration of Justice		17,341
Public Safety		1,858,941
Public Health and Welfare		939,816
Agriculture and Natural Resources		187,423
Highways		<u>2,156,614</u>

Total Depreciation Expense - Governmental Activities	\$	<u>6,251,876</u>
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Discretely Presented Rutherford County School Department**Governmental Activities:**

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 8,468,927	\$ 0	\$ (1,500)	\$ 8,467,427
Construction in Progress	<u>7,412,586</u>	<u>19,223,041</u>	<u>(2,275,054)</u>	<u>24,360,573</u>
Total Capital Assets Not Depreciated	<u>\$ 15,881,513</u>	<u>\$ 19,223,041</u>	<u>\$ (2,276,554)</u>	<u>\$ 32,828,000</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 480,497,390	\$ 3,413,227	\$ 0	\$ 483,910,617
Intangible Assets	590,820	0	0	590,820
Other Capital Assets	<u>19,992,672</u>	<u>677,190</u>	<u>(209,068)</u>	<u>20,460,794</u>
Total Capital Assets Depreciated	<u>\$ 501,080,882</u>	<u>\$ 4,090,417</u>	<u>\$ (209,068)</u>	<u>\$ 504,962,231</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 98,034,502	\$ 10,928,419	\$ 0	\$ 108,962,921
Intangible Assets	279,597	59,244	0	338,841
Other Capital Assets	<u>10,255,320</u>	<u>1,395,875</u>	<u>(192,268)</u>	<u>11,458,927</u>
Total Accumulated Depreciation	<u>\$ 108,569,419</u>	<u>\$ 12,383,538</u>	<u>\$ (192,268)</u>	<u>\$ 120,760,689</u>
Total Capital Assets Depreciated, Net	<u>\$ 392,511,463</u>	<u>\$ (8,293,121)</u>	<u>\$ (16,800)</u>	<u>\$ 384,201,542</u>
Governmental Activities Capital Assets, Net	<u>\$ 408,392,976</u>	<u>\$ 10,929,920</u>	<u>\$ (2,293,354)</u>	<u>\$ 417,029,542</u>

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

Governmental Activities:

Instruction	\$ 59,244
Support Services	11,885,526
Operation of Non-Instructional Services	<u>438,768</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 12,383,538</u></u>

D. Construction Commitments

At June 30, 2012, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$24,004,026 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, 2012, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Internal Service	\$ 10,624
General	Nonmajor governmental	584,689
School Department:		
General Purpose School	Nonmajor governmental	53,228
Nonmajor governmental	General Purpose School	786

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
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:	Component Unit:	
General	Community Care of Rutherford Co., Inc.	\$ 1,948
Highway/Public Works	Rutherford County School Department	77

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 3,105,602
Nonmajor governmental funds	23,343	125,000
Internal service funds	495,104	0
Total	\$ 518,447	\$ 3,230,602

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In
	General Purpose School Fund
Nonmajor governmental funds	\$ 244,233

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. Capital Leases

On June 15, 2012, the discretely presented Rutherford County School Department entered into a seven-year lease-purchase agreement for energy efficient water upgrades. The terms of the agreement require total lease payments of \$1,461,013 plus interest of 3.7 percent. As of June 30, 2012, the total amount available for draws was \$946,967 of an authorized \$1,461,013. Title to the upgrades transfers to the School Department immediately upon acceptance of each upgrade. The General Purpose School Fund is making the lease payments. In the government-wide financial statements, the upgrades were expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 107,184
2014	206,269
2015	206,335
2016	39,142
Total Minimum Lease Payments	\$ 558,930
Less: Amount Representing Interest	(44,884)
Present Value of Minimum Lease Payments	\$ 514,046

G. 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 and capital outlay notes. 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, 2012, will be retired from the General Debt Service Fund.

General obligation bonds and notes outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes - Refunding	1.65	% 1-3-14	\$ 9,600,000	\$ 9,600,000
General Obligation Bonds	2.5 to 5	4-1-32	297,820,066	177,332,174
General Obligation Bonds - Refunding	2.037 to 5	4-1-32	219,154,934	192,412,826

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 0	\$ 158,400	\$ 158,400
2014	9,600,000	119,680	9,719,680
Total	\$ 9,600,000	\$ 278,080	\$ 9,878,080

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 24,640,000	\$ 15,823,284	\$ 40,463,284
2014	25,975,000	14,740,332	40,715,332
2015	27,230,000	13,562,284	40,792,284
2016	26,890,000	12,334,756	39,224,756
2017	25,035,000	11,092,110	36,127,110
2018-2022	118,900,000	38,788,043	157,688,043
2023-2027	81,355,000	16,152,777	97,507,777
2028-2032	39,720,000	3,353,335	43,073,335
Total	\$ 369,745,000	\$ 125,846,921	\$ 495,591,921

There is \$35,814,327 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,408, based on the 2010 federal census. Debt per capita, including notes and bonds, totaled \$1,445, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Bonds	Notes
	<u> </u>	<u> </u>
Balance, July 1, 2011	\$ 323,580,000	\$ 30,600,000
Additions	69,280,000	0
Reductions	<u>(23,115,000)</u>	<u>(21,000,000)</u>
Balance, June 30, 2012	<u>\$ 369,745,000</u>	<u>\$ 9,600,000</u>
Balance Due Within One Year	<u>\$ 24,640,000</u>	<u>\$ 0</u>

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
	<u> </u>	<u> </u>
Balance, July 1, 2011	\$ 4,437,590	\$ 4,553,437
Additions	608,026	105,680
Reductions	<u>(62,150)</u>	<u>(150,116)</u>
Balance, June 30, 2012	<u>\$ 4,983,466</u>	<u>\$ 4,509,001</u>
Balance Due Within One Year	<u>\$ 149,504</u>	<u>\$ 340,000</u>

	Claims and Judgments	Other Postemployment Benefits
	<u> </u>	<u> </u>
Balance, July 1, 2011	\$ 10,787,686	\$ 7,350,646
Additions	47,577,463	2,380,067
Reductions	<u>(47,575,605)</u>	<u>(530,032)</u>
Balance, June 30, 2012	<u>\$ 10,789,544</u>	<u>\$ 9,200,681</u>
Balance Due Within One Year	<u>\$ 8,426,525</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 408,827,692
Less: Due Within One Year	(33,556,029)
Add: Unamortized Premium on Debt	27,029,695
Less: Deferred Amount on Refunding	<u>(11,375,135)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 390,926,223</u></u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the above totals for governmental activities, and at year-end, \$10,789,544 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.

Current Refunding

On February 15, 2012, Rutherford County currently refunded one capital outlay note with a separate general obligation bond issue. The county issued \$69,280,000 of general obligation refunding bonds to provide resources to retire the refunded debt and construct additional projects. As a result, the refunded notes are considered defeased, and the liability has been removed from the county's long-term debt. No economic gain or loss (difference between the present value of the debt service payments of the refunded and refunding bonds) was obtained.

Defeasance of Prior Debt

In prior years, Rutherford County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2012, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2003 School Facilities and Public Improvements	\$ 13,410,000
2003A School Facilities and Public Improvements	20,600,000
2004 General Obligation	19,850,000
2006 School Facilities and Public Improvements	24,445,000

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, 2012, will be retired from the General Purpose School Fund.

General obligation bonds and notes outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes	0 to 3 %	4-1-18	\$ 2,109,188	\$ 1,353,132
General Obligation Bonds	3.7 to 4	2-1-13	4,035,000	600,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2012, including interest payments, are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 359,030	\$ 22,992	\$ 382,022
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	\$ 1,353,132	\$ 51,771	\$ 1,404,903

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 600,000	\$ 22,200	\$ 622,200
Total	\$ 600,000	\$ 22,200	\$ 622,200

Bonded debt per capita totaled \$2, based on the 2010 federal census. Debt per capita, including bonds, notes and capital leases totaled \$9, 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, 2012, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2011	\$ 1,180,000	\$ 1,705,781
Reductions	(580,000)	(352,649)
Balance, June 30, 2012	\$ 600,000	\$ 1,353,132
Balance Due Within One Year	\$ 600,000	\$ 359,030

	Capital Leases	Compensated Absences
Balance, July 1, 2011	\$ 0	\$ 1,134,106
Additions	514,046	941,599
Reductions	0	(856,362)
Balance, June 30, 2012	\$ 514,046	\$ 1,219,343
Balance Due Within One Year	\$ 88,164	\$ 36,580

	Other Postemployment Benefits
Balance, July 1, 2011	\$ 33,906,122
Additions	11,071,876
Reductions	(2,363,321)
	<hr/>
Balance, June 30, 2012	\$ 42,614,677
	<hr/>
Balance Due Within One Year	\$ 0
	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 46,301,198
Less: Due Within One Year	(1,083,774)
Add: Unamortized Premium on Debt	4,600
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 45,222,024
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

H. Short-term Debt

Rutherford County issued interfund capital outlay notes in advance of receiving debt proceeds and deposited the proceeds in the Other Capital Projects Fund. These notes were issued because funds were needed for construction projects. Short-term debt activity for the year ended June 30, 2012, was as follows:

	Balance 7-1-11	Issued	Paid	Balance 6-30-12
Interfund Capital Outlay Notes	\$ 0	\$ 15,000,000	\$ (15,000,000)	\$ 0

I. 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, 2012,

interest earned and expended totaled \$360 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 \$750,000 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 their salary averaged 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
2010-11	\$	1,134,024	\$	1,553,062	\$	(1,534,554)	\$	1,152,532
2011-12		1,152,532		1,974,288		(1,651,585)		1,475,235

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2010-11	\$	9,193,302	\$	39,118,216	\$	(40,014,864)	\$	8,296,654
2011-12		8,296,654		45,067,383		(44,863,328)		8,500,709

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

2010-11	\$ 1,186,000	\$ 535,121	\$ (535,121)	\$ 1,186,000
2011-12	1,186,000	283,970	(920,970)	549,000

On-the-Job Injury Program

2010-11	\$ 152,500	\$ 437,826	\$ (437,826)	\$ 152,500
2011-12	152,500	251,822	(139,722)	264,600

B. Subsequent Events

On July 1, 2012, Harry Gill, Jr., left the Office of Director of Schools and was succeeded by Don Odom.

On August 31, 2012, Mike Williams left the Office of Highway Superintendent and was succeeded by Greg Brooks, and Bill Boner left the Office of Property Assessor and was succeeded by Rob Mitchell.

C. Contingent Liabilities

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

D. 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 \$4,509,001 reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. 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 \$1,154,481 to the operations of the libraries during the year ended June 30, 2012.

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, 2012.

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

F. 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 has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, the county's annual pension cost of \$9,590,022 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$9,590,022	100%	\$0
6-30-11	8,964,352	100	0
6-30-10	9,346,375	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 96.54 percent funded. The actuarial accrued liability for benefits was \$164.05 million, and the actuarial value of assets was \$158.38 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.67 million. The covered payroll (annual payroll of active employees covered by the plan) was \$71.49 million, and the ratio of the UAAL to the covered payroll was 7.93 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.

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. A cost of living adjustments (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/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, 2012 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, 2012, 2011, and 2010 were \$12,662,673, \$12,316,888, and \$8,233,806 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.

G. 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 \$100,888 and \$231,157, 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	371,568	1,695,990
Adjustment to the ARC	(471,802)	(2,153,498)
Annual OPEB cost	\$ 2,380,067	\$ 11,071,876
Amount of contribution	(530,032)	(2,363,321)
Increase/decrease in NPO	\$ 1,850,035	\$ 8,708,555
Net OPEB obligation, July 1, 2011	7,350,646	33,906,122
Net OPEB obligation, June 30, 2012	\$ 9,200,681	\$ 42,614,677

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Primary Government	\$ 2,292,609	7.81 %	\$ 5,420,880
6-30-11	"	2,404,946	13.96	7,350,646
6-30-12	"	2,380,067	22.27	9,200,681
6-30-10	School Department	10,404,613	7.87	24,894,954
6-30-11	"	11,183,421	13.72	33,906,122
6-30-12	"	11,071,876	21.35	42,614,677

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, 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)	\$ 41,675,332	\$ 169,495,795
UAAL as a % of covered payroll	55%	66%

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.

H. 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.

I. 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, 2012, 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 stated at cost. Depreciation of property and equipment is provided using the straight-line method. Maintenance and repairs are charged to operations when incurred. The nursing home eliminates the costs and related allowances from the accounts for properties sold or retired, and any resulting gains or losses are included in income. Donated capital assets are valued at their estimated fair value on the date donated. The center estimates the useful lives of the respective classes of plant and equipment 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, 2012, the carrying amount of cash was \$2,155,795, and the bank balance was \$2,368,982. At June 30, 2012, 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. Additionally, cash and cash equivalents presented on the balance sheet include \$1,739 of cash on hand not included in cash deposits above.

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 \$1,288,214 as of June 30, 2012, were comprised of:

Resident service fees	\$ 1,388,214
Less: allowance for uncollectibles	<u>(100,000)</u>
Net resident service fees	<u><u>\$ 1,288,214</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, 2012, was as follows:

Description	Balance 7-1-11	Additions	Retirements	Balance 6-30-12
Capital assets not depreciated:				
Construction in progress	\$ 3,150	\$ 96,060	\$ 0	\$ 99,210
Capital assets being depreciated:				
Land improvements	\$ 4,908	\$ 10,598	\$ (2,560)	\$ 12,946
Buildings and improvements	629,400	0	(13,000)	616,400
Transportation equipment	51,460	33,695	0	85,155
Furniture, fixtures, and equipment	423,019	75,705	(46,399)	452,325
Total	\$ 1,108,787	\$ 119,998	\$ (61,959)	\$ 1,166,826
Accumulated depreciation:				
Land improvements	\$ 3,179	\$ 908	\$ (2,560)	\$ 1,527
Buildings and improvements	98,072	25,953	(13,000)	111,025
Transportation equipment	51,460	2,106	0	53,566
Furniture, fixtures, and equipment	367,599	54,327	(46,399)	375,527
Total	\$ 520,310	\$ 83,294	\$ (61,959)	\$ 541,645
Net capital assets	\$ 591,627	\$ 132,764	\$ 0	\$ 724,391

Depreciation expense for the fiscal year ended June 30, 2012, totaled \$83,294.

E. Resident Funds Held in Trust

At June 30, 2012, the nursing home had a fiduciary responsibility for funds totaling \$35,555 on behalf of residents. Of this amount, \$33,631 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, 2012.

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, and may be terminated by either party upon a 30-day written notice.

During the fiscal year ended June 30, 2012, the nursing home incurred and paid group health and life insurance premiums totaling \$1,017,033.

G. Litigation

The nursing home was a party to one lawsuit at June 30, 2012. A local legal firm was defending the nursing home in this matter and indicated that any loss would not exceed existing insurance coverage or the government limit on liability claims of \$300,000.

H. 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	30.12 %
Medicare	42.70
Private	13.44
Insurance	13.74

Approximately 87.05 percent of net resident revenue is derived from third-party payers.

I. Risk Financing

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

J. Pension Plan

Plan Description – 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.F. 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.F. Total contributions to the plan by the nursing home for the year ended June 30, 2012, totaled \$599,183.

K. 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 – 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	35,731
Adjustment to the ARC	<u>(45,370)</u>
Annual OPEB cost	\$ 189,696
Amount of contribution	<u>(50,137)</u>
Increase/decrease in NPO	\$ 139,559
Net OPEB obligation, July 1, 2011	<u>714,620</u>
 Net OPEB obligation, June 30, 2012	 <u><u>\$ 854,179</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of June 30, 2012, 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)	\$ 4,681,373
UAAL as a % of covered payroll	41%

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.

L. Health Care Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient/resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers.

Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient/resident services previously billed. Management believes that the nursing home is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

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

A. Summary of Significant Accounting Policies

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

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

Financial Reporting Entity - Component Unit – As specified and described by Statement No. 14 of the Governmental Accounting Standards Board (GASB), the district is a component unit of the primary government of Rutherford County, Tennessee. The district reports its financial information separately

from Rutherford County; however, the district's financial information should also be discretely presented by the county in its financial report.

Legally, the district is a separate governmental entity that has considerable legal, financial, and administrative autonomy. However, as the governing board is not elected, but instead is entirely appointed by the Rutherford County Commission, the district cannot be a primary government. Instead, it qualifies as a component unit according to the directives of GASB.

GASB Statement No. 14 specifies that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists *prima facie* if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do three activities. Two of these activities do not require approval by another government: to issue bonded debt and to levy taxes or set rates or charges. As provided by Section 7-86-114, *Tennessee Code Annotated*, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Rutherford County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and is financially accountable to the primary government of Rutherford County, as the County Commission appoints all members of the governing board and by the nature of its fiscal dependence on Rutherford County as described above, it is a component unit of Rutherford County.

At June 30, 2012, 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 conforms to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the district has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The GASB periodically updates its codification of the existing Governmental Accounting and Standards, which along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. Pronouncements 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, 2012, 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, 2012, prepaid insurance and service contract costs were \$17,061.

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. Hours in excess of the maximum 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, 2012, and is \$24,114.

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, 2012, 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, 2012, 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, 2012, the carrying amount of cash deposits was \$1,632,101, and the bank balance was \$1,756,693. All bank accounts earn a variable rate of interest. At June 30, 2012, 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	.07%	\$ 1,169,069	\$ 1,293,661
SunTrust Bank cash investment	.07	463,032	463,032
Total		<u>\$ 1,632,101</u>	<u>\$ 1,756,693</u>

Certificates of Deposit – At June 30, 2012, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-13	0.50 %	\$ 250,000
First Bank	10-03-14	1.00	250,000
Pinnacle National Bank	1-13-17	1.30	250,000
SunTrust Bank	12-16-16	1.29	250,000
First Tennessee Bank	2-15-13	0.35	250,000
First Nat'l Bank of McMinnville	12-12-16	2.25	250,000
U.S. Bank	6-20-13	1.00	100,000
F&M Bank	10-24-12	0.50	100,010
Bank of America	2-18-13	0.65	100,000
Regions Bank	4-18-15	1.55	250,000
First Nat'l Bank of Manchester	12-21-16	1.09	250,000
MidSouth Bank	2-18-14	0.99	250,005
Wilson Bank & Trust	10-19-12	1.10	100,000
Community First Bank	7-20-12	1.05	250,000
Total			<u>\$ 2,900,015</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, 2012:

AT&T	\$ 26,397
NUVOX Communications	6,861
Others	<u>9,533</u>
Total	<u>\$ 42,791</u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-11	Additions	Reductions	Balance 6-30-12
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,194,506	\$ 5,950	\$ 0	\$ 1,200,456
Furniture and Fixtures	45,975	0	0	45,975
Office Equipment	39,478	0	0	39,478
Communications Equipment	715,418	36,467	0	751,885
Vehicle	63,112	0	0	63,112
Other Capital Assets	323,341	0	0	323,341
Total	<u>\$ 2,381,830</u>	<u>\$ 42,417</u>	<u>\$ 0</u>	<u>\$ 2,424,247</u>

Less: Accumulated Depreciation

Buildings and Improvements	\$ (279,974)	\$ (29,987)	\$ 0	\$ (309,961)
Furniture and Fixtures	(42,502)	(2,940)	0	(45,442)
Office Equipment	(33,002)	(2,599)	0	(35,601)
Communications Equipment	(597,924)	(75,921)	0	(673,845)
Vehicle	(50,805)	(5,860)	0	(56,665)
Other Capital Assets	(130,627)	(36,671)	0	(167,298)
Total	<u>\$ (1,134,834)</u>	<u>\$ (153,978)</u>	<u>\$ 0</u>	<u>\$ (1,288,812)</u>

Non-depreciable Assets

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>\$ 1,264,496</u>	<u>\$ (111,561)</u>	<u>\$ 0</u>	<u>\$ 1,152,935</u>

E. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, consisted of an addition of the postemployment benefits obligation totaling \$7,961 to \$36,386.

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, 2012, 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, 2012, Rutherford County Emergency Communications District's annual pension cost of \$22,980 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 3.0 percent annual rate of inflation (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$ 22,980	100 %	\$ 0
6-30-11	18,080	100	0
6-30-10	21,979	100	0

Funded Status and Funding Progress – As of July 1, 2011, the most recent actuarial valuation date, the plan was 85.12 percent funded. The actuarial accrued liability for benefits was \$.49 million, and the actuarial value of assets was \$.42 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.07 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.21 million, and the ratio of the UAAL to the covered payroll was 33.92 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.

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. The district recognizes the cost of post-employment 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		1,421
Adjustment to the ARC		(1,805)
Annual OPEB cost	\$	7,961
Amount of contribution		0
Increase/decrease in NPO	\$	7,961
Net OPEB obligation, 7-1-11		28,425
Net OPEB obligation, 6-30-12	\$	36,386

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.

I. Commitments

During the year ended June 30, 2012, the district entered into an inter-agency agreement with Rutherford County to remit \$15,000 annually for three years, (a total of \$45,000), for the district's share of cost associated

with a license agreement. The future payments for the year ending June 30, 2013, and 2014, are \$15,000 and \$15,000, respectively.

J. Transactions with primary government

During the year ended June 30, 2012, the district awarded Rutherford County a grant of \$215,000. Additional amounts paid to Rutherford County included amounts paid for mapping services, maintenance agreements and training reimbursements of \$50,000, \$15,000, and \$40,000, respectively. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$287,953 for salaries and benefits paid on the district's behalf.

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 50,157,256	\$ 0	\$ 0	\$ 50,157,256	\$ 48,477,094	\$ 50,193,766	\$ (36,510)
Licenses and Permits	1,421,316	0	0	1,421,316	1,291,500	1,404,000	17,316
Fines, Forfeitures, and Penalties	1,980,337	0	0	1,980,337	1,824,850	2,027,400	(47,063)
Charges for Current Services	1,040,918	0	0	1,040,918	694,650	1,065,497	(24,579)
Other Local Revenues	1,034,620	0	0	1,034,620	761,500	1,034,880	(260)
Fees Received from County Officials	10,232,149	0	0	10,232,149	9,125,000	10,331,720	(99,571)
State of Tennessee	6,284,062	0	0	6,284,062	5,525,973	6,226,437	57,625
Federal Government	1,382,298	0	0	1,382,298	1,432,910	2,333,326	(951,028)
Other Governments and Citizens Groups	882,958	0	0	882,958	764,700	830,908	52,050
Total Revenues	\$ 74,415,914	\$ 0	\$ 0	\$ 74,415,914	\$ 69,898,177	\$ 75,447,934	\$ (1,032,020)

Expenditures							
General Government							
County Commission	\$ 201,252	\$ 0	\$ 0	\$ 201,252	\$ 237,355	\$ 237,355	\$ 36,103
Board of Equalization	7,530	0	0	7,530	23,270	22,570	15,040
County Mayor/Executive	394,227	(2,751)	854	392,330	432,332	411,518	19,188
Personnel Office	252,540	0	149	252,689	267,087	287,325	34,636
County Attorney	384,173	0	0	384,173	390,410	390,410	6,237
Election Commission	839,262	(1,667)	16,002	853,597	795,722	942,048	88,451
Register of Deeds	988,646	(974)	4,886	992,558	1,022,049	1,030,211	37,653
Planning	694,396	(400)	3,203	697,199	742,325	746,118	48,919
Codes Compliance	414	0	0	414	2,000	2,000	1,586
Geographical Information Systems	875,517	(110,255)	438,536	1,203,798	1,226,328	1,231,626	27,828
County Buildings	1,894,047	(36,207)	7,429	1,865,269	1,873,375	1,923,332	58,063
Other General Administration	234,771	(76)	1,185	235,880	237,011	237,011	1,131

(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 7/1/2011	Add: Encumbrances 6/30/2012	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	\$ 210,332 \$	(804) \$	46 \$	209,574 \$	213,343 \$	215,343 \$	5,769
Risk Management	1,021,809	(2,085)	985	1,020,709	1,049,818	1,054,736	34,027
<u>Finance</u>							
Accounting and Budgeting	988,648	(144)	11,991	1,000,495	1,007,101	1,010,791	10,296
Property Assessor's Office	1,615,404	(2,386)	731	1,613,749	1,915,537	1,926,329	312,580
Reappraisal Program	476,368	0	0	476,368	548,166	559,575	83,207
County Trustee's Office	544,574	(1,811)	348	543,111	623,950	623,950	80,839
County Clerk's Office	2,135,125	0	2,143	2,137,268	2,139,882	2,153,102	15,834
Data Processing	1,752,700	(47,088)	115,003	1,820,615	1,808,644	1,871,901	51,286
<u>Administration of Justice</u>							
Circuit Court	439,692	(3,385)	33,646	469,953	545,300	545,300	75,347
Circuit Court Judge	240,810	0	0	240,810	249,825	249,825	9,015
General Sessions Court	1,256,758	0	0	1,256,758	1,319,427	1,322,837	66,079
Drug Court	373,807	(1,109)	1,472	374,170	380,015	381,429	7,259
Chancery Court	857,204	(141)	0	857,063	859,103	884,053	26,990
Juvenile Court	485,778	0	0	485,778	476,531	499,991	14,213
District Attorney General	80,040	0	0	80,040	80,311	80,311	271
Office of Public Defender	24,328	0	0	24,328	31,400	31,400	7,072
Probation Services	866,079	0	400	866,479	875,338	881,085	14,606
Victims Assistance Programs	158,095	(600)	0	157,495	170,180	179,120	21,625
<u>Public Safety</u>							
Sheriff's Department	18,661,569	(149,900)	244,447	18,756,116	18,126,803	19,181,432	425,316
Special Patrols	44,575	0	0	44,575	58,918	58,918	14,343
Traffic Control	5,370	0	4,780	10,150	20,000	20,000	9,850

(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 7/1/2011	Add: Encumbrances 6/30/2012	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	\$ 73,834	\$ 0	0	73,834	\$ 71,028	\$ 78,268	\$ 4,434
Jail	13,415,410	(336,356)	90,614	13,169,668	12,830,825	13,315,860	146,192
Workhouse	3,239,534	(19,100)	1,737	3,222,171	3,356,870	3,381,688	159,517
Juvenile Services	1,760,650	(545)	875	1,760,980	1,801,916	1,820,795	59,815
Rural Fire Protection	1,109,199	(5,502)	39,118	1,142,815	1,007,501	1,212,464	69,649
Disaster Relief	996,041	(152,850)	361,275	1,204,466	1,106,004	1,411,458	206,992
Inspection and Regulation	732,452	(70)	451	732,833	749,024	754,314	21,481
<u>Public Health and Welfare</u>							
Local Health Center	601,835	(2,877)	4,683	603,641	651,682	652,542	48,901
Rabies and Animal Control	1,387,705	(159,667)	1,803	1,229,841	1,304,737	1,339,737	109,896
Nursing Home	15,000	0	0	15,000	15,000	15,000	0
Dental Health Program	11,427	(131)	55	11,351	12,400	12,400	1,049
Other Local Health Services	1,580,732	0	0	1,580,732	1,789,873	1,795,043	214,311
General Welfare Assistance	43,500	0	0	43,500	43,500	43,500	0
Sanitation Management	33,008	0	0	33,008	40,200	40,200	7,192
Other Public Health and Welfare	220,013	0	0	220,013	192,000	227,500	7,487
<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	1,154,481	0	0	1,154,481	1,154,481	1,154,481	0
Parks and Fair Boards	402,208	0	0	402,208	387,335	408,935	6,727
Other Social, Cultural, and Recreational	521,623	0	0	521,623	421,797	521,797	174
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	713,828	0	0	713,828	687,668	737,788	23,960

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Soil Conservation	\$ 112,631	\$ 0	\$ 0	\$ 112,631	\$ 118,033	\$ 118,033	\$ 5,402
Storm Water Management	137,877	(783)	3,132	140,226	152,569	152,569	12,343
<u>Other Operations</u>							
Tourism	409,809	0	0	409,809	345,000	409,800	(9)
Other Economic and Community Development	94,757	0	0	94,757	297,900	297,900	203,143
Other Charges	220,626	(5,298)	6,999	222,327	289,454	289,454	67,127
Employee Benefits	506,925	0	0	506,925	571,500	508,500	1,575
Payments to Cities	1,916,068	0	0	1,916,068	1,928,146	1,928,146	12,078
ARRA Grant # 6	45,238	(31,708)	97,487	111,017	112,250	112,250	1,233
Miscellaneous	1,735,239	(14,716)	0	1,720,523	1,514,782	1,785,482	64,959
Total Expenditures	\$ 72,230,990	\$ (1,091,386)	\$ 1,496,465	\$ 72,636,069	\$ 72,735,831	\$ 75,752,356	\$ 3,116,287
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 2,184,924	\$ 1,091,386	\$ (1,496,465)	\$ 1,779,845	\$ (2,837,654)	\$ (304,422)	\$ 2,084,267
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 518,447	\$ 0	\$ 0	\$ 518,447	\$ 503,618	\$ 526,889	\$ (8,442)
Transfers Out	(3,105,602)	0	0	(3,105,602)	(800,000)	(3,105,602)	0
Total Other Financing Sources (Uses)	\$ (2,587,155)	\$ 0	\$ 0	\$ (2,587,155)	\$ (296,382)	\$ (2,578,713)	\$ (8,442)
Net Change in Fund Balance	\$ (402,231)	\$ 1,091,386	\$ (1,496,465)	\$ (807,310)	\$ (3,134,036)	\$ (2,883,135)	\$ 2,075,825
Fund Balance, July 1, 2011	23,712,408	(1,091,386)	0	22,621,022	17,690,597	17,690,597	4,930,425
Fund Balance, June 30, 2012	\$ 23,310,177	\$ 0	\$ (1,496,465)	\$ 21,813,712	\$ 14,556,561	\$ 14,807,462	\$ 7,006,250

Exhibit F-2

Rutherford County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government, Discretely Presented Rutherford County School Department,
Discretely Presented Community Care of Rutherford County, Inc., and
Discretely Presented Rutherford County Emergency Communications District
June 30, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
Primary Government, Discretely Presented	7-1-11	\$ 158,378	\$ 164,051	\$ 5,673	96.54 %	\$ 71,492	7.93 %
Rutherford County School Department, and	7-1-09	119,466	124,460	4,994	95.99	67,997	7.34
Discretely Presented Community Care of	7-1-07	102,362	108,594	6,232	94.26	60,733	10.26
Rutherford County, Inc.							
Discretely Presented Rutherford County	7-1-11	415	488	73	85.12	214	33.92
Emergency Communications District	7-1-09	301	311	9	96.95	201	4.70
	7-1-07	257	267	10	96.25	185	5.41

Exhibit F-3

Rutherford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government, Discretely Presented Rutherford County School Department,
Discretely Presented Community Care of Rutherford County, Inc., and
Discretely Presented Rutherford County Emergency Communications District
June 30, 2012

(Dollar amounts in thousands)

Plans	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government	6-30-10	1-1-09	\$ 0	\$ 20,846	\$ 20,846	0 %	\$ 40,505	51 %
"	6-30-11	1-1-10	0	22,803	22,803	0	40,801	56
"	6-30-12	1-1-10	0	22,803	22,803	0	41,675	55
Rutherford County School Department	6-30-10	1-1-09	0	99,177	99,177	0	159,388	62
"	6-30-11	1-1-10	0	111,161	111,161	0	163,973	68
"	6-30-12	1-1-10	0	111,161	111,161	0	169,496	66
Community Care of Rutherford County, Inc.	6-30-10	1-1-09	0	1,996	1,996	0	4,744	42
"	6-30-11	1-1-10	0	1,927	1,927	0	4,668	42
"	6-30-12	1-1-10	0	1,927	1,927	0	4,681	41
Emergency Communications District	6-30-10	1-1-09	0	64	64	0	202	32
"	6-30-11	1-1-10	0	68	68	0	214	32
"	6-30-12	1-1-10	0	68	68	0	214	32

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2012, Rutherford County reported the following significant encumbrances in the General Fund:

<u>Description</u>	<u>Amount</u>
GIS flyover mapping	\$ 420,562
Bearcat G3 vehicle	274,933

**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.

Ambulance Service Fund – The Ambulance Service Fund is used to account for ambulance service-related operations.

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, 2012

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
Cash	\$ 400	\$ 100	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	4,218,136	4,302,574	831,406	175,503	492,855
Investments	0	0	0	0	0
Accounts Receivable	90,364	13,011,066	0	0	0
Allowance for Uncollectibles	0	(10,173,024)	0	0	0
Due from Other Governments	247,709	8,991	0	29	50
Due from Component Units	0	0	0	0	0
Property Taxes Receivable	0	5,283,486	0	0	0
Allowance for Uncollectible Property Taxes	0	(322,195)	0	0	0
Notes Receivable - Long-term	0	0	436,337	0	0
Total Assets	\$ 4,556,609	\$ 12,110,998	\$ 1,267,743	\$ 175,532	\$ 492,905
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 72,078	\$ 95,999	\$ 0	\$ 0	\$ 729
Accrued Payroll	36,016	353,563	0	0	3,586
Contracts Payable	0	0	0	0	0
Retainage Payable	0	0	0	0	0
Due to Other Funds	1,191	3,283	0	0	0
Deferred Revenue - Current Property Taxes	0	4,848,900	0	0	0
Deferred Revenue - Delinquent Property Taxes	0	102,373	0	0	0
Other Deferred Revenues	101,896	2,351,402	0	0	0
Total Liabilities	\$ 211,181	\$ 7,755,520	\$ 0	\$ 0	\$ 4,315
<u>Fund Balances</u>					
Restricted:					
Restricted for Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
\$	0 \$	0 \$	0 \$	175,532 \$	488,590
	0	0	0	0	0
	0	19,575	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	4,345,428	4,335,903	0	0	0
	0	0	1,267,743	0	0
	0	0	0	0	0
\$	4,345,428 \$	4,355,478 \$	1,267,743 \$	175,532 \$	488,590
\$	4,556,609 \$	12,110,998 \$	1,267,743 \$	175,532 \$	492,905

(Continued)

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Restricted (Cont.):
Restricted for Public Safety
Restricted for Capital Projects
Committed:
Committed for Public Health and Welfare
Committed for Highways/Public Works
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

Exhibit G-1

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

	Special Revenue Funds (Cont.)				Capital Projects Fund		Total Nonmajor Governmental Funds
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$	0	\$ 934,449	\$ 0	\$ 934,949	\$ 0	\$ 934,949	
Equity in Pooled Cash and Investments	317,184	0	6,880,682	17,218,340	5,790,610	23,008,950	
Investments	0	0	0	0	60,818	60,818	
Accounts Receivable	0	1,612	57,910	13,160,952	0	13,160,952	
Allowance for Uncollectibles	0	0	0	(10,173,024)	0	(10,173,024)	
Due from Other Governments	1,156	0	477,980	735,915	127,966	863,881	
Due from Component Units	0	0	77	77	0	77	
Property Taxes Receivable	0	0	892,266	6,175,752	0	6,175,752	
Allowance for Uncollectible Property Taxes	0	0	(54,412)	(376,607)	0	(376,607)	
Notes Receivable - Long-term	0	0	0	436,337	0	436,337	
Total Assets	\$ 318,340	\$ 936,061	\$ 8,254,503	\$ 28,112,691	\$ 5,979,394	\$ 34,092,085	

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities							
Accounts Payable	3,806	\$ 0	\$ 72,165	\$ 244,777	\$ 24,897	\$ 269,674	
Accrued Payroll	0	0	0	393,165	0	393,165	
Contracts Payable	0	0	0	0	155,089	155,089	
Retainage Payable	0	0	0	0	49,516	49,516	
Due to Other Funds	0	579,960	255	584,689	0	584,689	
Deferred Revenue - Current Property Taxes	0	0	818,873	5,667,773	0	5,667,773	
Deferred Revenue - Delinquent Property Taxes	0	0	17,289	119,662	0	119,662	
Other Deferred Revenues	0	0	33,965	2,487,263	0	2,487,263	
Total Liabilities	\$ 3,806	\$ 579,960	\$ 942,547	\$ 9,497,329	\$ 229,502	\$ 9,726,831	
Fund Balances							
Restricted:							
Restricted for Administration of Justice	\$ 314,534	\$ 0	\$ 0	\$ 314,534	\$ 0	\$ 314,534	

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)				Capital Projects Fund		Total Nonmajor Governmental Funds
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$	0 \$	0 \$	0 \$	664,122 \$	0 \$	0 \$	664,122
	0	0	0	0	5,749,892		5,749,892
	0	0	0	19,575	0	0	19,575
	0	0	1,779,835	1,779,835	0	0	1,779,835
	0	110,000	0	110,000	0	0	110,000
	0	246,101	0	246,101	0	0	246,101
	0	0	0	8,681,331	0	0	8,681,331
	0	0	0	1,267,743	0	0	1,267,743
	0	0	5,532,121	5,532,121	0	0	5,532,121
\$	314,534 \$	356,101 \$	7,311,956 \$	18,615,362 \$	5,749,892 \$		24,365,254
\$	318,340 \$	936,061 \$	8,254,503 \$	28,112,691 \$	5,979,394 \$		34,092,085

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Restricted (Cont.):
Restricted for Public Safety
Restricted for Capital Projects
Committed:
Committed for Public Health and Welfare
Committed for Highways/Public Works
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, 2012

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
Revenues					
Local Taxes	\$ 871,384	\$ 5,156,968	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	494,858
Charges for Current Services	1,618,749	6,543,222	0	0	677
Other Local Revenues	337,421	44,540	818,521	24,308	1,683
State of Tennessee	351,074	0	0	0	0
Federal Government	22,429	0	0	510,925	0
Other Governments and Citizens Groups	0	3,610	0	0	0
Total Revenues	\$ 3,201,057	\$ 11,748,340	\$ 818,521	\$ 535,233	\$ 497,218
Expenditures					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	0
Public Safety	0	0	0	355,820	696,857
Public Health and Welfare	3,091,498	10,402,670	0	0	0
Other Operations	93,544	0	265,759	0	0
Highways	0	0	0	0	0
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 3,185,042	\$ 10,402,670	\$ 265,759	\$ 355,820	\$ 696,857
Excess (Deficiency) of Revenues Over Expenditures	\$ 16,015	\$ 1,345,670	\$ 552,762	\$ 179,413	\$ (199,639)
Other Financing Sources (Uses)					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	0	8,540	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	(100,000)	0	(25,000)	0
Total Other Financing Sources (Uses)	\$ 0	\$ (91,460)	\$ 0	\$ (25,000)	\$ 0
Net Change in Fund Balances	\$ 16,015	\$ 1,254,210	\$ 552,762	\$ 154,413	\$ (199,639)
Fund Balance, July 1, 2011	4,329,413	3,101,268	714,981	21,119	688,229
Fund Balance, June 30, 2012	\$ 4,345,428	\$ 4,355,478	\$ 1,267,743	\$ 175,532	\$ 488,590

(Continued)

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

	Special Revenue Funds (Cont.)					Capital Projects Fund		Total Nonmajor Governmental Funds
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Total		General Capital Projects		
Revenues								
Local Taxes	\$ 0 \$	0 \$	4,335,709 \$	10,364,061 \$	0 \$	0 \$		10,364,061
Fines, Forfeitures, and Penalties	56,447	0	0	551,305	0	0		551,305
Charges for Current Services	0	2,546,525	0	10,709,173	0	0		10,709,173
Other Local Revenues	0	0	114,201	1,340,674	618,911			1,959,585
State of Tennessee	0	0	4,623,481	4,974,555	0	0		4,974,555
Federal Government	0	0	33,763	567,117	130,325			697,442
Other Governments and Citizens Groups	0	0	0	3,610	0	0		3,610
Total Revenues	\$ 56,447 \$	2,546,525 \$	9,107,154 \$	28,510,495 \$	749,236 \$			29,259,731
Expenditures								
Current:								
General Government	\$ 548 \$	0 \$	0 \$	548 \$	0 \$	0 \$		548
Finance	0	480,673	0	480,673	0	0		480,673
Administration of Justice	27,199	1,992,980	0	2,020,179	0	0		2,020,179
Public Safety	0	0	0	1,052,677	0	0		1,052,677
Public Health and Welfare	0	0	0	13,494,168	0	0		13,494,168
Other Operations	0	0	0	359,303	0	0		359,303
Highways	0	0	8,659,167	8,659,167	0	0		8,659,167
Capital Projects	0	0	0	0	3,872,998			3,872,998
Total Expenditures	\$ 27,747 \$	2,473,653 \$	8,659,167 \$	26,066,715 \$	3,872,998 \$			29,939,713
Excess (Deficiency) of Revenues Over Expenditures	\$ 28,700 \$	72,872 \$	447,987 \$	2,443,780 \$	(3,123,762) \$			(679,982)
Other Financing Sources (Uses)								
Bonds Issued	\$ 0 \$	0 \$	0 \$	0 \$	4,256,622 \$			4,256,622
Insurance Recovery	0	0	5,778	14,318	0	0		14,318
Transfers In	0	0	0	0	3,230,602			3,230,602
Transfers Out	0	0	0	(125,000)	(23,343)			(148,343)
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	5,778 \$	(110,682) \$	7,463,881 \$			7,353,199
Net Change in Fund Balances	\$ 28,700 \$	72,872 \$	453,765 \$	2,333,098 \$	4,340,119 \$			6,673,217
Fund Balance, July 1, 2011	285,834	283,229	6,858,191	16,282,264	1,409,773			17,692,037
Fund Balance, June 30, 2012	\$ 314,534 \$	356,101 \$	7,311,956 \$	18,615,362 \$	5,749,892 \$			24,365,254

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	\$ 871,384	\$ 0	\$ 0	\$ 871,384	\$ 504,000	\$ 822,000	\$ 49,384
Charges for Current Services	1,618,749	0	0	1,618,749	1,190,000	1,642,400	(23,651)
Other Local Revenues	337,421	0	0	337,421	300,000	357,000	(19,579)
State of Tennessee	351,074	0	0	351,074	310,000	363,390	(12,316)
Federal Government	22,429	0	0	22,429	0	22,429	0
Total Revenues	\$ 3,201,057	\$ 0	\$ 0	\$ 3,201,057	\$ 2,304,000	\$ 3,207,219	\$ (6,162)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	\$ 127,328	\$ 0	\$ 150	\$ 127,478	\$ 129,262	\$ 136,042	\$ 8,564
Convenience Centers	2,111,536	(5,657)	400	2,106,279	2,408,540	2,443,180	336,901
Other Waste Collection	42,816	0	526	43,342	113,085	113,085	69,743
Landfill Operation and Maintenance	659,702	(6,858)	338	653,182	752,944	759,544	106,362
Postclosure Care Costs	150,116	0	0	150,116	195,000	245,000	94,884
Other Operations							
Employee Benefits	24,040	0	0	24,040	39,040	39,040	15,000
Miscellaneous	69,504	0	0	69,504	39,700	70,900	1,396
Total Expenditures	\$ 3,185,042	\$ (12,515)	\$ 1,414	\$ 3,173,941	\$ 3,677,571	\$ 3,806,791	\$ 632,850
Excess (Deficiency) of Revenues Over Expenditures	\$ 16,015	\$ 12,515	\$ (1,414)	\$ 27,116	\$ (1,373,571)	\$ (599,572)	\$ 626,688
Net Change in Fund Balance	\$ 16,015	\$ 12,515	\$ (1,414)	\$ 27,116	\$ (1,373,571)	\$ (599,572)	\$ 626,688
Fund Balance, July 1, 2011	4,329,413	(12,515)	0	4,316,898	4,316,898	4,316,898	0
Fund Balance, June 30, 2012	\$ 4,345,428	\$ 0	\$ (1,414)	\$ 4,344,014	\$ 2,943,327	\$ 3,717,326	\$ 626,688

Exhibit G-4

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	\$ 5,156,968	\$ 0	\$ 0	\$ 5,156,968	\$ 5,125,733	\$ 5,154,452	\$ 2,516
Charges for Current Services	6,543,222	0	0	6,543,222	5,600,000	6,594,500	(51,278)
Other Local Revenues	44,540	0	0	44,540	0	44,200	340
Other Governments and Citizens Groups	3,610	0	0	3,610	0	0	3,610
Total Revenues	\$ 11,748,340	\$ 0	\$ 0	\$ 11,748,340	\$ 10,725,733	\$ 11,793,152	\$ (44,812)
Expenditures							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 10,402,670	(16,328)	19,575	\$ 10,405,917	\$ 10,687,049	\$ 10,993,389	\$ 587,472
Total Expenditures	\$ 10,402,670	(16,328)	19,575	\$ 10,405,917	\$ 10,687,049	\$ 10,993,389	\$ 587,472
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,345,670	\$ 16,328	(19,575)	\$ 1,342,423	\$ 38,684	\$ 799,763	\$ 542,660
Other Financing Sources (Uses)							
Insurance Recovery	\$ 8,540	\$ 0	\$ 0	\$ 8,540	\$ 0	\$ 0	\$ 8,540
Transfers Out	(100,000)	0	0	(100,000)	0	(100,000)	0
Total Other Financing Sources (Uses)	\$ (91,460)	\$ 0	\$ 0	\$ (91,460)	\$ 0	\$ (100,000)	\$ 8,540
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 1,254,210	\$ 16,328	(19,575)	\$ 1,250,963	\$ 38,684	\$ 699,763	\$ 551,200
	3,101,268	(16,328)	0	3,084,940	2,641,746	2,641,746	443,194
Fund Balance, June 30, 2012	\$ 4,355,478	\$ 0	(19,575)	\$ 4,335,903	\$ 2,680,430	\$ 3,341,509	\$ 994,394

Exhibit G-5

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 818,521	\$ 97,690	\$ 818,522	\$ (1)
Total Revenues	\$ 818,521	\$ 97,690	\$ 818,522	\$ (1)
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 248,729	\$ 227,480	\$ 248,996	\$ 267
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 265,759	\$ 244,510	\$ 266,026	\$ 267
Excess (Deficiency) of Revenues Over Expenditures	\$ 552,762	\$ (146,820)	\$ 552,496	\$ 266
Net Change in Fund Balance	\$ 552,762	\$ (146,820)	\$ 552,496	\$ 266
Fund Balance, July 1, 2011	714,981	227,308	227,308	487,673
Fund Balance, June 30, 2012	\$ 1,267,743	\$ 80,488	\$ 779,804	\$ 487,939

Exhibit G-6

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, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>						
Other Local Revenues	\$ 24,308 \$	0 \$	24,308 \$	0 \$	24,250 \$	58
Federal Government	510,925	0	510,925	0	510,335	590
Total Revenues	\$ 535,233 \$	0 \$	535,233 \$	0 \$	534,585 \$	648
<u>Expenditures</u>						
Public Safety						
Sheriff's Department	\$ 355,820 \$	25,034 \$	380,854 \$	20,087 \$	449,347 \$	68,493
Total Expenditures	\$ 355,820 \$	25,034 \$	380,854 \$	20,087 \$	449,347 \$	68,493
Excess (Deficiency) of Revenues Over Expenditures	\$ 179,413 \$	(25,034) \$	154,379 \$	(20,087) \$	85,238 \$	69,141
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (25,000) \$	0 \$	(25,000) \$	0 \$	(25,000) \$	0
Total Other Financing Sources (Uses)	\$ (25,000) \$	0 \$	(25,000) \$	0 \$	(25,000) \$	0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 154,413 \$	(25,034) \$	129,379 \$	(20,087) \$	60,238 \$	69,141
	21,119	0	21,119	21,119	21,119	0
Fund Balance, June 30, 2012	\$ 175,532 \$	(25,034) \$	150,498 \$	1,032 \$	81,357 \$	69,141

Exhibit G-7

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 494,858	\$ 0	\$ 0	\$ 494,858	\$ 450,000	\$ 482,864	\$ 11,994
Charges for Current Services	677	0	0	677	0	678	(1)
Other Local Revenues	1,683	0	0	1,683	1,500	1,632	51
Total Revenues	\$ 497,218	\$ 0	\$ 0	\$ 497,218	\$ 451,500	\$ 485,174	\$ 12,044
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 696,857	\$ (10,503)	\$ 22,143	\$ 708,497	\$ 760,712	\$ 762,576	\$ 54,079
Total Expenditures	\$ 696,857	\$ (10,503)	\$ 22,143	\$ 708,497	\$ 760,712	\$ 762,576	\$ 54,079
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (199,639)	\$ 10,503	\$ (22,143)	\$ (211,279)	\$ (309,212)	\$ (277,402)	\$ 66,123
<u>Net Change in Fund Balance Fund Balance, July 1, 2011</u>	\$ (199,639)	\$ 10,503	\$ (22,143)	\$ (211,279)	\$ (309,212)	\$ (277,402)	\$ 66,123
	688,229	(10,503)	0	677,726	677,726	677,726	0
<u>Fund Balance, June 30, 2012</u>	\$ 488,590	\$ 0	\$ (22,143)	\$ 466,447	\$ 368,514	\$ 400,324	\$ 66,123

Exhibit G-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,335,709	\$ 4,288,632	\$ 4,303,384	\$ 32,325
Other Local Revenues	114,201	53,500	105,700	8,501
State of Tennessee	4,623,481	3,588,684	4,609,706	13,775
Federal Government	33,763	0	33,763	0
Total Revenues	\$ 9,107,154	\$ 7,930,816	\$ 9,052,553	\$ 54,601
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 807,229	\$ 688,425	\$ 838,425	\$ 31,196
Highway and Bridge Maintenance	5,374,992	6,003,245	5,906,345	531,353
Operation and Maintenance of Equipment	938,577	1,211,215	1,218,115	279,538
Other Charges	410,000	518,380	518,380	108,380
Employee Benefits	169,980	173,320	183,320	13,340
Capital Outlay	958,389	734,860	1,302,860	344,471
Total Expenditures	\$ 8,659,167	\$ 9,329,445	\$ 9,967,445	\$ 1,308,278
Excess (Deficiency) of Revenues Over Expenditures	\$ 447,987	\$ (1,398,629)	\$ (914,892)	\$ 1,362,879
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,778	\$ 0	\$ 2,871	\$ 2,907
Total Other Financing Sources (Uses)	\$ 5,778	\$ 0	\$ 2,871	\$ 2,907
Net Change in Fund Balance	\$ 453,765	\$ (1,398,629)	\$ (912,021)	\$ 1,365,786
Fund Balance, July 1, 2011	6,858,191	5,507,139	5,507,139	1,351,052
Fund Balance, June 30, 2012	\$ 7,311,956	\$ 4,108,510	\$ 4,595,118	\$ 2,716,838

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 39,670,458	\$ 38,579,918	\$ 39,805,083	\$ (134,625)
Other Local Revenues	220,755	230,200	218,550	2,205
Total Revenues	<u>\$ 39,891,213</u>	<u>\$ 38,810,118</u>	<u>\$ 40,023,633</u>	<u>\$ (132,420)</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 757,560	\$ 995,218	\$ 827,508	\$ 69,948
<u>Principal on Debt</u>				
General Government	4,496,195	5,493,695	4,496,195	0
Education	18,618,805	38,621,304	18,618,805	0
<u>Interest on Debt</u>				
General Government	2,329,214	2,328,668	2,329,231	17
Education	13,009,639	14,013,527	13,009,934	295
<u>Other Debt Service</u>				
General Government	35,984	0	35,984	0
Education	467,554	0	467,554	0
Total Expenditures	<u>\$ 39,714,951</u>	<u>\$ 61,452,412</u>	<u>\$ 39,785,211</u>	<u>\$ 70,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 176,262</u>	<u>\$ (22,642,294)</u>	<u>\$ 238,422</u>	<u>\$ (62,160)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 20,020,526	\$ 20,000,000	\$ 20,020,527	\$ (1)
Premiums on Debt Issued	1,303,011	0	1,303,011	0
Payments to Refunded Debt Escrow Agent	(21,419,731)	0	(21,419,731)	0
Total Other Financing Sources (Uses)	<u>\$ (96,194)</u>	<u>\$ 20,000,000</u>	<u>\$ (96,193)</u>	<u>\$ (1)</u>
Net Change in Fund Balance	\$ 80,068	\$ (2,642,294)	\$ 142,229	\$ (62,161)
Fund Balance, July 1, 2011	<u>35,734,259</u>	<u>33,950,089</u>	<u>33,950,089</u>	<u>1,784,170</u>
Fund Balance, June 30, 2012	<u>\$ 35,814,327</u>	<u>\$ 31,307,795</u>	<u>\$ 34,092,318</u>	<u>\$ 1,722,009</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, 2012

	Internal Service Funds			
	Self - Insurance	Employee Insurance - Health	Workers' Compensation	Total
<u>ASSETS</u>				
Cash	\$ 119,030	\$ 1,267,000	\$ 209,431	\$ 1,595,461
Equity in Pooled Cash and Investments	1,272,145	31,042,540	2,086,450	34,401,135
Accounts Receivable	103,541	128,790	0	232,331
Advances to Other Funds	0	125,000	0	125,000
Total Assets	\$ 1,494,716	\$ 32,563,330	\$ 2,295,881	\$ 36,353,927
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 18,755	\$ 0	\$ 9,590	\$ 28,345
Claims and Judgments Payable	1,180,188	6,800,567	445,770	8,426,525
Due to Other Funds	0	5,312	5,312	10,624
Long-term Liabilities:				
Claims and Judgments Payable	295,047	1,700,142	367,830	2,363,019
Total Liabilities	\$ 1,493,990	\$ 8,506,021	\$ 828,502	\$ 10,828,513
<u>NET ASSETS</u>				
Unrestricted	\$ 726	\$ 24,057,309	\$ 1,467,379	\$ 25,525,414
Total Net Assets	\$ 726	\$ 24,057,309	\$ 1,467,379	\$ 25,525,414

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,434,747	\$ 42,696,502	\$ 1,351,503	\$ 45,482,752
Other Employee Benefit Charges/Contributions	0	1,162,048	0	1,162,048
Service Charges	0	6,951	0	6,951
Other Local Revenues:				
Retirees' Insurance Payments	0	3,130,680	0	3,130,680
Cobra Insurance Payments	0	223,096	0	223,096
State of Tennessee:				
On-Behalf Contributions for OPEB	0	100,888	0	100,888
Federal Government:				
On-Behalf Contributions for OPEB	0	231,157	0	231,157
Total Operating Revenues	\$ 1,434,747	\$ 47,551,322	\$ 1,351,503	\$ 50,337,572
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 47,255	\$ 2,598,914	\$ 35,075	\$ 2,681,244
Disability Insurance	0	0	414,962	414,962
Bank Charges	0	1,200	0	1,200
Consultants	0	54,091	0	54,091
Contracts with Private Agencies	0	2,233,516	0	2,233,516
Drug and Medical Supplies	0	2,005	0	2,005
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Medical Claims	0	45,067,383	0	45,067,383
Liability Claims	1,974,288	0	0	1,974,288
Other Self-Insured Claims	0	0	535,792	535,792
Other Charges	0	10,414	0	10,414
Total Operating Expenses	\$ 2,021,543	\$ 49,967,523	\$ 993,329	\$ 52,982,395
Operating Income (Loss)	\$ (586,796)	\$ (2,416,201)	\$ 358,174	\$ (2,644,823)
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 204,734	\$ 0	\$ 154,381	\$ 359,115
Total Nonoperating Revenues (Expenses)	\$ 204,734	\$ 0	\$ 154,381	\$ 359,115
Income (Loss) Before Transfers	\$ (382,062)	\$ (2,416,201)	\$ 512,555	\$ (2,285,708)
Transfers Out	0	(247,552)	(247,552)	(495,104)
Change in Net Assets	\$ (382,062)	\$ (2,663,753)	\$ 265,003	\$ (2,780,812)
Net Assets, July 1, 2011	382,788	26,721,062	1,202,376	28,306,226
Net Assets, June 30, 2012	\$ 726	\$ 24,057,309	\$ 1,467,379	\$ 25,525,414

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,331,313	\$ 47,619,909	\$ 1,351,533	\$ 50,302,755
Payments to Suppliers	(43,665)	(4,897,268)	(457,077)	(5,398,010)
Claims Paid	(1,651,585)	(44,863,328)	(1,057,438)	(47,572,351)
Insurance Recovery	204,734	0	154,381	359,115
Net Cash Provided By (Used In) Operating Activities	\$ (159,203)	\$ (2,140,687)	\$ (8,601)	\$ (2,308,491)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (247,552)	\$ (247,552)	\$ (495,104)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (247,552)	\$ (247,552)	\$ (495,104)
Net Increase (Decrease) in Cash	\$ (159,203)	\$ (2,388,239)	\$ (256,153)	\$ (2,803,595)
Cash, July 1, 2011	1,550,378	34,697,779	2,552,034	38,800,191
Cash, June 30, 2012	\$ 1,391,175	\$ 32,309,540	\$ 2,295,881	\$ 35,996,596
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (586,796)	\$ (2,416,201)	\$ 358,174	\$ (2,644,823)
Insurance Recovery	204,734	0	154,381	359,115
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	(103,434)	49,820	30	(53,584)
(Increase) Decrease in Due from Other Governments	0	18,767	0	18,767
Increase (Decrease) in Accounts Payable	3,590	0	460	4,050
Increase (Decrease) in Due to Other Funds	0	2,872	3,254	6,126
Increase (Decrease) in Claims and Judgments Payable	322,703	204,055	(524,900)	1,858
Net Cash Provided By (Used In) Operating Activities	\$ (159,203)	\$ (2,140,687)	\$ (8,601)	\$ (2,308,491)
<u>Reconciliation of Cash with Statement of Net Assets</u>				
Cash per Net Assets	\$ 119,030	\$ 1,267,000	\$ 209,431	\$ 1,595,461
Equity in Pooled Cash and Investments per Net Assets	1,272,145	31,042,540	2,086,450	34,401,135
Cash, June 30, 2012	\$ 1,391,175	\$ 32,309,540	\$ 2,295,881	\$ 35,996,596

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 that 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, 2012

Exhibit J-1

ASSETS

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

Total Assets

LIABILITIES

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

Total Liabilities

	Agency Funds					Total
	Cities - Sales Tax	Murfreesboro	School ADA -	Joint Venture	Constitu- tional Officers - Agency	
\$	0 \$	0 \$	0 \$	0 \$	7,456,486 \$	7,456,486
	0	228,977	12,823	0	0	241,800
	0	0	0	0	7,277	7,277
	0	0	0	0	1,270	1,270
8,304,393	1,281,852	0	0	0	0	9,586,245
0	11,226,647	0	0	0	0	11,226,647
0	(686,479)	0	0	0	0	(686,479)
\$	8,304,393 \$	12,050,997 \$	12,823 \$	12,823 \$	7,465,033 \$	27,833,246
\$	8,304,393 \$	12,050,997 \$	0 \$	0 \$	0 \$	20,355,390
0	0	0	12,823	0	0	12,823
0	0	0	0	7,465,033	0	7,465,033
\$	8,304,393 \$	12,050,997 \$	12,823 \$	12,823 \$	7,465,033 \$	27,833,246

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 45,625,896	\$ 45,625,896	\$ 0
Due from Other Governments	6,766,213	8,304,393	6,766,213	8,304,393
Total Assets	\$ 6,766,213	\$ 53,930,289	\$ 52,392,109	\$ 8,304,393
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,766,213	\$ 53,930,289	\$ 52,392,109	\$ 8,304,393
Total Liabilities	\$ 6,766,213	\$ 53,930,289	\$ 52,392,109	\$ 8,304,393
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 209,352	\$ 18,820,446	\$ 18,800,821	\$ 228,977
Due from Other Governments	1,180,319	1,281,852	1,180,319	1,281,852
Taxes Receivable	11,160,942	11,226,647	11,160,942	11,226,647
Allowance for Uncollectible Taxes	(686,429)	(686,479)	(686,429)	(686,479)
Total Assets	\$ 11,864,184	\$ 30,642,466	\$ 30,455,653	\$ 12,050,997
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,864,184	\$ 30,642,466	\$ 30,455,653	\$ 12,050,997
Total Liabilities	\$ 11,864,184	\$ 30,642,466	\$ 30,455,653	\$ 12,050,997
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 16,524	\$ 0	\$ 3,701	\$ 12,823
Total Assets	\$ 16,524	\$ 0	\$ 3,701	\$ 12,823
<u>Liabilities</u>				
Due to Joint Ventures	\$ 16,524	\$ 0	\$ 3,701	\$ 12,823
Total Liabilities	\$ 16,524	\$ 0	\$ 3,701	\$ 12,823
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 6,372,193	\$ 57,863,114	\$ 56,778,821	\$ 7,456,486
Investments	7,559	7,277	7,559	7,277
Accounts Receivable	1,065	1,270	1,065	1,270
Total Assets	\$ 6,380,817	\$ 57,871,661	\$ 56,787,445	\$ 7,465,033
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 6,380,817	\$ 57,871,661	\$ 56,787,445	\$ 7,465,033
Total Liabilities	\$ 6,380,817	\$ 57,871,661	\$ 56,787,445	\$ 7,465,033

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 6,372,193	\$ 57,863,114	\$ 56,778,821	\$ 7,456,486
Equity in Pooled Cash and Investments	225,876	64,446,342	64,430,418	241,800
Investments	7,559	7,277	7,559	7,277
Accounts Receivable	1,065	1,270	1,065	1,270
Due from Other Governments	7,946,532	9,586,245	7,946,532	9,586,245
Taxes Receivable	11,160,942	11,226,647	11,160,942	11,226,647
Allowance for Uncollectible Taxes	(686,429)	(686,479)	(686,429)	(686,479)
Total Assets	<u>\$ 25,027,738</u>	<u>\$ 142,444,416</u>	<u>\$ 139,638,908</u>	<u>\$ 27,833,246</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 18,630,397	\$ 84,572,755	\$ 82,847,762	\$ 20,355,390
Due to Joint Ventures	16,524	0	3,701	12,823
Due to Litigants, Heirs, and Others	6,380,817	57,871,661	56,787,445	7,465,033
Total Liabilities	<u>\$ 25,027,738</u>	<u>\$ 142,444,416</u>	<u>\$ 139,638,908</u>	<u>\$ 27,833,246</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, 2012

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	\$ 192,332,943	\$ 119,484	\$ 16,972,574	\$ 0	\$ (175,240,885)
Support Services	104,721,904	51,098	1,515,835	48,266,673	(54,888,298)
Operation of Non-Instructional Services	19,011,151	6,589,149	10,207,341	0	(2,214,661)
Interest on Long-term Debt	67,804	0	0	0	(67,804)
Other Debt Service	250	0	0	0	(250)
Total Governmental Activities	\$ 316,134,052	\$ 6,759,731	\$ 28,695,750	\$ 48,266,673	\$ (232,411,898)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 61,079,959
Payments in-lieu-of Tax					871,127
Local Option Sales Tax					40,662,794
Wheel Tax					3,320,660
Business Tax					1,442,074
Interstate Telecommunications Tax					13,920
Grants and Contributions Not Restricted for Specific Programs					157,771,845
Interest Income					107,788
Miscellaneous					104,588
Total General Revenues					\$ 265,374,755
Change in Net Assets					\$ 32,962,857
Net Assets, July 1, 2011					403,565,565
Net Assets, June 30, 2012					\$ 436,528,422

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2012

	Major Funds		Nonmajor Funds	Total
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Cash	\$ 931	\$ 0	\$ 1,302,032	\$ 1,302,963
Equity in Pooled Cash and Investments	41,784,723	28,792,566	5,552,868	76,130,157
Inventories	0	0	200,045	200,045
Accounts Receivable	43,274	514,046	5,118	562,438
Due from Other Governments	7,572,617	0	1,649,562	9,222,179
Due from Other Funds	53,228	0	786	54,014
Property Taxes Receivable	62,046,604	0	2,448,208	64,494,812
Allowance for Uncollectible Property Taxes	(3,781,909)	0	(149,225)	(3,931,134)
Total Assets	\$ 107,719,468	\$ 29,306,612	\$ 11,009,394	\$ 148,035,474
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 3,141,898	\$ 514,046	\$ 108,124	\$ 3,764,068
Accrued Payroll	18,559,944	0	654,622	19,214,566
Payroll Deductions Payable	6,028	0	0	6,028
Due to Other Funds	786	0	53,228	54,014
Due to Primary Government	77	0	0	77
Deferred Revenue - Current Property Taxes	56,947,220	0	2,246,999	59,194,219
Deferred Revenue - Delinquent Property Taxes	1,200,047	0	47,351	1,247,398
Other Deferred Revenues	3,454,677	0	0	3,454,677
Total Liabilities	\$ 83,310,677	\$ 514,046	\$ 3,110,324	\$ 86,935,047
<u>Fund Balances</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 200,045	\$ 200,045
Restricted:				
Restricted for Education	266,398	0	5,348,251	5,614,649
Restricted for Capital Projects	0	28,792,566	1,350,774	30,143,340
Committed:				
Committed for Education	0	0	1,000,000	1,000,000
Assigned:				
Assigned for Education	9,252,756	0	0	9,252,756
Unassigned	14,889,637	0	0	14,889,637
Total Fund Balances	\$ 24,408,791	\$ 28,792,566	\$ 7,899,070	\$ 61,100,427
Total Liabilities and Fund Balances	\$ 107,719,468	\$ 29,306,612	\$ 11,009,394	\$ 148,035,474

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, 2012

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)		\$ 61,100,427
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 8,467,427	
Add: construction in progress	24,360,573	
Add: buildings and improvements net of accumulated depreciation	374,947,696	
Add: intangible assets net of accumulated depreciation	251,979	
Add: other capital assets net of accumulated depreciation	<u>9,001,867</u>	417,029,542
(2) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges is reflected on the statement of net assets.		12,785
(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.		(10,609)
(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	\$ (600,000)	
Less: notes payable	(1,353,132)	
Less: capital lease payable	(514,046)	
Less: compensated absences payable	(1,219,343)	
Less: other postemployment benefits liability	(42,614,677)	
Less: unamortized debt premiums	<u>(4,600)</u>	(46,305,798)
(5) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,702,075</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 436,528,422</u></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, 2012

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 104,797,789	\$ 0	\$ 2,385,694	\$ 107,183,483
Licenses and Permits	11,645	0	0	11,645
Charges for Current Services	109,849	0	6,591,914	6,701,763
Other Local Revenues	423,875	0	8,326	432,201
State of Tennessee	156,458,535	0	169,948	156,628,483
Federal Government	1,317,385	0	28,351,225	29,668,610
Other Governments and Citizens Groups	0	48,256,673	0	48,256,673
Total Revenues	<u>\$ 263,119,078</u>	<u>\$ 48,256,673</u>	<u>\$ 37,507,107</u>	<u>\$ 348,882,858</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 170,953,658	\$ 0	\$ 12,611,486	\$ 183,565,144
Support Services	85,197,484	0	5,423,890	90,621,374
Operation of Non-Instructional Services	2,118,119	0	16,577,389	18,695,508
Debt Service:				
Principal on Debt	932,649	0	0	932,649
Interest on Debt	74,776	0	0	74,776
Other Debt Service	250	0	0	250
Capital Projects	0	20,549,640	2,470,106	23,019,746
Total Expenditures	<u>\$ 259,276,936</u>	<u>\$ 20,549,640</u>	<u>\$ 37,082,871</u>	<u>\$ 316,909,447</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,842,142</u>	<u>\$ 27,707,033</u>	<u>\$ 424,236</u>	<u>\$ 31,973,411</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 514,046	\$ 0	\$ 514,046
Transfers In	244,233	0	0	244,233
Transfers Out	0	0	(244,233)	(244,233)
Total Other Financing Sources (Uses)	<u>\$ 244,233</u>	<u>\$ 514,046</u>	<u>\$ (244,233)</u>	<u>\$ 514,046</u>
Net Change in Fund Balances	\$ 4,086,375	\$ 28,221,079	\$ 180,003	\$ 32,487,457
Fund Balance, July 1, 2011	20,322,416	571,487	7,719,067	28,612,970
Fund Balance, June 30, 2012	<u>\$ 24,408,791</u>	<u>\$ 28,792,566</u>	<u>\$ 7,899,070</u>	<u>\$ 61,100,427</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, 2012

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)		\$ 32,487,457
(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	\$ 21,028,404	
Less: current-year depreciation expense	<u>(12,383,538)</u>	8,644,866
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	\$ 10,000	
Less: capital asset disposals	<u>(18,300)</u>	(8,300)
(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, 2011	\$ (4,495,024)	
Add: deferred delinquent property taxes and other deferred June 30, 2012	<u>4,702,075</u>	207,051
(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: capital lease issued	\$ (514,046)	
Add: principal payments on notes	352,649	
Add: principal payments on bonds	<u>580,000</u>	418,603
(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	\$ 7,667	
Less: change in deferred debt issuance costs	<u>(9,003)</u>	(1,336)
(6) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 8,308	
Change in other postemployment benefits liability	(8,708,555)	
Change in compensated absences payable	<u>(85,237)</u>	(8,785,484)
Change in net assets of governmental activities (Exhibit B)		<u><u>\$ 32,962,857</u></u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2012

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,302,032	\$ 1,302,032	\$ 0	\$ 1,302,032
Equity in Pooled Cash and Investments	577,762	3,633,528	4,211,290	1,341,578	5,552,868
Inventories	0	200,045	200,045	0	200,045
Accounts Receivable	41	4,688	4,729	389	5,118
Due from Other Governments	1,526,901	118,487	1,645,388	4,174	1,649,562
Due from Other Funds	786	0	786	0	786
Property Taxes Receivable	0	0	0	2,448,208	2,448,208
Allowance for Uncollectible Property Taxes	0	0	0	(149,225)	(149,225)
Total Assets	\$ 2,105,490	\$ 5,258,780	\$ 7,364,270	\$ 3,645,124	\$ 11,009,394
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 108,124	\$ 0	\$ 108,124	\$ 0	\$ 108,124
Accrued Payroll	654,622	0	654,622	0	654,622
Due to Other Funds	53,228	0	53,228	0	53,228
Deferred Revenue - Current Property Taxes	0	0	0	2,246,999	2,246,999
Deferred Revenue - Delinquent Property Taxes	0	0	0	47,351	47,351
Total Liabilities	\$ 815,974	\$ 0	\$ 815,974	\$ 2,294,350	\$ 3,110,324
<u>Fund Balances</u>					
Nonspendable:					
Inventory	\$ 0	\$ 200,045	\$ 200,045	\$ 0	\$ 200,045
Restricted:					
Restricted for Education	289,516	5,058,735	5,348,251	0	5,348,251
Restricted for Capital Projects	0	0	0	1,350,774	1,350,774
Committed:					
Committed for Education	1,000,000	0	1,000,000	0	1,000,000
Total Fund Balances	\$ 1,289,516	\$ 5,258,780	\$ 6,548,296	\$ 1,350,774	\$ 7,899,070
Total Liabilities and Fund Balances	\$ 2,105,490	\$ 5,258,780	\$ 7,364,270	\$ 3,645,124	\$ 11,009,394

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, 2012

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,385,694	\$ 2,385,694
Charges for Current Services	0	6,591,914	6,591,914	0	6,591,914
Other Local Revenues	0	8,326	8,326	0	8,326
State of Tennessee	0	169,948	169,948	0	169,948
Federal Government	18,496,789	9,854,436	28,351,225	0	28,351,225
Total Revenues	\$ 18,496,789	\$ 16,624,624	\$ 35,121,413	\$ 2,385,694	\$ 37,507,107
<u>Expenditures</u>					
Current:					
Instruction	\$ 12,611,486	\$ 0	\$ 12,611,486	\$ 0	\$ 12,611,486
Support Services	5,311,324	65,811	5,377,135	46,755	5,423,890
Operation of Non-Instructional Services	179,698	16,397,691	16,577,389	0	16,577,389
Capital Projects	0	0	0	2,470,106	2,470,106
Total Expenditures	\$ 18,102,508	\$ 16,463,502	\$ 34,566,010	\$ 2,516,861	\$ 37,082,871
Excess (Deficiency) of Revenues Over Expenditures	\$ 394,281	\$ 161,122	\$ 555,403	\$ (131,167)	\$ 424,236
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (190,755)	\$ (53,478)	\$ (244,233)	\$ 0	\$ (244,233)
Total Other Financing Sources (Uses)	\$ (190,755)	\$ (53,478)	\$ (244,233)	\$ 0	\$ (244,233)
Net Change in Fund Balances	\$ 203,526	\$ 107,644	\$ 311,170	\$ (131,167)	\$ 180,003
Fund Balance, July 1, 2011	1,085,990	5,151,136	6,237,126	1,481,941	7,719,067
Fund Balance, June 30, 2012	\$ 1,289,516	\$ 5,258,780	\$ 6,548,296	\$ 1,350,774	\$ 7,899,070

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 104,797,789	\$ 0	\$ 0	\$ 104,797,789	\$ 101,646,567	\$ 103,525,686	\$ 1,272,103
Licenses and Permits	11,645	0	0	11,645	11,000	11,000	645
Charges for Current Services	109,849	0	0	109,849	224,987	203,987	(94,138)
Other Local Revenues	423,875	0	0	423,875	175,293	412,260	11,615
State of Tennessee	156,458,535	0	0	156,458,535	157,032,404	155,951,511	507,024
Federal Government	1,317,385	0	0	1,317,385	1,124,250	1,301,398	15,987
Total Revenues	\$ 263,119,078	\$ 0	\$ 0	\$ 263,119,078	\$ 260,214,501	\$ 261,405,842	\$ 1,713,236

Expenditures

Instruction

Regular Instruction Program	\$ 136,951,794	\$ (468,247)	\$ 1,654,645	\$ 138,138,192	\$ 141,235,596	\$ 140,767,933	\$ 2,629,741
Alternative Instruction Program	1,528,164	(5,252)	611	1,523,523	1,605,298	1,599,668	76,145
Special Education Program	21,802,721	(464)	1,749	21,804,006	22,546,237	22,708,252	904,246
Vocational Education Program	10,232,068	(30,372)	561,304	10,763,000	10,680,625	11,168,162	405,162
Adult Education Program	438,911	0	0	438,911	515,660	515,660	76,749
<u>Support Services</u>							
Attendance	612,217	(179)	2,086	614,124	610,469	628,957	14,833
Health Services	3,415,510	(11,398)	0	3,404,112	3,491,839	3,502,196	98,084
Other Student Support	7,492,959	(14,252)	8,934	7,487,641	7,719,700	7,694,048	206,407
Regular Instruction Program	8,441,083	(44,640)	18,100	8,414,543	8,772,013	8,730,417	315,874
Alternative Instruction Program	702,579	(616)	4,384	706,347	720,820	725,350	19,003
Special Education Program	1,050,358	0	0	1,050,358	1,180,190	1,124,736	74,378
Vocational Education Program	181,866	(7,872)	4,216	178,210	170,903	182,597	4,387
Adult Programs	176,985	(275)	0	176,710	187,491	191,470	14,760

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 4,778,661	\$ (3,456)	\$ 0	\$ 4,775,205	\$ 4,728,206	\$ 4,837,456	\$ 62,251
Director of Schools	497,296	(2,793)	7,422	501,925	489,713	540,303	38,378
Office of the Principal	14,861,531	(6,472)	0	14,855,059	15,054,610	15,085,737	230,678
Fiscal Services	838,710	(77)	157	838,790	820,331	849,086	10,296
Human Services/Personnel	399,538	(2,554)	0	396,984	417,208	426,420	29,436
Operation of Plant	20,189,648	(45,794)	25,349	20,169,203	21,164,567	21,010,406	841,203
Maintenance of Plant	6,079,550	(229,064)	170,922	6,021,408	6,170,550	6,167,580	146,172
Transportation	13,281,674	(4,618)	291	13,277,347	13,142,843	13,339,726	62,379
Central and Other	2,197,319	(38,345)	27,231	2,186,205	2,256,281	2,279,699	93,494
<u>Operation of Non-Instructional Services</u>							
Community Services	25,285	0	0	25,285	40,000	40,300	15,015
Early Childhood Education	2,092,834	0	0	2,092,834	2,096,218	2,170,418	77,584
Capital Outlay	0	0	0	0	75,000	75,000	75,000
Regular Capital Outlay							
Principal on Debt	932,649	0	0	932,649	932,649	932,649	0
Education							
Interest on Debt	74,776	0	0	74,776	74,776	74,776	0
Other Debt Service							
Education	250	0	0	250	250	250	0
Total Expenditures	\$ 259,276,936	\$ (916,740)	\$ 2,487,401	\$ 260,847,597	\$ 266,900,043	\$ 267,369,252	\$ 6,521,655
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,842,142	\$ 916,740	\$ (2,487,401)	\$ 2,271,481	\$ (6,685,542)	\$ (5,963,410)	\$ 8,234,891
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 244,233	\$ 0	\$ 0	\$ 244,233	\$ 225,000	\$ 225,000	\$ 19,233
Total Other Financing Sources (Uses)	\$ 244,233	\$ 0	\$ 0	\$ 244,233	\$ 225,000	\$ 225,000	\$ 19,233
Net Change in Fund Balance	\$ 4,086,375	\$ 916,740	\$ (2,487,401)	\$ 2,515,714	\$ (6,460,542)	\$ (5,738,410)	\$ 8,254,124
Fund Balance, July 1, 2011	20,322,416	(916,740)	0	19,405,676	19,102,084	19,102,084	303,592
Fund Balance, June 30, 2012	\$ 24,408,791	\$ 0	\$ (2,487,401)	\$ 21,921,390	\$ 12,641,542	\$ 13,363,674	\$ 8,557,716

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Federal Government	\$ 18,496,789	\$ 0	\$ 0	\$ 18,496,789	\$ 24,673,955	\$ 24,673,955	\$ (6,177,166)
Total Revenues	\$ 18,496,789	\$ 0	\$ 0	\$ 18,496,789	\$ 24,673,955	\$ 24,673,955	\$ (6,177,166)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,843,903	\$ (29,828)	\$ 5,805	\$ 6,819,880	\$ 7,156,156	\$ 7,156,156	\$ 336,276
Alternative Instruction Program	31,833	0	0	31,833	31,833	31,833	0
Special Education Program	4,909,396	0	0	4,909,396	7,684,256	7,684,256	2,774,860
Vocational Education Program	826,354	(12,720)	0	813,634	813,541	813,541	(93)
<u>Support Services</u>							
Attendance	58,140	0	0	58,140	57,500	57,500	(640)
Health Services	275,915	0	0	275,915	315,476	315,476	39,561
Other Student Support	983,950	0	0	983,950	1,408,990	1,408,990	425,040
Regular Instruction Program	1,331,789	(17,650)	283,711	1,597,850	2,111,575	2,111,575	513,725
Special Education Program	1,932,652	0	0	1,932,652	3,763,936	3,763,936	1,831,284
Vocational Education Program	29,530	0	0	29,530	34,659	34,659	5,129
Office of the Principal	222,699	0	0	222,699	222,699	222,699	0
Operation of Plant	159,519	0	0	159,519	159,519	159,519	0
Transportation	317,130	0	0	317,130	460,306	460,306	143,176
<u>Operation of Non-Instructional Services</u>							
Food Service	153,018	0	0	153,018	153,018	153,018	0
Early Childhood Education	26,680	0	0	26,680	26,680	26,680	0
Total Expenditures	\$ 18,102,508	\$ (60,198)	\$ 289,516	\$ 18,331,826	\$ 24,400,144	\$ 24,400,144	\$ 6,068,318

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
Excess (Deficiency) of Revenues Over Expenditures	\$ 394,281	\$ 60,198	\$ (289,516)	\$ 164,963	\$ 273,811	\$ 273,811	\$ (108,848)
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 170,207	\$ 0	\$ 0
Transfers Out	(190,755)	0	0	(190,755)	(453,918)	(283,711)	92,956
Total Other Financing Sources (Uses)	\$ (190,755)	\$ 0	\$ 0	\$ (190,755)	\$ (283,711)	\$ (283,711)	\$ 92,956
Net Change in Fund Balance	\$ 203,526	\$ 60,198	\$ (289,516)	\$ (25,792)	\$ (9,900)	\$ (9,900)	\$ (15,892)
Fund Balance, July 1, 2011	1,085,990	(60,198)	0	1,025,792	797,611	797,611	228,181
Fund Balance, June 30, 2012	\$ 1,289,516	\$ 0	\$ (289,516)	\$ 1,000,000	\$ 787,711	\$ 787,711	\$ 212,289

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Charges for Current Services	\$ 6,591,914	\$ 0	\$ 0	\$ 6,591,914	\$ 6,518,100	\$ 6,648,600	\$ (56,686)
Other Local Revenues	8,326	0	0	8,326	47,500	7,539	787
State of Tennessee	169,948	0	0	169,948	167,200	166,207	3,741
Federal Government	9,854,436	0	0	9,854,436	8,148,300	10,388,300	(533,864)
Total Revenues	\$ 16,624,624	\$ 0	\$ 0	\$ 16,624,624	\$ 14,881,100	\$ 17,210,646	\$ (586,022)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 65,811	\$ 0	\$ 0	\$ 65,811	\$ 65,600	\$ 65,811	\$ 0
<u>Operation of Non-Instructional Services</u>							
Food Service	16,397,691	(312,798)	21,412	16,106,305	15,574,800	17,752,012	1,645,707
Total Expenditures	\$ 16,463,502	\$ (312,798)	\$ 21,412	\$ 16,172,116	\$ 15,640,400	\$ 17,817,823	\$ 1,645,707
Excess (Deficiency) of Revenues Over Expenditures	\$ 161,122	\$ 312,798	\$ (21,412)	\$ 452,508	\$ (759,300)	\$ (607,177)	\$ 1,059,685
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (53,478)	\$ 0	\$ 0	\$ (53,478)	\$ (56,200)	\$ (56,200)	\$ 2,722
Total Other Financing Sources (Uses)	\$ (53,478)	\$ 0	\$ 0	\$ (53,478)	\$ (56,200)	\$ (56,200)	\$ 2,722
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 107,644	\$ 312,798	\$ (21,412)	\$ 399,030	\$ (815,500)	\$ (663,377)	\$ 1,062,407
	5,151,136	(312,798)	0	4,838,338	4,838,338	4,838,338	0
Fund Balance, June 30, 2012	\$ 5,258,780	\$ 0	\$ (21,412)	\$ 5,237,368	\$ 4,022,838	\$ 4,174,961	\$ 1,062,407

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 2,385,694	\$ 0	\$ 0	\$ 2,385,694	\$ 2,353,213	\$ 2,369,314	\$ 16,380
Total Revenues	\$ 2,385,694	\$ 0	\$ 0	\$ 2,385,694	\$ 2,353,213	\$ 2,369,314	\$ 16,380
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 46,755	\$ 0	\$ 0	\$ 46,755	\$ 47,000	\$ 48,500	\$ 1,745
<u>Capital Projects</u>							
Education Capital Projects	2,470,106	(180,086)	55,196	2,345,216	2,376,064	2,556,150	210,934
Total Expenditures	\$ 2,516,861	\$ (180,086)	\$ 55,196	\$ 2,391,971	\$ 2,423,064	\$ 2,604,650	\$ 212,679
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (131,167)	\$ 180,086	\$ (55,196)	\$ (6,277)	\$ (69,851)	\$ (235,336)	\$ 229,059
Net Change in Fund Balance	\$ (131,167)	\$ 180,086	\$ (55,196)	\$ (6,277)	\$ (69,851)	\$ (235,336)	\$ 229,059
Fund Balance, July 1, 2011	1,481,941	(180,086)	0	1,301,855	1,481,941	1,481,941	(180,086)
Fund Balance, June 30, 2012	\$ 1,350,774	\$ 0	\$ (55,196)	\$ 1,295,578	\$ 1,412,090	\$ 1,246,605	\$ 48,973

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2012

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

Exhibit K-13

Rutherford County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Rutherford County School Department
Fiduciary Fund
For the Year Ended June 30, 2012

	Private- Purpose Trust Fund
	Endowment Fund
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 360
Total Additions	<u>\$ 360</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 360
Total Deductions	<u>\$ 360</u>
Change in Net Assets	\$ 0
Net Assets, July 1, 2011	<u>28,783</u>
Net Assets, June 30, 2012	<u><u>\$ 28,783</u></u>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Notes, Capital Lease, and Bonds
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
PRIMARY GOVERNMENT									
NOTES PAYABLE									
Payable through General Debt Service Fund									
School Facilities and Public Improvement	\$ 21,000,000	1.98	5-28-09	2-15-12	\$ 21,000,000	0	0	\$ 21,000,000	\$ 0
Refunding Notes, Series 2011	9,600,000	1.65	1-7-11	1-3-14	9,600,000	0	0	0	9,600,000
Total Notes Payable					\$ 30,600,000	0	0	\$ 21,000,000	\$ 9,600,000
BONDS PAYABLE									
Payable through General Debt Service Fund									
Various Purpose and Refunding (24.29%)	30,115,000	4.1446	4-1-03	4-1-23	\$ 7,040,000	0	\$ 1,100,000	0	\$ 5,940,000
School Facilities and Public Improvement	24,995,000	2.75 to 4.5	12-10-03	6-1-13	2,000,000	0	1,000,000	0	1,000,000
Refunding Bonds	42,400,000	3 to 5	11-1-04	4-1-21	35,665,000	0	4,115,000	0	31,550,000
School Facilities and Public Improvement	53,500,000	2.5 to 5	12-1-04	4-1-30	25,100,000	0	1,600,000	0	23,500,000
Refunding Bonds - School	17,765,000	3.5 to 5	2-1-05	4-1-21	17,765,000	0	1,420,000	0	16,345,000
General Obligation Bonds	64,220,000	4.375 to 5	6-1-06	6-1-26	28,870,000	0	2,485,000	0	26,385,000
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-28	38,200,000	0	1,625,000	0	36,575,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	4-1-29	38,265,000	0	1,170,000	0	37,095,000
Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	88,800,000	0	0	0	88,800,000
Refunding Bonds	41,875,000	2.037	1-7-11	4-1-20	41,875,000	0	8,600,000	0	33,275,000
School Facilities, Public Improvement and Refunding	69,280,000	2.4245	2-15-12	4-1-32	0	69,280,000	0	0	69,280,000
Total Bonds Payable					\$ 323,580,000	\$ 69,280,000	\$ 23,115,000	\$ 0	\$ 369,745,000

(Continued)

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Notes, Capital Lease, 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 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
<u>DISCRETELY PRESENTED RUTHERFORD 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	\$ 142,855	0 \$	71,429 \$	0 \$	71,426
Energy Efficiency Note	1,109,188	3	7-22-10	4-1-16	1,074,830	0	209,796	0	865,034
Energy Efficiency Note	500,000	0	7-22-10	4-1-18	488,096	0	71,424	0	416,672
Total Notes Payable					\$ 1,705,781	0 \$	352,649 \$	0 \$	1,353,132
<u>CAPITAL LEASE PAYABLE</u>									
Payable through General Purpose School Fund									
Energy Efficient Water upgrade	(1)	3.7	6-15-12	6-15-16	0 \$	514,046 \$	0 \$	0 \$	514,046
Total Capital Lease Payable					\$ 0	514,046 \$	0 \$	0 \$	514,046
<u>BONDS PAYABLE</u>									
Payable through General Purpose School Fund									
School Facilities and Improvement	4,035,000	3.7 to 4	12-1-05	2-1-13	\$ 1,180,000	0 \$	580,000 \$	0 \$	600,000
Total Bonds Payable					\$ 1,180,000	0 \$	580,000 \$	0 \$	600,000

(1) The total amount available for draws is \$946,967 of an authorized \$1,461,013.

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
2013	\$ 0	\$ 158,400	\$ 158,400
2014	9,600,000	119,680	9,719,680
Total	\$ 9,600,000	\$ 278,080	\$ 9,878,080

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 24,640,000	\$ 15,823,284	\$ 40,463,284
2014	25,975,000	14,740,332	40,715,332
2015	27,230,000	13,562,284	40,792,284
2016	26,890,000	12,334,756	39,224,756
2017	25,035,000	11,092,110	36,127,110
2018	26,275,000	9,950,707	36,225,707
2019	24,535,000	8,762,459	33,297,459
2020	23,715,000	7,696,775	31,411,775
2021	23,595,000	6,716,552	30,311,552
2022	20,780,000	5,661,550	26,441,550
2023	19,960,000	4,686,901	24,646,901
2024	15,820,000	3,823,444	19,643,444
2025	16,325,000	3,186,457	19,511,457
2026	16,870,000	2,566,350	19,436,350
2027	12,380,000	1,889,625	14,269,625
2028	12,700,000	1,431,774	14,131,774
2029	10,360,000	948,586	11,308,586
2030	7,720,000	557,225	8,277,225
2031	4,400,000	273,875	4,673,875
2032	4,540,000	141,875	4,681,875
Total	\$ 369,745,000	\$ 125,846,921	\$ 495,591,921

(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
2013	\$ 359,030	\$ 22,992	\$ 382,022
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	\$ 1,353,132	\$ 51,771	\$ 1,404,903

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2013	\$ 88,164	\$ 19,020	\$ 107,184
2014	190,511	15,758	206,269
2015	197,626	8,709	206,335
2016	37,745	1,397	39,142
Total	\$ 514,046	\$ 44,884	\$ 558,930

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 600,000	\$ 22,200	\$ 622,200
Total	\$ 600,000	\$ 22,200	\$ 622,200

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2012

<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	\$ 60,818
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>7,277</u>
Total Investments				<u>\$ 68,095</u>

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2012

Exhibit L-4

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-12
Industrial/Economic Development Fund: Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	8-17-19	6 %	\$ 436,337
General Debt Service Fund: Rockvale Utility District Waterlines	City of Murfreesboro, Tennessee	1,820,785	Various	Various	0	<u>1,820,785</u>
Total						<u>\$ 2,257,122</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, 2012

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Capital projects	\$ 3,105,602
General Capital Projects	General	"	23,343
Ambulance Service	General Capital Projects	"	100,000
Special Purpose Fund	General Capital Projects	"	25,000
Employee Insurance - Health	General	Operations	247,552
Workers' Compensation	"	"	247,552
Total Transfers Primary Government			<u>\$ 3,749,049</u>
<u>DISCRETELY PRESENTED RUTHERFORD</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	\$ 190,755
Central Cafeteria	"	Salaries, Maintenance	53,478
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 244,233</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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 119,033	\$ 60,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, TCA	113,365	100,000	Ohio Farmers Insurance Company
Director of Schools	State Board of Education	168,306 (1)	50,000	Hartford Fire Insurance Company
Trustee	Local Board of Education	93,690	10,904,500	"
Assessor of Property	Section 8-24-102, TCA	93,690	10,000	Ohio Farmers Insurance Company
Director of Finance	Section 8-24-102, TCA	105,200 (2)	100,000	Hartford Fire Insurance Company
County Clerk	County Commission	93,690	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	103,059 (3)	100,000	"
Clerk and Master	and County Commission	94,140 (4)	100,000	Ohio Farmers Insurance Company
Register	Section 8-24-102, TCA	93,690	100,000	Hartford Fire Insurance Company
Sheriff	Court Judge and County Commission	113,965 (5)	25,000	"
Other Bonds	Section 8-24-102, TCA			
Employee Blanket Bond			500,000	Great American Insurance Company

- (1) Includes a \$6,000 career ladder payment, \$32,397 vacation pay, and \$1,794 bonus.
Does not include \$600 per month vehicle allowance.
- (2) Includes longevity pay of \$350 and a salary supplement of \$1,800.
- (3) Includes \$9,369 for serving more than one court.
- (4) Does not include special commissioner fees of \$3,145. Includes longevity pay of \$450.
- (5) 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, 2012

	General	Special Revenue Funds					Drug Control
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 33,853,056	\$ 0	\$ 4,801,455	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	668,339	0	106,185	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	603,658	0	95,908	0	0	0	0
Interest and Penalty	148,488	0	23,488	0	0	0	0
Pick-up Taxes	72,528	0	11,081	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,587	0	509	0	0	0	0
Payments in-Lieu-of Taxes - Other	6,743,580	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	290,461	871,384	0	0	0	0	0
Hotel/Motel Tax	1,215,999	0	0	0	0	0	0
Wheel Tax	2,929,817	0	0	0	0	0	0
Litigation Tax - General	241,538	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Courtroom Security	628,508	0	0	0	0	0	0
Business Tax	834,381	0	118,342	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Adequate Facilities/Development Tax	1,025,625	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	68,113	0	0	0	0	0	0
Wholesale Beer Tax	824,606	0	0	0	0	0	0
Interstate Telecommunications Tax	4,972	0	0	0	0	0	0
Total Local Taxes	\$ 50,157,256	\$ 871,384	\$ 5,156,968	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-7

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

	General	Special Revenue Funds				
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Plumbing Permits	\$ 56,375	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Food Handling Permits	725	0	0	0	0	0
Other Permits	27,716	0	0	0	0	0
Total Licenses and Permits	\$ 1,421,316	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 30,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	438,299	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	83,310
Drug Court Fees	20,695	0	0	0	0	0
Jail Fees	245,661	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,740	0	0	0	0	0
Courtroom Security Fee	2,392	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	5,895	0	0	0	0	0
Data Entry Fee - Criminal Court	2,953	0	0	0	0	0
Courtroom Security Fee	5,481	0	0	0	0	0
Victims Assistance Assessments	20,288	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	517,537	0	0	0	0	0
Game and Fish Fines	1,500	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	131,019
Drug Court Fees	55,418	0	0	0	0	0
DUI Treatment Fines	56,327	0	0	0	0	0
Data Entry Fee - General Sessions Court	49,220	0	0	0	0	0
Courtroom Security Fee	14,622	0	0	0	0	0
Victims Assistance Assessments	166,168	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$	6,005	\$	0	\$	0
Drug Control Fines		361		0		0
Drug Court Fees		11,803		0		0
Jail Fees		208,136		0		0
Data Entry Fee - Juvenile Court		6,067		0		0
Courtroom Security Fee		4,743		0		0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court		12,862		0		0
<u>Other Courts - In-county</u>						
Fines		73,300		0		0
District Attorney General Fees		0		0		0
Courts in Other District Counties						
District Attorney General Fees		0		0		0
Judicial District Drug Program		21,201		0		0
Victims Assistance Assessments						
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property		0		0		280,529
Total Fines, Forfeitures, and Penalties	\$	1,980,337	\$	0	\$	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$	0	\$	766,558	\$	0
Surcharge - Host Agency		0		852,191		0
Patient Charges		0		0	6,333,137	0
Past Due Collections - Ambulance		0		0	120,159	0
Zoning Studies		62,300		0	0	0
Work Release Charges for Board Fees		25,140		0	0	0
Subdivision Lot Fees		24,400		0	0	0
Recreation Fees		1,440		0	0	0
(Continued)						

(Continued)

Exhibit L-7

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

	Special Revenue Funds						Drug Control
	General	Solid Waste / Sanitation	Ambulance Service	Economic Development	Special Purpose		
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Archives and Records Management Fee - County Clerk	\$ 113,976	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Greenbelt Late Application Fee	350	0	0	0	0	0	0
Telephone Commissions	258,806	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0
Data Processing Fee - Register	100,836	0	0	0	0	0	0
Probation Fees	42,943	0	0	0	0	0	0
Data Processing Fee - Sheriff	26,360	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	9,150	0	0	0	0	0	0
Data Processing Fee - County Clerk	20,080	0	0	0	0	0	0
<u>Education Charges</u>							
Contract for Administrative Services with Other LEAs	325,002	0	0	0	0	0	677
TBI Criminal Background Fees	30,135	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	89,926	0	0	0	0
Total Charges for Current Services	\$ 1,040,918	\$ 1,618,749	\$ 6,543,222	\$ 0	\$ 0	\$ 0	677
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	223,363	\$ 0	\$ 0	\$ 71,392	\$ 308	\$ 705	0
Lease/Rentals	173,552	0	0	0	0	0	0
Sale of Materials and Supplies	20,282	0	2,290	0	0	0	0
Commissary Sales	167,064	0	0	0	0	0	0
Sale of Maps	6,810	0	0	0	0	0	0
Sale of Recycled Materials	15,909	337,421	0	0	0	0	0
Sale of Animals/Livestock	121,249	0	0	0	0	0	0
Miscellaneous Refunds	113,887	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Property	0	0	0	747,129	0	0	0
Damages Recovered from Individuals	125	0	0	0	0	0	0
(Continued)							

(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.)						
Nonrecurring Items (Cont.)						
Contributions and Gifts						
Performance Bond Forfeitures	\$ 85,967	\$ 0	\$ 42,250	\$ 0	\$ 24,000	\$ 978
Other Local Revenues	80,453	0	0	0	0	0
Other Local Revenues	25,959	0	0	0	0	0
Total Other Local Revenues	\$ 1,034,620	\$ 337,421	\$ 44,540	\$ 818,521	\$ 24,308	\$ 1,683
Fees Received from County Officials						
Excess Fees						
Circuit Court Clerk	\$ 1,200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	4,149,486	0	0	0	0	0
Fees in-Lieu-of Salary						
County Clerk	2,653,396	0	0	0	0	0
Clerk and Master	709,219	0	0	0	0	0
Register	1,390,800	0	0	0	0	0
Sheriff	129,248	0	0	0	0	0
Total Fees Received from County Officials	\$ 10,232,149	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

State of Tennessee							
General Government Grants							
Juvenile Services Program							
Solid Waste Grants	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Other General Government Grants	0	7,931	0	0	0	0	
Public Safety Grants	10,574	0	0	0	0	0	
Law Enforcement Training Programs	112,800	0	0	0	0	0	
Health and Welfare Grants							
Health Department Programs	1,580,590	0	0	0	0	0	
Public Works Grants							
State Aid Program	0	0	0	0	0	0	
Litter Program	0	96,575	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
State of Tennessee (Cont.)						
Other State Revenues						
Flood Control	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0
Income Tax	273,455	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0
Alcoholic Beverage Tax	294,173	0	0	0	0	0
Mixed Drink Tax	25,515	0	0	0	0	0
Contracted Prisoner Boarding	3,281,952	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	15,164	0	0	0	0	0
Other State Grants	541,040	16,755	0	0	0	0
Other State Revenues	121,378	229,813	0	0	0	0
Total State of Tennessee	\$ 6,284,062 \$	351,074 \$	0 \$	0 \$	0 \$	0
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 5,086 \$	0 \$	0 \$	0 \$	0 \$	0
Breakfast	3,312	0	0	0	0	0
Community Development	94,735	0	0	0	0	0
Civil Defense Reimbursement	63,000	0	0	0	0	0
Disaster Relief	20,631	22,429	0	0	0	0
Homeland Security Grants	497,608	0	0	0	0	0
Law Enforcement Grants	37,932	0	0	0	0	0
Other Federal through State	324,783	0	0	0	0	0
Direct Federal Revenue						
Police Service (Lake Area)	43,615	0	0	0	0	0
Asset Forfeiture Funds	37,416	0	0	0	510,925	0
ARRA Grant # 6	112,253	0	0	0	0	0
Other Direct Federal Revenue	141,927	0	0	0	0	0
Total Federal Government	\$ 1,382,298 \$	22,429 \$	0 \$	0 \$	510,925 \$	0

(Continued)

Exhibit L-7

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

	General	Special Revenue Funds					
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	
Other Governments and Citizens Groups							
Other Governments							
Prisoner Board	\$ 24,147	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	53,450	0	0	0	0	0	0
Contracted Services	748,598	0	3,610	0	0	0	0
Citizens Groups							
Donations	36,489	0	0	0	0	0	0
Other							
	20,274	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 882,958	\$ 0	\$ 3,610	\$ 0	\$ 0	\$ 0	0
Total	\$ 74,415,914	\$ 3,201,057	\$ 11,748,340	\$ 818,521	\$ 535,233	\$ 497,218	

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service		Capital	
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General	Debt Service	General Capital Projects	Fund	Total
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0 \$	0 \$	814,525 \$	34,553,280 \$	0 \$	0 \$	74,022,316	
Trustee's Collections - Prior Year	0	0	10,708	755,488	0	0	1,540,720	
Circuit/Clerk & Master Collections - Prior Years	0	0	9,671	682,373	0	0	1,391,610	
Interest and Penalty	0	0	2,426	167,001	0	0	341,403	
Pick-up Taxes	0	0	1,370	79,144	0	0	164,123	
Payments in-Lieu-of Taxes - T.V.A.	0	0	86	3,661	0	0	7,843	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	6,743,580	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	290,461	0	0	0	1,452,306	
Hotel/Motel Tax	0	0	0	0	0	0	1,215,999	
Wheel Tax	0	0	2,929,817	0	0	0	5,859,634	
Litigation Tax - General	0	0	0	675,816	0	0	917,354	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	876,431	0	0	876,431	
Litigation Tax - Courtroom Security	0	0	0	0	0	0	628,508	
Business Tax	0	0	20,076	851,639	0	0	1,824,438	
Mineral Severance Tax	0	0	256,569	0	0	0	256,569	
Adequate Facilities/Development Tax	0	0	0	1,025,625	0	0	2,051,250	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	68,113	
Wholesale Beer Tax	0	0	0	0	0	0	824,606	
Interstate Telecommunications Tax	0	0	0	0	0	0	4,972	
Total Local Taxes	\$ 0 \$	0 \$	4,335,709 \$	39,670,458 \$	0 \$	0 \$	100,191,775	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Animal Registration	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	98,651	
Animal Vaccination	0	0	0	0	0	0	26,266	
Cable TV Franchise	0	0	0	0	0	0	774,971	
<u>Permits</u>								
Building Permits	0	0	0	0	0	0	436,612	

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service		Capital	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	Fund	Fund	Projects	Fund
				General	Debt Service	General Capital	Projects Total
Licenses and Permits (Cont.)							
Permits (Cont.)							
Plumbing Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	56,375
Food Handling Permits	0	0	0	0	0	0	725
Other Permits	0	0	0	0	0	0	27,716
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,421,316
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	30,663
Officers Costs	0	0	0	0	0	0	438,299
Drug Control Fines	0	0	0	0	0	0	83,310
Drug Court Fees	0	0	0	0	0	0	20,695
Jail Fees	0	0	0	0	0	0	245,661
District Attorney General Fees	48,352	0	0	0	0	0	48,352
Data Entry Fee - Circuit Court	0	0	0	0	0	0	2,740
Courtroom Security Fee	0	0	0	0	0	0	2,392
Criminal Court							
DUI Treatment Fines	0	0	0	0	0	0	5,895
Data Entry Fee - Criminal Court	0	0	0	0	0	0	2,953
Courtroom Security Fee	0	0	0	0	0	0	5,481
Victims Assistance Assessments	0	0	0	0	0	0	20,288
General Sessions Court							
Fines	0	0	0	0	0	0	517,537
Game and Fish Fines	0	0	0	0	0	0	1,500
Drug Control Fines	0	0	0	0	0	0	131,019
Drug Court Fees	0	0	0	0	0	0	55,418
DUI Treatment Fines	0	0	0	0	0	0	56,327
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	49,220
Courtroom Security Fee	0	0	0	0	0	0	14,622
Victims Assistance Assessments	0	0	0	0	0	0	166,168

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service		Capital	
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Fund	Fund	Projects	Fund
							Total
Fines, Forfeitures, and Penalties (Cont.)							
Juvenile Court							
Fines	\$	0 \$	0 \$	0 \$	0 \$	0 \$	6,005
Drug Control Fines		0	0	0	0	0	361
Drug Court Fees		0	0	0	0	0	11,803
Jail Fees		0	0	0	0	0	208,136
Data Entry Fee - Juvenile Court		0	0	0	0	0	6,067
Courtroom Security Fee		0	0	0	0	0	4,743
Chancery Court							
Data Entry Fee - Chancery Court		0	0	0	0	0	12,862
Other Courts - In-county							
Fines		0	0	0	0	0	73,300
District Attorney General Fees	6,048	0	0	0	0	0	6,048
Courts in Other District Counties							
District Attorney General Fees	2,047	0	0	0	0	0	2,047
Judicial District Drug Program							
Victims Assistance Assessments		0	0	0	0	0	21,201
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property		0	0	0	0	0	280,529
Total Fines, Forfeitures, and Penalties	\$ 56,447	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,531,642
Charges for Current Services							
General Service Charges							
Tipping Fees	\$	0 \$	0 \$	0 \$	0 \$	0 \$	766,558
Surcharge - Host Agency		0	0	0	0	0	852,191
Patient Charges		0	0	0	0	0	6,333,137
Past Due Collections - Ambulance		0	0	0	0	0	120,159
Zoning Studies		0	0	0	0	0	62,300
Work Release Charges for Board		0	0	0	0	0	25,140
Fees							
Subdivision Lot Fees		0	0	0	0	0	24,400
Recreation Fees		0	0	0	0	0	1,440

(Continued)

Exhibit L-7

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

	Special Revenue Funds				Debt Service		Capital	
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Fund	General Debt Service	Fund	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>								
<u>Fees (Cont.)</u>								
Archives and Records Management Fee - County Clerk	\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	113,976
Greenbelt Late Application Fee		0	0	0	0	0	0	350
Telephone Commissions		0	0	0	0	0	0	258,806
Constitutional Officers' Fees and Commissions		2,543,380	0	0	0	0	0	2,543,380
Special Commissioner Fees/Special Master Fees		3,145	0	0	0	0	0	3,145
Data Processing Fee - Register		0	0	0	0	0	0	100,836
Probation Fees		0	0	0	0	0	0	42,943
Data Processing Fee - Sheriff		0	0	0	0	0	0	26,360
Sexual Offender Registration Fees - Sheriff		0	0	0	0	0	0	9,150
Data Processing Fee - County Clerk		0	0	0	0	0	0	20,080
<u>Education Charges</u>								
Contract for Administrative Services with Other LEAs	0	0	0	0	0	0	0	325,679
TBI Criminal Background Fees	0	0	0	0	0	0	0	30,135
<u>Other Charges for Services</u>								
Other Charges for Services	0	0	0	0	0	0	0	89,926
Total Charges for Current Services	0 \$	2,546,525 \$	0 \$	0 \$	0 \$	0 \$	0 \$	11,750,091
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$	0 \$	20,092 \$	90,555 \$	827 \$	407,242		
Lease/Rentals		0	0	130,200	0	303,752		
Sale of Materials and Supplies		0	94,109	0	0	116,681		
Commissary Sales		0	0	0	0	167,064		
Sale of Maps		0	0	0	0	6,810		
Sale of Recycled Materials		0	0	0	0	353,330		
Sale of Animals/Livestock		0	0	0	0	121,249		
Miscellaneous Refunds		0	0	0	224	114,111		
<u>Nonrecurring Items</u>								
Sale of Property	0	0	0	0	0	747,129		
Damages Recovered from Individuals	0	0	0	0	0	125		

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service		Capital	
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Fund	Fund	Projects	Fund
Other Local Revenues (Cont.)							
Nonrecurring Items (Cont.)							
Contributions and Gifts	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	586,000 \$	739,195
Performance Bond Forfeitures	0	0	0	0	0	31,860	112,313
Other Local Revenues	0	0	0	0	0	0	25,959
Total Other Local Revenues	\$ 0 \$	0 \$	114,201 \$	220,755 \$	618,911 \$	3,214,960	
Fees Received from County Officials							
Excess Fees	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,200,000
Circuit Court Clerk	0	0	0	0	0	0	4,149,486
Trustee							
Fees in-Lieu-of Salary							
County Clerk	0	0	0	0	0	0	2,653,396
Clerk and Master	0	0	0	0	0	0	709,219
Register	0	0	0	0	0	0	1,390,800
Sheriff	0	0	0	0	0	0	129,248
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	10,232,149
State of Tennessee							
General Government Grants							
Juvenile Services Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
Solid Waste Grants	0	0	0	0	0	0	7,931
Other General Government Grants	0	0	0	0	0	0	10,574
Public Safety Grants							
Law Enforcement Training Programs	0	0	0	0	0	0	112,800
Health and Welfare Grants							
Health Department Programs	0	0	0	0	0	0	1,580,590
Public Works Grants							
State Aid Program	0	0	832,601	0	0	0	832,601
Litter Program	0	0	0	0	0	0	96,575

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service		Capital	
	District Attorney General	Constitu- tional Officers - Fees	Highway / Public Works	Fund	Fund	Projects	Fund
				General	Debt Service	General Capital	Total
State of Tennessee (Cont.)							
Other State Revenues							
Flood Control	\$	0 \$	15,112 \$	0 \$	0 \$	0 \$	15,112
Income Tax	0	0	0	0	0	0	273,455
Beer Tax	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	294,173
Mixed Drink Tax	0	0	0	0	0	0	25,515
Contracted Prisoner Boarding	0	0	0	0	0	0	3,281,952
Gasoline and Motor Fuel Tax	0	0	3,563,778	0	0	0	3,563,778
Petroleum Special Tax	0	0	189,481	0	0	0	189,481
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	0	22,509	0	0	0	580,304
Other State Revenues	0	0	0	0	0	0	351,191
Total State of Tennessee	0 \$	0 \$	4,623,481 \$	0 \$	0 \$	0 \$	11,258,617
Federal Government							
Federal Through State							
USDA School Lunch Program	\$	0 \$	0 \$	0 \$	0 \$	0 \$	5,086
Breakfast	0	0	0	0	0	0	3,312
Community Development	0	0	0	0	0	0	94,735
Civil Defense Reimbursement	0	0	0	0	0	0	63,000
Disaster Relief	0	0	33,763	0	0	0	76,823
Homeland Security Grants	0	0	0	0	0	0	497,608
Law Enforcement Grants	0	0	0	0	0	0	37,932
Other Federal through State	0	0	0	0	0	0	324,783
Direct Federal Revenue							
Police Service (Lake Area)	0	0	0	0	0	0	43,615
Asset Forfeiture Funds	0	0	0	0	0	0	548,341
ARRA Grant # 6	0	0	0	0	0	0	112,253
Other Direct Federal Revenue	0	0	0	0	0	130,325	272,252
Total Federal Government	0 \$	0 \$	33,763 \$	0 \$	0 \$	130,325 \$	2,079,740

(Continued)

Exhibit L-7

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund	
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	24,147	
	0	0	0	0	0	53,450	
	0	0	0	0	0	752,208	
	0	0	0	0	0	36,489	
	0	0	0	0	0	20,274	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	886,568	
\$	56,447 \$	2,546,525 \$	9,107,154 \$	39,891,213 \$	749,236 \$	143,566,858	

Other Governments and Citizens Groups

Other Governments

Prisoner Board

Contributions

Contracted Services

Citizens Groups

Donations

Other

Other

Total Other Governments and Citizens Groups

Total

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 56,331,259	\$ 0	\$ 0	\$ 2,226,987	\$ 0	\$ 58,558,246
Trustee's Collections - Prior Year	1,117,962	0	0	46,400	0	1,164,362
Circuit/Clerk & Master Collections - Prior Years	1,057,550	0	0	41,910	0	1,099,460
Interest and Penalty	260,159	0	0	10,274	0	270,433
Pick-up Taxes	125,065	0	0	4,943	0	130,008
Payments in-Lieu-of Taxes - T.V.A.	5,961	0	0	236	0	6,197
Payments in-Lieu-of Taxes - Local Utilities	864,930	0	0	0	0	864,930
<u>County Local Option Taxes</u>						
Local Option Sales Tax	40,313,193	0	0	0	0	40,313,193
Wheel Tax	3,320,660	0	0	0	0	3,320,660
Business Tax	1,387,130	0	0	54,944	0	1,442,074
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	13,920	0	0	0	0	13,920
Total Local Taxes	\$ 104,797,789	\$ 0	\$ 0	\$ 2,385,694	\$ 0	\$ 107,183,483
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 11,645	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,645
Total Licenses and Permits	\$ 11,645	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,645
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 53,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,000
Tuition - Other	25,545	0	0	0	0	25,545
Lunch Payments - Children	0	0	4,773,539	0	0	4,773,539
Lunch Payments - Adults	0	0	305,874	0	0	305,874
Income from Breakfast	0	0	846,909	0	0	846,909
A la carte Sales	0	0	662,827	0	0	662,827
Contract for Administrative Services with Other LEAs	10,809	0	0	0	0	10,809
<u>Other Charges for Services</u>						
Other Charges for Services	20,495	0	2,765	0	0	23,260
Total Charges for Current Services	\$ 109,849	\$ 0	\$ 6,591,914	\$ 0	\$ 0	\$ 6,701,763

(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	\$ 100,501	\$ 0	\$ 7,287	\$ 0	\$ 0	\$ 107,788
Sale of Materials and Supplies	27,838	0	0	0	0	27,838
Miscellaneous Refunds	60,256	0	580	0	0	60,836
<u>Nonrecurring Items</u>						
Sale of Equipment	3,515	0	459	0	0	3,974
Sale of Property	3,000	0	0	0	0	3,000
Contributions and Gifts	198,635	0	0	0	0	198,635
<u>Other Local Revenues</u>						
Other Local Revenues	30,130	0	0	0	0	30,130
Total Other Local Revenues	\$ 423,875	\$ 0	\$ 8,326	\$ 0	\$ 0	\$ 432,201
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 150,660,997	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,660,997
Early Childhood Education	978,052	0	0	0	0	978,052
School Food Service	0	0	166,207	0	0	166,207
Driver Education	199,397	0	0	0	0	199,397
Other State Education Funds	611,697	0	0	0	0	611,697
Career Ladder Program	1,010,513	0	0	0	0	1,010,513
Career Ladder - Extended Contract	299,924	0	0	0	0	299,924
<u>Other State Revenues</u>						
Mixed Drink Tax	292,852	0	0	0	0	292,852
State Revenue Sharing - T.V.A.	2,338,589	0	0	0	0	2,338,589
Other State Grants	30,477	0	0	0	0	30,477
Other State Revenues	36,037	0	3,741	0	0	39,778
Total State of Tennessee	\$ 156,458,535	\$ 0	\$ 169,948	\$ 0	\$ 0	\$ 156,628,483
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 6,902,967	\$ 0	\$ 0	\$ 6,902,967
USDA - Commodities	0	0	864,579	0	0	864,579
Breakfast	0	0	2,038,361	0	0	2,038,361
USDA - Other	0	0	48,529	0	0	48,529

(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
	\$	0 \$	594,735 \$	0 \$	0 \$	594,735
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Vocational Education - Basic Grants to States	0	4,269,127	0	0	0	4,269,127
Title I Grants to Local Education Agencies						
Special Education - Grants to States	507,148	7,547,205	0	0	0	8,054,353
Special Education Preschool Grants	0	166,790	0	0	0	166,790
English Language Acquisition Grants	0	268,708	0	0	0	268,708
Education for Homeless Children and Youth	0	99,207	0	0	0	99,207
Eisenhower Professional Development State Grants	0	737,833	0	0	0	737,833
Race-to-the-Top - ARRA	0	664,328	0	0	0	664,328
Other Federal through State	273,745	4,148,856	0	0	0	4,422,601
Direct Federal Revenue						
ROTC Reimbursement	536,492	0	0	0	0	536,492
Total Federal Government	\$ 1,317,385	\$ 18,496,789	\$ 9,854,436	\$ 0	\$ 0	\$ 29,668,610
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,256,673	\$ 48,256,673
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,256,673	\$ 48,256,673
Total	\$ 263,119,078	\$ 18,496,789	\$ 16,624,624	\$ 2,385,694	\$ 48,256,673	\$ 348,882,858

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	81,375	
Other Per Diem and Fees		74,100	
Social Security		9,639	
Employer Medicare		2,254	
Dues and Memberships		27,884	
Other Contracted Services		6,000	
Total County Commission			\$ 201,252

Board of Equalization

Board and Committee Members Fees	\$	6,300	
Social Security		391	
Employer Medicare		91	
Consultants		327	
Legal Notices, Recording, and Court Costs		421	
Total Board of Equalization			7,530

County Mayor/Executive

County Official/Administrative Officer	\$	119,033	
Secretary(ies)		136,442	
Part-time Personnel		7,200	
Longevity Pay		1,950	
Social Security		14,754	
State Retirement		32,540	
Employee and Dependent Insurance		25,311	
Disability Insurance		494	
Employer Medicare		3,719	
Communication		192	
Dues and Memberships		2,325	
Engineering Services		6,419	
Legal Notices, Recording, and Court Costs		6,661	
Maintenance Agreements		3,780	
Maintenance and Repair Services - Office Equipment		1,160	
Postal Charges		1,708	
Travel		710	
Duplicating Supplies		285	
Office Supplies		4,362	
Other Charges		25,182	
Total County Mayor/Executive			394,227

(Continued)

Exhibit L-9

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

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

County Official/Administrative Officer	\$	85,020	
Assistant(s)		39,258	
Part-time Personnel		10,510	
Longevity Pay		150	
Other Salaries and Wages		31,822	
Social Security		10,239	
State Retirement		19,751	
Employee and Dependent Insurance		24,578	
Disability Insurance		311	
Employer Medicare		2,394	
Advertising		45	
Communication		570	
Consultants		850	
Dues and Memberships		572	
Evaluation and Testing		10,826	
Maintenance Agreements		982	
Postal Charges		596	
Travel		1,786	
Other Contracted Services		375	
Instructional Supplies and Materials		646	
Office Supplies		2,320	
Other Supplies and Materials		1,807	
Other Charges		7,132	
Total Personnel Office			\$ 252,540

County Attorney

County Official/Administrative Officer	\$	72,000
Secretary(ies)		29,965
Longevity Pay		675
Social Security		6,174
State Retirement		12,974
Employee and Dependent Insurance		21,042
Disability Insurance		206
Employer Medicare		1,444
Communication		408
Dues and Memberships		100
Legal Services		200,000
Maintenance and Repair Services - Equipment		170
Postal Charges		493
Travel		147

(Continued)

Exhibit L-9

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

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

Other Contracted Services	\$	37,450	
Office Supplies		925	
Total County Attorney			\$ 384,173

Election Commission

County Official/Administrative Officer	\$	84,321	
Part-time Personnel		3,969	
Longevity Pay		1,275	
Other Salaries and Wages		207,495	
Election Commission		12,665	
Election Workers		105,557	
In-Service Training		1,428	
Social Security		22,264	
State Retirement		37,049	
Employee and Dependent Insurance		37,350	
Disability Insurance		586	
Unemployment Compensation		112	
Employer Medicare		5,207	
Communication		5,804	
Data Processing Services		1,097	
Dues and Memberships		799	
Legal Notices, Recording, and Court Costs		11,204	
Maintenance Agreements		15,953	
Maintenance and Repair Services - Office Equipment		284	
Postal Charges		79,400	
Printing, Stationery, and Forms		11,995	
Rentals		142,574	
Travel		2,976	
Data Processing Supplies		2,203	
Office Supplies		7,175	
Data Processing Equipment		38,520	
Total Election Commission			839,262

Register of Deeds

County Official/Administrative Officer	\$	93,690
Deputy(ies)		492,983
Part-time Personnel		39,708
Longevity Pay		5,325
In-Service Training		525
Social Security		35,712

(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.)

State Retirement	\$	74,831	
Employee and Dependent Insurance		122,271	
Disability Insurance		1,187	
Unemployment Compensation		871	
Employer Medicare		8,852	
Communication		1,229	
Data Processing Services		74,160	
Maintenance Agreements		10,784	
Postal Charges		5,677	
Other Contracted Services		10,316	
Data Processing Supplies		3,842	
Office Supplies		3,985	
Data Processing Equipment		2,698	
Total Register of Deeds			\$ 988,646

Planning

County Official/Administrative Officer	\$	88,000	
Assistant(s)		184,077	
Supervisor/Director		66,254	
Secretary(ies)		106,105	
Part-time Personnel		9,706	
Longevity Pay		2,050	
Board and Committee Members Fees		28,700	
In-Service Training		2,925	
Social Security		29,270	
State Retirement		56,439	
Employee and Dependent Insurance		65,952	
Disability Insurance		902	
Employer Medicare		6,846	
Communication		2,411	
Consultants		11,470	
Dues and Memberships		11,117	
Legal Notices, Recording, and Court Costs		2,755	
Maintenance Agreements		7,447	
Postal Charges		1,717	
Data Processing Supplies		1,821	
Gasoline		3,356	
Office Supplies		3,039	
Periodicals		1,578	
Other Supplies and Materials		459	
Total Planning			694,396

(Continued)

Exhibit L-9

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

General Fund (Cont.)General Government (Cont.)Codes Compliance

Communication	\$	414	
Total Codes Compliance			\$ 414

Geographical Information Systems

Data Processing Personnel	\$	199,243	
Part-time Personnel		27,254	
Longevity Pay		1,200	
Overtime Pay		2,811	
Social Security		13,787	
State Retirement		25,683	
Employee and Dependent Insurance		28,470	
Disability Insurance		402	
Employer Medicare		3,224	
Data Processing Services		39,622	
Maintenance Agreements		223,396	
Postal Charges		18	
Travel		250	
Data Processing Supplies		10,426	
Data Processing Equipment		47,044	
Other Capital Outlay		252,687	
Total Geographical Information Systems			875,517

County Buildings

Supervisor/Director	\$	65,089	
Clerical Personnel		29,965	
Custodial Personnel		82,214	
Maintenance Personnel		131,076	
Part-time Personnel		219,734	
Longevity Pay		2,275	
Overtime Pay		8,002	
Social Security		32,639	
State Retirement		40,225	
Employee and Dependent Insurance		97,031	
Disability Insurance		749	
Unemployment Compensation		1,622	
Employer Medicare		7,634	
Communication		52,249	
Contracts with Government Agencies		82,000	
Maintenance and Repair Services - Buildings		41,244	
Travel		654	

(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.)

Other Contracted Services	\$	87,980	
Custodial Supplies		36,831	
Gasoline		19,678	
Utilities		552,584	
Other Supplies and Materials		77,653	
Building Improvements		173,216	
Data Processing Equipment		5,759	
Maintenance Equipment		21,142	
Motor Vehicles		24,802	
Total County Buildings			\$ 1,894,047

Other General Administration

Supervisor/Director	\$	72,785	
Teachers		102,561	
Salary Supplements		4,500	
Longevity Pay		1,375	
Social Security		10,969	
State Retirement		22,908	
Employee and Dependent Insurance		12,712	
Disability Insurance		354	
Employer Medicare		2,566	
Communication		2	
Maintenance Agreements		796	
Riprap		2,139	
Other Supplies and Materials		1,104	
Total Other General Administration			234,771

Preservation of Records

County Official/Administrative Officer	\$	45,223	
Part-time Personnel		6,410	
Longevity Pay		100	
Social Security		3,090	
State Retirement		5,729	
Employee and Dependent Insurance		12,197	
Disability Insurance		91	
Employer Medicare		723	
Communication		803	
Dues and Memberships		520	
Maintenance Agreements		266	
Postal Charges		223	

(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.)

Library Books/Media	\$	70	
Office Supplies		1,501	
Other Supplies and Materials		3,395	
Other Charges		28,030	
Data Processing Equipment		1,970	
Furniture and Fixtures		99,991	
Total Preservation of Records			\$ 210,332

Risk Management

Supervisor/Director	\$	73,642	
Clerical Personnel		148,238	
Longevity Pay		1,075	
Other Salaries and Wages		118,534	
Board and Committee Members Fees		4,100	
Social Security		20,811	
State Retirement		43,168	
Employee and Dependent Insurance		60,989	
Disability Insurance		688	
Unemployment Compensation		2,547	
Employer Medicare		4,874	
Communication		1,724	
Maintenance Agreements		1,450	
Postal Charges		1,699	
Travel		1,179	
Gasoline		594	
Office Supplies		5,690	
Other Supplies and Materials		442	
Building and Contents Insurance		79,891	
Liability Insurance		427,995	
Premiums on Corporate Surety Bonds		80	
Other Charges		22,399	
Total Risk Management			1,021,809

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	103,050	
Accountants/Bookkeepers		409,025	
Salary Supplements		7,200	
Clerical Personnel		25,648	
Part-time Personnel		23,852	

(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.)

Longevity Pay	\$	5,575	
Overtime Pay		2,987	
Other Salaries and Wages		60,958	
Board and Committee Members Fees		1,300	
Social Security		38,365	
State Retirement		77,669	
Employee and Dependent Insurance		91,664	
Disability Insurance		1,214	
Employer Medicare		8,973	
Audit Services		78,781	
Communication		215	
Dues and Memberships		2,329	
Maintenance Agreements		1,404	
Maintenance and Repair Services - Equipment		1,445	
Postal Charges		11,061	
Travel		5,002	
Other Contracted Services		910	
Office Supplies		26,235	
Data Processing Equipment		3,786	
Total Accounting and Budgeting			\$ 988,648

Property Assessor's Office

County Official/Administrative Officer	\$	93,690
Deputy(ies)		916,097
Salary Supplements		6,000
Part-time Personnel		4,695
Longevity Pay		5,800
Overtime Pay		1,184
In-Service Training		4,914
Social Security		61,494
State Retirement		129,193
Employee and Dependent Insurance		166,711
Disability Insurance		2,027
Unemployment Compensation		12,916
Employer Medicare		14,450
Communication		1,325
Data Processing Services		80,834
Dues and Memberships		2,300
Maintenance Agreements		23,784
Maintenance and Repair Services - Equipment		665

(Continued)

Exhibit L-9

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

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

Postal Charges	\$	6,215	
Travel		677	
Office Supplies		19,459	
Other Supplies and Materials		2,324	
Data Processing Equipment		17,424	
Furniture and Fixtures		698	
Motor Vehicles		40,528	
Total Property Assessor's Office			\$ 1,615,404

Reappraisal Program

Deputy(ies)	\$	300,646	
Longevity Pay		2,400	
Overtime Pay		766	
Social Security		17,997	
State Retirement		38,403	
Employee and Dependent Insurance		65,031	
Disability Insurance		597	
Employer Medicare		4,209	
Communication		4,769	
Maintenance and Repair Services - Vehicles		1,200	
Postal Charges		8,000	
Data Processing Supplies		2,401	
Gasoline		28,083	
Other Supplies and Materials		1,866	
Total Reappraisal Program			476,368

County Trustee's Office

Communication	\$	280	
Data Processing Services		4,500	
Legal Notices, Recording, and Court Costs		200	
Maintenance Agreements		792	
Postal Charges		35,912	
Office Supplies		12,238	
Other Supplies and Materials		64	
Tax Relief Program		488,906	
Data Processing Equipment		1,682	
Total County Trustee's Office			544,574

County Clerk's Office

County Official/Administrative Officer	\$	93,690	
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(Continued)

Exhibit L-9

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

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

Deputy(ies)	\$ 1,307,066	
Part-time Personnel	23,860	
Longevity Pay	10,975	
Social Security	86,411	
State Retirement	178,496	
Employee and Dependent Insurance	242,160	
Disability Insurance	2,829	
Employer Medicare	20,210	
Communication	20,787	
Data Processing Services	16,562	
Maintenance Agreements	4,924	
Maintenance and Repair Services - Equipment	1,329	
Postal Charges	45,156	
Travel	1,533	
Gasoline	1,566	
Office Supplies	41,580	
Other Supplies and Materials	13,985	
Data Processing Equipment	2,911	
Office Equipment	19,095	
Total County Clerk's Office		\$ 2,135,125

Data Processing

County Official/Administrative Officer	\$ 98,949
Data Processing Personnel	615,904
Part-time Personnel	48,013
Longevity Pay	2,500
Overtime Pay	8,280
Social Security	46,974
State Retirement	86,305
Employee and Dependent Insurance	101,833
Disability Insurance	1,417
Unemployment Compensation	236
Employer Medicare	10,986
Communication	138,524
Data Processing Services	113,358
Dues and Memberships	1,434
Maintenance Agreements	42,425
Travel	4,233
Data Processing Supplies	44,987
Gasoline	2,404

(Continued)

Exhibit L-9

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

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

Data Processing Equipment	\$	337,698	
Other Equipment		46,240	
Total Data Processing			\$ 1,752,700

Administration of JusticeCircuit Court

Jury and Witness Expense	\$	45,924	
Communication		3,608	
Data Processing Services		142,907	
Legal Services		14,678	
Maintenance Agreements		14,025	
Maintenance and Repair Services - Equipment		2,433	
Postal Charges		33,714	
Office Supplies		38,874	
Other Supplies and Materials		986	
Other Charges		125,000	
Data Processing Equipment		1,989	
Office Equipment		15,554	
Total Circuit Court			439,692

Circuit Court Judge

Assistant(s)	\$	48,436	
Deputy(ies)		123,920	
Longevity Pay		225	
Social Security		10,497	
State Retirement		21,102	
Employee and Dependent Insurance		33,285	
Disability Insurance		333	
Employer Medicare		2,455	
Postal Charges		79	
Travel		478	
Total Circuit Court Judge			240,810

General Sessions Court

Judge(s)	\$	444,990	
Assistant(s)		48,436	
Deputy(ies)		101,083	
Part-time Personnel		28,174	
Longevity Pay		2,000	
Overtime Pay		1,116	

(Continued)

Exhibit L-9

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

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

Other Salaries and Wages	\$	290,485	
Social Security		48,477	
State Retirement		112,211	
Employee and Dependent Insurance		100,576	
Disability Insurance		1,546	
Employer Medicare		12,981	
Communication		3,057	
Data Processing Services		17,885	
Dues and Memberships		2,231	
Evaluation and Testing		17,250	
Maintenance Agreements		2,644	
Maintenance and Repair Services - Office Equipment		377	
Postal Charges		2	
Travel		10,272	
Library Books/Media		712	
Office Supplies		7,274	
Uniforms		570	
Data Processing Equipment		2,409	
Total General Sessions Court			\$ 1,256,758

Drug Court

Assistant(s)	\$	40,636	
Supervisor/Director		56,717	
Secretary(ies)		27,485	
Part-time Personnel		21,840	
Longevity Pay		950	
Overtime Pay		531	
Other Salaries and Wages		105,782	
Social Security		15,034	
State Retirement		29,340	
Employee and Dependent Insurance		40,755	
Disability Insurance		451	
Employer Medicare		3,516	
Communication		2,878	
Dues and Memberships		320	
Licenses		1,010	
Maintenance Agreements		1,092	
Postal Charges		659	
Office Supplies		1,370	
Other Supplies and Materials		22,341	

(Continued)

Exhibit L-9

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

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

In Service/Staff Development	\$	1,100	
Total Drug Court			\$ 373,807

Chancery Court

County Official/Administrative Officer	\$	93,690	
Deputy(ies)		391,560	
Attendants		29,731	
Part-time Personnel		35,478	
Longevity Pay		3,475	
Overtime Pay		3,757	
Jury and Witness Expense		3,743	
Social Security		33,389	
State Retirement		65,997	
Employee and Dependent Insurance		66,806	
Disability Insurance		1,043	
Employer Medicare		7,809	
Communication		2,571	
Data Processing Services		18,725	
Dues and Memberships		550	
Legal Notices, Recording, and Court Costs		23,542	
Maintenance Agreements		15,606	
Maintenance and Repair Services - Equipment		444	
Postal Charges		23,487	
Travel		1,124	
Other Contracted Services		752	
Office Supplies		25,575	
Other Supplies and Materials		3,676	
Data Processing Equipment		4,674	
Total Chancery Court			857,204

Juvenile Court

Judge(s)	\$	148,330
Deputy(ies)		31,260
Secretary(ies)		34,650
Part-time Personnel		32,968
Longevity Pay		100
Other Salaries and Wages		85,020
Social Security		17,568
State Retirement		37,840
Employee and Dependent Insurance		37,594

(Continued)

Exhibit L-9

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

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

Disability Insurance	\$	524	
Employer Medicare		4,693	
Communication		793	
Dues and Memberships		1,833	
Maintenance Agreements		630	
Postal Charges		214	
Travel		1,791	
Other Contracted Services		42,955	
Library Books/Media		2,529	
Office Supplies		1,999	
Uniforms		577	
Other Supplies and Materials		1,910	
Total Juvenile Court			\$ 485,778

District Attorney General

Assistant(s)	\$	52,411	
Longevity Pay		175	
Social Security		3,071	
State Retirement		6,647	
Employee and Dependent Insurance		12,197	
Disability Insurance		106	
Employer Medicare		718	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			80,040

Office of Public Defender

Contracts with Government Agencies	\$	24,000	
Postal Charges		328	
Total Office of Public Defender			24,328

Probation Services

County Official/Administrative Officer	\$	61,295	
Assistant(s)		43,637	
Youth Service Officer(s)		136,512	
Secretary(ies)		29,443	
Longevity Pay		1,800	
In-Service Training		807	
Social Security		16,253	
State Retirement		34,470	

(Continued)

Exhibit L-9

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

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

Employee and Dependent Insurance	\$	59,847	
Disability Insurance		545	
Employer Medicare		3,801	
Communication		1,814	
Contracts with Private Agencies		464,144	
Data Processing Services		4,200	
Maintenance Agreements		969	
Postal Charges		88	
Travel		3,648	
Office Supplies		2,065	
Other Supplies and Materials		741	
Total Probation Services			\$ 866,079

Victims Assistance Programs

Assistant(s)	\$	39,926	
Part-time Personnel		37,496	
Longevity Pay		150	
Other Salaries and Wages		45,016	
In-Service Training		1,200	
Social Security		7,594	
State Retirement		10,785	
Employee and Dependent Insurance		5,596	
Disability Insurance		150	
Employer Medicare		1,776	
Communication		700	
Dues and Memberships		400	
Maintenance Agreements		1,208	
Postal Charges		3	
Other Contracted Services		4,315	
Office Supplies		1,780	
Total Victims Assistance Programs			158,095

Public SafetySheriff's Department

County Official/Administrative Officer	\$	113,365	
Assistant(s)		409,900	
Deputy(ies)		35,004	
Detective(s)		763,783	
Captain(s)		387,453	
Lieutenant(s)		904,231	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Youth Service Officer(s)	\$ 1,378,825
Sergeant(s)	1,472,914
Accountants/Bookkeepers	256,630
Salary Supplements	113,300
Dispatchers/Radio Operators	638,673
Clerical Personnel	468,657
Part-time Personnel	422,870
Longevity Pay	56,200
Overtime Pay	787,823
Other Salaries and Wages	3,033,663
Jury and Witness Expense	7,700
In-Service Training	155,836
Social Security	679,370
State Retirement	1,368,148
Employee and Dependent Insurance	1,838,855
Disability Insurance	19,798
Unemployment Compensation	20,764
Employer Medicare	158,982
Communication	167,513
Contracts with Private Agencies	7,263
Data Processing Services	121,924
Dues and Memberships	9,120
Maintenance Agreements	9,944
Maintenance and Repair Services - Equipment	53,233
Maintenance and Repair Services - Vehicles	111,154
Medical and Dental Services	560
Postal Charges	11,171
Printing, Stationery, and Forms	8,635
Rentals	43,178
Other Contracted Services	16,458
Data Processing Supplies	11,254
Gasoline	811,656
Instructional Supplies and Materials	14,881
Law Enforcement Supplies	68,029
Office Supplies	33,191
Periodicals	5,398
Uniforms	195,213
Vehicle Parts	163,864
Other Supplies and Materials	30,209
Judgments	14,549

(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.)

Hazardous Waste Cleanup	\$	3,917	
Other Charges		12,971	
Communication Equipment		25,282	
Data Processing Equipment		109,631	
Law Enforcement Equipment		85,776	
Motor Vehicles		1,005,711	
Office Equipment		11,477	
Other Equipment		5,663	
Total Sheriff's Department			\$ 18,661,569

Special Patrols

Nightwatchmen	\$	36,956	
Social Security		2,327	
State Retirement		4,748	
Employer Medicare		544	
Total Special Patrols			44,575

Traffic Control

Utilities	\$	5,370	
Total Traffic Control			5,370

Administration of the Sexual Offender Registry

Longevity Pay	\$	300	
Overtime Pay		6,010	
Other Salaries and Wages		40,444	
In-Service Training		1,984	
Social Security		2,761	
State Retirement		5,911	
Employee and Dependent Insurance		12,197	
Disability Insurance		81	
Employer Medicare		646	
Office Supplies		950	
Other Charges		2,550	
Total Administration of the Sexual Offender Registry			73,834

Jail

Assistant(s)	\$	65,742	
Captain(s)		50,030	
Lieutenant(s)		280,635	
Sergeant(s)		356,729	

(Continued)

Exhibit L-9

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

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

Guards	\$ 4,046,091	
Clerical Personnel	39,963	
Maintenance Personnel	122,717	
Part-time Personnel	9,787	
Longevity Pay	21,425	
Overtime Pay	232,713	
In-Service Training	10,517	
Social Security	313,891	
State Retirement	655,061	
Employee and Dependent Insurance	1,073,734	
Disability Insurance	9,918	
Unemployment Compensation	8,977	
Employer Medicare	73,413	
Dues and Memberships	146	
Maintenance Agreements	36,988	
Maintenance and Repair Services - Buildings	205,876	
Maintenance and Repair Services - Equipment	37,211	
Printing, Stationery, and Forms	5,238	
Transportation - Other than Students	57,762	
Other Contracted Services	3,222,108	
Custodial Supplies	132,812	
Data Processing Supplies	16,181	
Food Preparation Supplies	56,627	
Food Supplies	988,559	
Law Enforcement Supplies	12,095	
Office Supplies	12,675	
Prisoners Clothing	73,639	
Uniforms	60,303	
Utilities	593,392	
Other Supplies and Materials	7,634	
Building Improvements	449,430	
Communication Equipment	3,456	
Data Processing Equipment	47,440	
Office Equipment	5,202	
Other Equipment	19,293	
Total Jail		\$ 13,415,410

Workhouse

County Official/Administrative Officer	\$ 65,742
Captain(s)	56,717

(Continued)

Exhibit L-9

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

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

Lieutenant(s)	\$	21,335	
Sergeant(s)		228,468	
Guards		979,278	
Secretary(ies)		42,140	
Clerical Personnel		112,108	
Part-time Personnel		17,799	
Longevity Pay		3,650	
Overtime Pay		17,065	
Board and Committee Members Fees		4,700	
In-Service Training		5,904	
Social Security		93,268	
State Retirement		191,967	
Employee and Dependent Insurance		306,158	
Disability Insurance		2,989	
Unemployment Compensation		6,885	
Employer Medicare		21,813	
Communication		7,760	
Dues and Memberships		15,335	
Evaluation and Testing		1,904	
Operating Lease Payments		975	
Maintenance Agreements		24,611	
Maintenance and Repair Services - Buildings		23,056	
Maintenance and Repair Services - Equipment		22,357	
Medical and Dental Services		924	
Postal Charges		364	
Other Contracted Services		611,199	
Custodial Supplies		21,149	
Data Processing Supplies		4,380	
Equipment and Machinery Parts		1,261	
Gasoline		9,821	
Law Enforcement Supplies		5,206	
Office Supplies		5,958	
Prisoners Clothing		22,853	
Uniforms		9,546	
Utilities		237,921	
Other Supplies and Materials		18,149	
Other Equipment		16,819	
Total Workhouse			\$ 3,239,534

(Continued)

Exhibit L-9

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

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

County Official/Administrative Officer	\$	63,523	
Captain(s)		52,246	
Lieutenant(s)		42,022	
Sergeant(s)		198,367	
Guards		213,962	
Secretary(ies)		36,048	
Attendants		497,075	
Part-time Personnel		17,894	
Longevity Pay		3,025	
Overtime Pay		29,969	
In-Service Training		2,857	
Social Security		69,625	
State Retirement		141,347	
Employee and Dependent Insurance		213,802	
Disability Insurance		2,251	
Unemployment Compensation		3,046	
Employer Medicare		16,284	
Communication		2,513	
Data Processing Services		7,265	
Evaluation and Testing		270	
Maintenance Agreements		7,620	
Maintenance and Repair Services - Buildings		795	
Maintenance and Repair Services - Equipment		2,014	
Maintenance and Repair Services - Vehicles		635	
Medical and Dental Services		46,774	
Postal Charges		551	
Printing, Stationery, and Forms		1,495	
Travel		20	
Other Contracted Services		49,134	
Gasoline		681	
Office Supplies		777	
Uniforms		9,475	
Other Supplies and Materials		27,288	
Total Juvenile Services			\$ 1,760,650

Rural Fire Protection

County Official/Administrative Officer	\$	58,695
Longevity Pay		75
Social Security		3,501
State Retirement		7,429

(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.)

Employee and Dependent Insurance	\$	12,197	
Disability Insurance		118	
Employer Medicare		819	
Communication		15,142	
Contributions		2,000	
Dues and Memberships		620	
Evaluation and Testing		7,445	
Maintenance Agreements		1,879	
Maintenance and Repair Services - Buildings		2,926	
Maintenance and Repair Services - Equipment		6,701	
Maintenance and Repair Services - Vehicles		39,754	
Postal Charges		145	
Rentals		15,000	
Travel		2,879	
Other Contracted Services		370,220	
Custodial Supplies		1,865	
Data Processing Supplies		755	
Diesel Fuel		34,113	
Gasoline		9,541	
Instructional Supplies and Materials		3,778	
Office Supplies		4,380	
Uniforms		23,855	
Utilities		25,031	
Other Supplies and Materials		26,377	
Other Charges		7,279	
Communication Equipment		5,788	
Data Processing Equipment		41,769	
Motor Vehicles		198,529	
Office Equipment		2,506	
Other Equipment		176,088	
Total Rural Fire Protection			\$ 1,109,199

Disaster Relief

County Official/Administrative Officer	\$	71,132
Assistant(s)		52,812
Supervisor/Director		43,637
Secretary(ies)		34,783
Longevity Pay		1,025
In-Service Training		889
Social Security		12,128

(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.)

State Retirement	\$	25,711	
Employee and Dependent Insurance		25,478	
Disability Insurance		408	
Employer Medicare		2,836	
Communication		28,147	
Dues and Memberships		292	
Maintenance Agreements		3,692	
Maintenance and Repair Services - Vehicles		1,730	
Postal Charges		24	
Other Contracted Services		1,340	
Data Processing Supplies		2,160	
Diesel Fuel		409	
Electricity		3,433	
Gasoline		6,782	
Instructional Supplies and Materials		3,322	
Office Supplies		1,286	
Uniforms		2,197	
Other Supplies and Materials		15,988	
Communication Equipment		9,570	
Data Processing Equipment		3,285	
Other Equipment		641,545	
Total Disaster Relief			\$ 996,041

Inspection and Regulation

County Official/Administrative Officer	\$	75,439
Deputy(ies)		333,201
Salary Supplements		5,000
Clerical Personnel		96,151
Longevity Pay		4,025
Social Security		31,115
State Retirement		64,952
Employee and Dependent Insurance		75,146
Disability Insurance		1,027
Employer Medicare		7,277
Communication		4,132
Dues and Memberships		1,489
Maintenance Agreements		2,916
Postal Charges		771
Printing, Stationery, and Forms		1,500
Travel		2,194

(Continued)

Exhibit L-9

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

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

Other Contracted Services	\$	2,580	
Gasoline		15,576	
Office Supplies		4,733	
Uniforms		426	
Other Supplies and Materials		865	
In Service/Staff Development		1,937	
Total Inspection and Regulation			\$ 732,452

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,725	
Other Salaries and Wages		210,962	
Social Security		12,705	
State Retirement		26,886	
Employee and Dependent Insurance		53,122	
Disability Insurance		425	
Employer Medicare		2,972	
Communication		15,891	
Contracts with Government Agencies		128,375	
Maintenance and Repair Services - Buildings		6,078	
Maintenance and Repair Services - Equipment		2,862	
Travel		2,147	
Other Contracted Services		46,129	
Drugs and Medical Supplies		10,417	
Utilities		64,197	
Other Supplies and Materials		16,942	
Total Local Health Center			601,835

Rabies and Animal Control

County Official/Administrative Officer	\$	59,147	
Supervisor/Director		26,592	
Secretary(ies)		29,204	
Attendants		325,091	
Part-time Personnel		102,282	
Longevity Pay		800	
Overtime Pay		54,392	
Other Salaries and Wages		58,467	
Social Security		40,159	
State Retirement		70,079	
Employee and Dependent Insurance		88,128	

(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.)

Disability Insurance	\$	1,015	
Unemployment Compensation		16,359	
Employer Medicare		9,393	
Communication		15,965	
Dues and Memberships		900	
Evaluation and Testing		675	
Maintenance Agreements		16,542	
Maintenance and Repair Services - Buildings		18,823	
Maintenance and Repair Services - Vehicles		8,551	
Postal Charges		168	
Travel		3,350	
Veterinary Services		24,723	
Other Contracted Services		75,452	
Animal Food and Supplies		9,520	
Custodial Supplies		13,012	
Drugs and Medical Supplies		58,756	
Gasoline		39,780	
Office Supplies		6,112	
Uniforms		1,581	
Utilities		51,856	
Other Supplies and Materials		6,766	
Refunds		394	
Building Improvements		120,328	
Communication Equipment		193	
Data Processing Equipment		811	
Other Equipment		32,339	
Total Rabies and Animal Control			\$ 1,387,705

Nursing Home

Site Development	\$	15,000	
Total Nursing Home			15,000

Dental Health Program

Medical and Dental Services	\$	11,427	
Total Dental Health Program			11,427

Other Local Health Services

Medical Personnel	\$	1,054,315	
Longevity Pay		5,250	
Social Security		63,235	

(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 Local Health Services (Cont.)

State Retirement	\$ 124,455	
Employee and Dependent Insurance	296,740	
Disability Insurance	2,157	
Unemployment Compensation	3,897	
Employer Medicare	14,789	
Travel	15,894	
Total Other Local Health Services		\$ 1,580,732

General Welfare Assistance

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

Sanitation Management

Contracts with Private Agencies	\$ 33,008	
Total Sanitation Management		33,008

Other Public Health and Welfare

Medical and Dental Services	\$ 14,400	
Other Contracted Services	203,945	
Liability Insurance	1,668	
Total Other Public Health and Welfare		220,013

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	\$ 1,154,481	
Total Libraries		1,154,481

Parks and Fair Boards

Supervisor/Director	\$ 29,000	
Other Salaries and Wages	155,450	
Board and Committee Members Fees	2,850	
Social Security	9,815	

(Continued)

Exhibit L-9

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Parks and Fair Boards (Cont.)

Employer Medicare	\$	2,716	
Contributions		121,600	
Maintenance and Repair Services - Buildings		1,222	
Matching Share		22,467	
Postal Charges		119	
Travel		1,967	
Other Contracted Services		40,000	
Equipment and Machinery Parts		13,240	
Office Supplies		264	
Other Supplies and Materials		1,498	
Total Parks and Fair Boards			\$ 402,208

Other Social, Cultural, and Recreational

Contributions	\$	521,623	
Total Other Social, Cultural, and Recreational			521,623

Agriculture and Natural ResourcesAgriculture Extension Service

Teachers	\$	70,862	
Secretary(ies)		81,937	
Part-time Personnel		21,635	
Longevity Pay		975	
Other Salaries and Wages		46,059	
Board and Committee Members Fees		1,450	
Social Security		13,572	
State Retirement		25,296	
Employee and Dependent Insurance		27,665	
Disability Insurance		398	
Employer Medicare		3,174	
Advertising		2,017	
Communication		4,152	
Contracts with Government Agencies		238,725	
Data Processing Services		264	
Postal Charges		2,000	
Travel		1,833	
Other Contracted Services		6,744	
Fertilizer, Lime, and Seed		148	
Gasoline		3,635	
Office Supplies		4,992	
Utilities		98,273	

(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.)

Other Supplies and Materials	\$	25,960	
Data Processing Equipment		17,713	
Other Equipment		14,349	
Total Agriculture Extension Service			\$ 713,828

Soil Conservation

Assistant(s)	\$	38,618	
Part-time Personnel		38,974	
Longevity Pay		325	
Social Security		4,756	
State Retirement		4,923	
Employee and Dependent Insurance		8,845	
Disability Insurance		78	
Employer Medicare		1,112	
Contributions		15,000	
Total Soil Conservation			112,631

Storm Water Management

Assistant(s)	\$	55,101	
Part-time Personnel		16,811	
Longevity Pay		150	
In-Service Training		170	
Social Security		4,350	
State Retirement		6,984	
Employee and Dependent Insurance		12,197	
Disability Insurance		110	
Employer Medicare		1,017	
Communication		1,894	
Contracts with Private Agencies		33,460	
Dues and Memberships		1,373	
Printing, Stationery, and Forms		115	
Travel		12	
Data Processing Supplies		302	
Gasoline		1,406	
Office Supplies		1,481	
Other Supplies and Materials		944	
Total Storm Water Management			137,877

(Continued)

Exhibit L-9

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

General Fund (Cont.)Other OperationsTourism

Contributions	\$ 409,809	
Total Tourism		\$ 409,809

Other Economic and Community Development

Contracts with Other Public Agencies	\$ 2,100	
Other Contracted Services	92,657	
Total Other Economic and Community Development		94,757

Other Charges

Mechanic(s)	\$ 44,762	
Laborers	72,738	
Longevity Pay	925	
Overtime Pay	560	
Social Security	7,272	
State Retirement	15,041	
Employee and Dependent Insurance	20,807	
Disability Insurance	225	
Employer Medicare	1,701	
Communication	931	
Evaluation and Testing	1,207	
Gasoline	12,818	
Utilities	19,135	
Vehicle Parts	16,702	
Other Supplies and Materials	5,802	
Total Other Charges		220,626

Employee Benefits

Other Fringe Benefits	\$ 230,425	
Workers' Compensation Insurance	276,500	
Total Employee Benefits		506,925

Payments to Cities

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

ARRA Grant # 6

Maintenance and Repair Services - Buildings	\$ 45,238	
Total ARRA Grant # 6		45,238

(Continued)

Exhibit L-9

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

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

Consultants	\$	14,566	
Judgments		800,000	
Trustee's Commission		920,523	
Other Charges		150	
Total Miscellaneous			\$ 1,735,239

Total General Fund \$ 72,230,990

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$	24,579	
Part-time Personnel		13,067	
Longevity Pay		125	
Overtime Pay		676	
Other Salaries and Wages		42,111	
Social Security		4,872	
State Retirement		8,532	
Employee and Dependent Insurance		12,332	
Disability Insurance		135	
Employer Medicare		1,139	
Travel		57	
Gasoline		11,111	
Instructional Supplies and Materials		1,726	
Other Supplies and Materials		6,866	
Total Sanitation Education/Information			\$ 127,328

Convenience Centers

Supervisor/Director	\$	61,295	
Foremen		37,594	
Truck Drivers		386,358	
Laborers		368,062	
Clerical Personnel		34,472	
Maintenance Personnel		2,996	
Part-time Personnel		5,868	
Longevity Pay		2,425	
Overtime Pay		24,524	
Social Security		55,905	
State Retirement		69,486	
Employee and Dependent Insurance		132,501	

(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.)

Disability Insurance	\$	1,054	
Employer Medicare		13,075	
Advertising		419	
Communication		12,574	
Contracts with Private Agencies		12,241	
Evaluation and Testing		397	
Maintenance and Repair Services - Buildings		1,500	
Maintenance and Repair Services - Equipment		23,567	
Maintenance and Repair Services - Vehicles		113,525	
Postal Charges		54	
Rentals		23,735	
Tow-in Services		482	
Travel		535	
Asphalt		59,180	
Crushed Stone		1,057	
Diesel Fuel		245,918	
Equipment and Machinery Parts		32,642	
Gasoline		13,249	
Office Supplies		554	
Tires and Tubes		60,006	
Uniforms		5,552	
Utilities		16,340	
Fencing		2,500	
Other Supplies and Materials		11,857	
Motor Vehicles		265,556	
Site Development		11,891	
Solid Waste Equipment		590	
Total Convenience Centers			\$ 2,111,536

Other Waste Collection

Laborers	\$	17,427
Overtime Pay		560
Social Security		1,115
State Retirement		2,274
Employee and Dependent Insurance		24
Disability Insurance		39
Employer Medicare		261
Contracts with Private Agencies		7,100
Maintenance and Repair Services - Equipment		179
Other Supplies and Materials		2,103

(Continued)

Exhibit L-9

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

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

Site Development	\$	3,314	
Solid Waste Equipment		8,420	
Total Other Waste Collection			\$ 42,816

Landfill Operation and Maintenance

Mechanic(s)	\$	35,634	
Laborers		66,726	
Clerical Personnel		29,965	
Longevity Pay		675	
Overtime Pay		2,312	
Social Security		7,989	
State Retirement		17,105	
Employee and Dependent Insurance		43,237	
Disability Insurance		268	
Employer Medicare		1,869	
Communication		2,918	
Contracts with Private Agencies		136,590	
Maintenance and Repair Services - Equipment		5,167	
Rentals		1,382	
Travel		530	
Disposal Fees		234,652	
Other Contracted Services		109	
Crushed Stone		11,561	
Data Processing Supplies		1,430	
Diesel Fuel		24,702	
Equipment Parts - Light		445	
Equipment and Machinery Parts		19,180	
Gasoline		1,577	
Lubricants		1,932	
Tires and Tubes		1,801	
Uniforms		1,877	
Utilities		5,433	
Vehicle Parts		970	
Other Supplies and Materials		1,666	
Total Landfill Operation and Maintenance			659,702

Postclosure Care Costs

Contracts with Private Agencies	\$	128,754	
Engineering Services		10,512	
Contracts for Postclosure Care Costs		5,000	

(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.)

Postclosure Care Costs (Cont.)

Fertilizer, Lime, and Seed	\$	225	
Testing		<u>5,625</u>	
Total Postclosure Care Costs			\$ 150,116

Other Operations

Employee Benefits

Workers' Compensation Insurance	\$	<u>24,040</u>	
Total Employee Benefits			24,040

Miscellaneous

Building and Contents Insurance	\$	2,901	
Judgments		31,000	
Liability Insurance		7,928	
Trustee's Commission		<u>27,675</u>	
Total Miscellaneous			<u>69,504</u>

Total Solid Waste/Sanitation Fund \$ 3,185,042

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	85,643	
Supervisor/Director		1,210,966	
Accountants/Bookkeepers		191,220	
Paraprofessionals		3,735,699	
Dispatchers/Radio Operators		378,424	
Maintenance Personnel		29,965	
Part-time Personnel		362,983	
Longevity Pay		27,400	
Overtime Pay		174,352	
In-Service Training		47,602	
Social Security		372,930	
State Retirement		736,338	
Employee and Dependent Insurance		1,015,428	
Disability Insurance		8,451	
Unemployment Compensation		52	
Employer Medicare		87,217	
Communication		107,767	
Contracts with Private Agencies		53,986	
Evaluation and Testing		4,549	

(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.)

Maintenance and Repair Services - Buildings	\$	21,292	
Maintenance and Repair Services - Vehicles		119,039	
Medical and Dental Services		12,709	
Pest Control		5,268	
Postal Charges		5,499	
Printing, Stationery, and Forms		1,469	
Travel		7,454	
Other Contracted Services		324,568	
Custodial Supplies		12,300	
Data Processing Supplies		6,000	
Drugs and Medical Supplies		277,028	
Gasoline		219,761	
Instructional Supplies and Materials		6,471	
Office Supplies		10,677	
Uniforms		58,427	
Utilities		95,082	
Other Supplies and Materials		31,547	
Judgments		10,000	
Refunds		42,539	
Trustee's Commission		166,306	
In Service/Staff Development		12,404	
Other Charges		66,544	
Communication Equipment		1,440	
Data Processing Equipment		32,874	
Motor Vehicles		225,000	
Total Ambulance/Emergency Medical Services			\$ 10,402,670

Total Ambulance Service Fund \$ 10,402,670

Industrial/Economic Development FundOther OperationsIndustrial Development

Contracts with Other Public Agencies	\$	130,000	
Contributions		96,500	
Legal Services		21,515	
Trustee's Commission		714	
Total Industrial Development			\$ 248,729

Payments to Cities

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

Total Industrial/Economic Development Fund 265,759

(Continued)

Exhibit L-9

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

Special Purpose FundPublic SafetySheriff's Department

In-Service Training	\$	37,857	
Confidential Drug Enforcement Payments		30,000	
Law Enforcement Supplies		7,940	
Uniforms		45,530	
Other Supplies and Materials		3,695	
Data Processing Equipment		90,524	
Motor Vehicles		95,671	
Other Equipment		44,603	
Total Sheriff's Department			\$ 355,820

Total Special Purpose Fund

\$ 355,820

Drug Control FundPublic SafetyDrug Enforcement

Detective(s)	\$	150,385	
Sergeant(s)		71,297	
Longevity Pay		1,325	
Overtime Pay		62,298	
In-Service Training		30,188	
Social Security		17,067	
State Retirement		36,064	
Employee and Dependent Insurance		65,144	
Disability Insurance		452	
Employer Medicare		3,991	
Confidential Drug Enforcement Payments		183,000	
Maintenance and Repair Services - Vehicles		11,895	
Veterinary Services		3,123	
Animal Food and Supplies		6,821	
Law Enforcement Supplies		1,647	
Uniforms		1,818	
Other Supplies and Materials		21,604	
Trustee's Commission		4,672	
Law Enforcement Equipment		15,707	
Motor Vehicles		8,359	
Total Drug Enforcement			\$ 696,857

Total Drug Control Fund

696,857

(Continued)

Exhibit L-9

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

District Attorney General FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	548	
Total Other General Administration			\$ 548

Administration of JusticeDistrict Attorney General

Salary Supplements	\$	11,416	
Dues and Memberships		1,405	
Travel		4,650	
Other Contracted Services		685	
Office Supplies		2,202	
Other Supplies and Materials		2,935	
In Service/Staff Development		3,906	
Total District Attorney General			<u>27,199</u>

Total District Attorney General Fund \$ 27,747

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	479,122	
Total County Trustee's Office			\$ 479,122

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	1,551	
Total County Clerk's Office			1,551

Administration of JusticeCircuit Court

Constitutional Officers' Operating Expenses	\$	1,989,835	
Total Circuit Court			1,989,835

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	3,145	
Total Chancery Court			<u>3,145</u>

Total Constitutional Officers - Fees Fund 2,473,653

(Continued)

Exhibit L-9

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

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	113,365	
Assistant(s)		64,840	
Secretary(ies)		84,892	
Longevity Pay		1,375	
Board and Committee Members Fees		25,200	
Social Security		16,880	
State Retirement		33,429	
Employee and Dependent Insurance		34,125	
Disability Insurance		522	
Employer Medicare		4,127	
Communication		5,775	
Dues and Memberships		7,181	
Janitorial Services		7,500	
Legal Notices, Recording, and Court Costs		1,110	
Maintenance and Repair Services - Office Equipment		99	
Postal Charges		794	
Printing, Stationery, and Forms		1,714	
Travel		556	
Drugs and Medical Supplies		137	
Electricity		22,130	
Natural Gas		7,664	
Office Supplies		1,445	
Water and Sewer		8,431	
Building and Contents Insurance		7,642	
Judgments		187,096	
Liability Insurance		67,262	
Trustee's Commission		88,738	
Other Charges		10,000	
Office Equipment		3,200	
Total Administration			\$ 807,229

Highway and Bridge Maintenance

Foremen	\$	259,100
Equipment Operators		790,990
Truck Drivers		275,667
Longevity Pay		12,575
Overtime Pay		5,927
Social Security		80,186
State Retirement		167,884
Employee and Dependent Insurance		299,557

(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.)

Disability Insurance	\$	2,719	
Employer Medicare		18,754	
Other Contracted Services		60,937	
Asphalt		3,227,738	
General Construction Materials		6,436	
Pipe - Metal		28,226	
Road Signs		36,084	
Salt		82,422	
Uniforms		19,790	
Total Highway and Bridge Maintenance			\$ 5,374,992

Operation and Maintenance of Equipment

Foremen	\$	47,760	
Mechanic(s)		186,895	
Laborers		67,720	
Longevity Pay		2,400	
Overtime Pay		3,605	
Social Security		18,535	
State Retirement		38,979	
Employee and Dependent Insurance		66,433	
Disability Insurance		610	
Employer Medicare		4,335	
Maintenance and Repair Services - Equipment		69,648	
Other Contracted Services		10,936	
Diesel Fuel		170,729	
Equipment and Machinery Parts		106,671	
Garage Supplies		4,226	
Gasoline		56,585	
Lubricants		11,891	
Tires and Tubes		57,723	
Other Supplies and Materials		12,896	
Total Operation and Maintenance of Equipment			938,577

Other Charges

Assistant(s)	\$	61,060	
Salary Supplements		10,000	
Foremen		36,130	
Equipment Operators		88,837	
Secretary(ies)		39,810	
Longevity Pay		1,175	

(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.)

Overtime Pay	\$	104	
In-Service Training		5,500	
Social Security		13,899	
State Retirement		29,972	
Employee and Dependent Insurance		55,394	
Disability Insurance		458	
Employer Medicare		3,250	
Communication		1,063	
Legal Notices, Recording, and Court Costs		74	
Maintenance and Repair Services - Equipment		14,926	
Travel		4,000	
Other Contracted Services		6,270	
Crushed Stone		840	
Data Processing Supplies		174	
Diesel Fuel		18,336	
Equipment and Machinery Parts		7,930	
Gasoline		5,185	
General Construction Materials		1,359	
Lubricants		348	
Office Supplies		20	
Pipe - Metal		208	
Tires and Tubes		3,467	
Other Supplies and Materials		47	
Other Equipment		164	
Total Other Charges			\$ 410,000

Employee Benefits

Unemployment Compensation	\$	11,254	
Other Fringe Benefits		103,406	
Workers' Compensation Insurance		55,320	
Total Employee Benefits			169,980

Capital Outlay

Bridge Construction	\$	24,195	
Building Improvements		2,344	
Highway Equipment		73,990	
State Aid Projects		857,860	
Total Capital Outlay			958,389

Total Highway/Public Works Fund \$ 8,659,167

(Continued)

Exhibit L-9

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

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 754,120	
Other Debt Service	3,440	
Total Other General Administration		\$ 757,560

Principal on DebtGeneral Government

Principal on Bonds	\$ 4,496,195	
Total General Government		4,496,195

Education

Principal on Bonds	\$ 18,618,805	
Total Education		18,618,805

Interest on DebtGeneral Government

Interest on Bonds	\$ 2,285,504	
Interest on Notes	43,710	
Total General Government		2,329,214

Education

Interest on Bonds	\$ 12,474,949	
Interest on Notes	534,690	
Total Education		13,009,639

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 23,134	
Other Debt Issuance Charges	12,850	
Total General Government		35,984

Education

Underwriter's Discount	\$ 300,404	
Other Debt Issuance Charges	167,150	
Total Education		467,554

Total General Debt Service Fund		\$ 39,714,951
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(Continued)

Exhibit L-9

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

General Capital Projects FundCapital ProjectsPublic Safety Projects

Architects	\$	123,357	
Consultants		2,400	
Engineering Services		13,825	
Building Construction		1,304,255	
Building Improvements		992,349	
Communication Equipment		798,539	
Furniture and Fixtures		35,035	
Other Construction		28,715	
Total Public Safety Projects			\$ 3,298,475

Public Health and Welfare Projects

Architects	\$	14,317	
Engineering Services		3,607	
Other Contracted Services		2,500	
Building Improvements		516,994	
Total Public Health and Welfare Projects			537,418

Agriculture and Natural Resource Projects

Engineering Services	\$	928	
Total Agriculture and Natural Resource Projects			928

Highway and Street Capital Projects

Legal Services	\$	36,177	
Total Highway and Street Capital Projects			36,177

Total General Capital Projects Fund \$ 3,872,998

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Contributions	\$	48,256,673	
Total Education Capital Projects			\$ 48,256,673

Total Education Capital Projects Fund 48,256,673

Total Governmental Funds - Primary Government \$ 190,142,327

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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 91,934,277	
Career Ladder Program	504,391	
Career Ladder Extended Contracts	144,000	
Educational Assistants	3,682,455	
Other Salaries and Wages	1,076,159	
Social Security	5,864,493	
State Retirement	8,850,076	
Life Insurance	110,036	
Medical Insurance	16,707,375	
Unemployment Compensation	181,735	
Employer Medicare	1,371,176	
Other Fringe Benefits	195,076	
Contracts for Substitute Teachers - Certified	638,010	
Contracts for Substitute Teachers - Non-certified	1,051,016	
Other Contracted Services	60,640	
Instructional Supplies and Materials	2,171,413	
Textbooks	1,562,390	
Other Supplies and Materials	111,969	
Fee Waivers	70,861	
Other Charges	252,866	
Regular Instruction Equipment	411,380	
Total Regular Instruction Program		\$ 136,951,794

Alternative Instruction Program

Teachers	\$ 1,026,394	
Career Ladder Program	7,985	
Educational Assistants	101,404	
Social Security	69,002	
State Retirement	106,174	
Life Insurance	1,372	
Medical Insurance	151,330	
Employer Medicare	16,136	
Other Fringe Benefits	2,310	
Contracts for Substitute Teachers - Certified	9,192	
Contracts for Substitute Teachers - Non-certified	8,298	
Other Contracted Services	2,923	
Instructional Supplies and Materials	20,255	
Other Equipment	5,389	
Total Alternative Instruction Program		1,528,164

(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	\$ 10,151,281	
Career Ladder Program	88,497	
Educational Assistants	3,112,826	
Speech Pathologist	1,226,401	
Other Salaries and Wages	176,169	
Social Security	880,650	
State Retirement	1,442,427	
Life Insurance	21,349	
Medical Insurance	3,065,531	
Unemployment Compensation	39,624	
Employer Medicare	206,608	
Other Fringe Benefits	30,700	
Maintenance and Repair Services - Equipment	157	
Contracts for Substitute Teachers - Certified	56,988	
Contracts for Substitute Teachers - Non-certified	221,403	
Other Contracted Services	909,619	
Instructional Supplies and Materials	86,245	
Textbooks	23,743	
Other Supplies and Materials	4,093	
Other Charges	2,966	
Special Education Equipment	55,444	
Total Special Education Program		\$ 21,802,721

Vocational Education Program

Teachers	\$ 6,962,559
Career Ladder Program	24,842
Clerical Personnel	87,533
Other Salaries and Wages	4,840
Social Security	426,415
State Retirement	632,935
Life Insurance	7,548
Medical Insurance	1,144,739
Unemployment Compensation	6,050
Employer Medicare	99,818
Other Fringe Benefits	14,102
Maintenance and Repair Services - Equipment	61,744
Contracts for Substitute Teachers - Certified	56,131
Contracts for Substitute Teachers - Non-certified	116,321
Other Contracted Services	63,339

(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	\$	190,816	
T&I Construction Materials		11,997	
Textbooks		90,563	
Other Supplies and Materials		50,414	
Other Charges		50,000	
Vocational Instruction Equipment		129,362	
Total Vocational Education Program			\$ 10,232,068

Adult Education Program

Teachers	\$	299,697	
Other Salaries and Wages		26,811	
Social Security		20,067	
State Retirement		17,333	
Life Insurance		164	
Medical Insurance		17,677	
Unemployment Compensation		4,442	
Employer Medicare		4,694	
Other Fringe Benefits		371	
Other Contracted Services		8,919	
Instructional Supplies and Materials		14,978	
Other Supplies and Materials		7,950	
Other Equipment		15,808	
Total Adult Education Program			438,911

Support Services

Attendance

Supervisor/Director	\$	75,942	
Career Ladder Program		4,100	
Social Workers		237,428	
Clerical Personnel		71,084	
Social Security		20,258	
State Retirement		33,079	
Life Insurance		290	
Medical Insurance		50,469	
Employer Medicare		5,477	
Other Fringe Benefits		647	
Travel		6,146	
Other Contracted Services		99,440	
Other Supplies and Materials		5,064	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

In Service/Staff Development	\$	495	
Attendance Equipment		<u>2,298</u>	
Total Attendance			\$ 612,217

Health Services

Medical Personnel	\$	2,049,769	
Other Salaries and Wages		376,811	
Social Security		146,914	
State Retirement		296,602	
Life Insurance		2,467	
Medical Insurance		365,491	
Employer Medicare		34,359	
Other Fringe Benefits		4,601	
Travel		18,539	
Other Contracted Services		2,091	
Drugs and Medical Supplies		8,292	
Other Supplies and Materials		57,061	
In Service/Staff Development		6,680	
Other Charges		361	
Health Equipment		<u>45,472</u>	
Total Health Services			3,415,510

Other Student Support

Career Ladder Program	\$	33,000	
Guidance Personnel		4,006,347	
Social Workers		5,816	
Clerical Personnel		191,484	
Attendants		303,961	
Other Salaries and Wages		508,060	
Social Security		301,670	
State Retirement		464,508	
Life Insurance		5,646	
Medical Insurance		867,299	
Unemployment Compensation		9,679	
Employer Medicare		70,875	
Other Fringe Benefits		9,858	
Contracts with Government Agencies		250,631	
Evaluation and Testing		333,298	
Travel		13,784	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Contracts for Substitute Teachers - Certified	\$	13,969	
Contracts for Substitute Teachers - Non-certified		12,955	
Other Contracted Services		69,782	
Other Supplies and Materials		10,772	
In Service/Staff Development		4,529	
Other Equipment		5,036	
Total Other Student Support			\$ 7,492,959

Regular Instruction Program

Supervisor/Director	\$	620,258	
Career Ladder Program		77,042	
Career Ladder Extended Contracts		10,000	
Librarians		2,552,718	
Materials Supervisor		40,097	
Instructional Computer Personnel		1,483,306	
Secretary(ies)		70,730	
Clerical Personnel		69,981	
Educational Assistants		522,204	
Other Salaries and Wages		616,416	
In-Service Training		6,000	
Social Security		366,117	
State Retirement		569,766	
Life Insurance		6,188	
Medical Insurance		934,320	
Employer Medicare		85,662	
Other Fringe Benefits		11,905	
Travel		37,039	
Contracts for Substitute Teachers - Certified		8,263	
Contracts for Substitute Teachers - Non-certified		24,825	
Other Contracted Services		80,176	
Library Books/Media		116,394	
Other Supplies and Materials		38,943	
In Service/Staff Development		76,895	
Other Equipment		15,838	
Total Regular Instruction Program			8,441,083

Alternative Instruction Program

Supervisor/Director	\$	164,665	
Career Ladder Program		6,989	

(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.)

Guidance Personnel	\$	113,589	
Librarians		52,013	
Clerical Personnel		49,243	
Other Salaries and Wages		142,833	
Social Security		31,917	
State Retirement		48,919	
Life Insurance		533	
Medical Insurance		71,316	
Employer Medicare		7,465	
Other Fringe Benefits		999	
Contracts for Substitute Teachers - Certified		599	
Contracts for Substitute Teachers - Non-certified		443	
Other Contracted Services		1,197	
Library Books/Media		377	
Other Supplies and Materials		7,716	
In Service/Staff Development		739	
Other Equipment		1,027	
Total Alternative Instruction Program			\$ 702,579

Special Education Program

Supervisor/Director	\$	153,470	
Career Ladder Program		19,902	
Psychological Personnel		439,132	
Career Ladder Extended Contracts		6,000	
Clerical Personnel		34,596	
Other Salaries and Wages		10,254	
In-Service Training		350	
Social Security		40,096	
State Retirement		61,177	
Life Insurance		495	
Medical Insurance		72,222	
Employer Medicare		9,377	
Other Fringe Benefits		1,237	
Travel		78,786	
Other Contracted Services		12,402	
Other Supplies and Materials		49,448	
In Service/Staff Development		19,157	
Other Charges		41,778	
Other Equipment		479	
Total Special Education Program			1,050,358

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	89,211	
Clerical Personnel		23,512	
Social Security		6,901	
State Retirement		10,838	
Life Insurance		85	
Medical Insurance		6,598	
Employer Medicare		1,620	
Other Fringe Benefits		221	
Travel		18,280	
Other Contracted Services		10,000	
Other Supplies and Materials		3,275	
In Service/Staff Development		11,325	
Total Vocational Education Program			\$ 181,866

Adult Programs

Supervisor/Director	\$	89,211	
Clerical Personnel		45,386	
Social Security		2,780	
State Retirement		13,810	
Life Insurance		122	
Medical Insurance		13,234	
Employer Medicare		650	
Other Fringe Benefits		266	
Travel		1,335	
Other Supplies and Materials		1,258	
In Service/Staff Development		2,100	
Other Charges		5,524	
Other Equipment		1,309	
Total Adult Programs			176,985

Board of Education

Secretary to Board	\$	116,392	
Other Salaries and Wages		15,082	
Board and Committee Members Fees		71,368	
Social Security		12,487	
State Retirement		14,664	
Life Insurance		71	
Medical Insurance		1,570,992	
Employer Medicare		2,921	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Other Fringe Benefits	\$	222	
Audit Services		46,044	
Dues and Memberships		9,220	
Legal Services		47,751	
Other Contracted Services		15,985	
Liability Insurance		400,527	
Trustee's Commission		1,869,210	
Workers' Compensation Insurance		526,381	
In Service/Staff Development		20,632	
Criminal Investigation of Applicants - TBI		38,712	
Total Board of Education			\$ 4,778,661

Director of Schools

County Official/Administrative Officer	\$	168,306	
Other Salaries and Wages		31,249	
Social Security		10,347	
State Retirement		16,250	
Life Insurance		97	
Medical Insurance		20,946	
Employer Medicare		2,948	
Other Fringe Benefits		7,476	
Communication		126,910	
Dues and Memberships		6,453	
Postal Charges		26,875	
Travel		111	
Other Contracted Services		44,363	
In Service/Staff Development		5,879	
Other Charges		26,350	
Administration Equipment		2,736	
Total Director of Schools			497,296

Office of the Principal

Principals	\$	3,480,612	
Career Ladder Program		86,000	
Accountants/Bookkeepers		703,498	
Career Ladder Extended Contracts		75,400	
Assistant Principals		3,758,434	
Secretary(ies)		1,083,242	
Clerical Personnel		1,170,162	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Other Salaries and Wages	\$	188,388	
Social Security		635,073	
State Retirement		1,021,811	
Life Insurance		10,654	
Medical Insurance		1,731,668	
Unemployment Compensation		4,210	
Employer Medicare		149,053	
Other Fringe Benefits		19,615	
Communication		353,713	
Dues and Memberships		39,450	
Contracts for Substitute Teachers - Certified		5,827	
Contracts for Substitute Teachers - Non-certified		15,937	
Other Contracted Services		91,975	
Office Supplies		16,254	
Other Charges		149,271	
Administration Equipment		71,284	
Total Office of the Principal			\$ 14,861,531

Fiscal Services

Supervisor/Director	\$	212,224	
Accountants/Bookkeepers		284,464	
Purchasing Personnel		88,923	
Social Security		35,375	
State Retirement		73,931	
Life Insurance		624	
Medical Insurance		97,972	
Employer Medicare		8,273	
Other Fringe Benefits		1,146	
Travel		1,204	
Other Contracted Services		2,215	
Office Supplies		17,701	
Other Supplies and Materials		679	
In Service/Staff Development		2,212	
Administration Equipment		11,767	
Total Fiscal Services			838,710

Human Services/Personnel

Supervisor/Director	\$	99,296	
Clerical Personnel		113,787	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Human Services/Personnel (Cont.)

Other Salaries and Wages	\$	78,281	
Social Security		17,696	
State Retirement		29,615	
Life Insurance		242	
Medical Insurance		37,143	
Employer Medicare		4,139	
Other Fringe Benefits		547	
Travel		928	
Other Contracted Services		2,434	
Other Supplies and Materials		3,489	
In Service/Staff Development		5,314	
Administration Equipment		6,627	
Total Human Services/Personnel			\$ 399,538

Operation of Plant

Custodial Personnel	\$	5,348,921	
Social Security		321,573	
State Retirement		634,693	
Life Insurance		9,990	
Medical Insurance		1,103,856	
Unemployment Compensation		73,689	
Employer Medicare		75,214	
Other Fringe Benefits		10,086	
Other Contracted Services		524,503	
Custodial Supplies		677,452	
Electricity		8,627,044	
Natural Gas		1,226,147	
Water and Sewer		1,131,084	
Other Supplies and Materials		2,263	
Building and Contents Insurance		343,500	
Other Charges		28,983	
Plant Operation Equipment		50,650	
Total Operation of Plant			20,189,648

Maintenance of Plant

Supervisor/Director	\$	406,241	
Secretary(ies)		116,520	
Maintenance Personnel		1,965,077	
Social Security		150,237	

(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.)

State Retirement	\$	314,460	
Life Insurance		2,875	
Medical Insurance		443,312	
Employer Medicare		35,137	
Other Fringe Benefits		4,866	
Laundry Service		17,460	
Maintenance and Repair Services - Buildings		713,838	
Maintenance and Repair Services - Equipment		549,773	
Other Contracted Services		459,197	
Other Supplies and Materials		735,300	
Vehicle and Equipment Insurance		68,000	
In Service/Staff Development		1,512	
Other Charges		10,207	
Maintenance Equipment		85,538	
Total Maintenance of Plant			\$ 6,079,550

Transportation

Supervisor/Director	\$	68,860	
Clerical Personnel		119,652	
Other Salaries and Wages		37,507	
Social Security		13,516	
State Retirement		28,569	
Life Insurance		290	
Medical Insurance		28,771	
Employer Medicare		3,161	
Other Fringe Benefits		440	
Contracts with Private Agencies		323,640	
Contracts with Vehicle Owners		12,474,167	
Travel		2,066	
Other Contracted Services		9,554	
Other Supplies and Materials		7,552	
Vehicle and Equipment Insurance		63,908	
Other Charges		24,486	
Administration Equipment		23,652	
Transportation Equipment		51,883	
Total Transportation			13,281,674

Central and Other

Supervisor/Director	\$	171,776	
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(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Computer Programmer(s)	\$	874,825	
Clerical Personnel		68,463	
Other Salaries and Wages		231,404	
Social Security		82,253	
State Retirement		169,933	
Life Insurance		1,215	
Medical Insurance		173,341	
Unemployment Compensation		7,150	
Employer Medicare		19,236	
Other Fringe Benefits		2,630	
Data Processing Services		65,676	
Maintenance and Repair Services - Equipment		29,336	
Travel		10,152	
Other Contracted Services		14,429	
Data Processing Supplies		149,593	
Other Supplies and Materials		61,817	
In Service/Staff Development		7,460	
Administration Equipment		1,523	
Data Processing Equipment		11,135	
Other Equipment		43,972	
Total Central and Other			\$ 2,197,319

Operation of Non-Instructional Services

Community Services

Other Charges	\$	25,285	
Total Community Services			25,285

Early Childhood Education

Teachers	\$	981,851	
Career Ladder Program		7,000	
Educational Assistants		429,202	
Social Security		84,782	
State Retirement		143,517	
Life Insurance		2,294	
Medical Insurance		357,208	
Employer Medicare		19,829	
Other Fringe Benefits		2,983	
Travel		456	
Contracts for Substitute Teachers - Certified		7,240	

(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.)

Contracts for Substitute Teachers - Non-certified	\$	29,692	
Other Contracted Services		1,569	
Food Supplies		4,321	
Instructional Supplies and Materials		11,120	
Other Supplies and Materials		1,230	
In Service/Staff Development		8,540	
Total Early Childhood Education			\$ 2,092,834

Principal on Debt

Education

Principal on Bonds	\$	580,000	
Principal on Notes		352,649	
Total Education			932,649

Interest on Debt

Education

Interest on Bonds	\$	45,400	
Interest on Notes		29,376	
Total Education			74,776

Other Debt Service

Education

Other Debt Service	\$	250	
Total Education			250

Total General Purpose School Fund \$ 259,276,936

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	3,941,761	
Educational Assistants		639,695	
Other Salaries and Wages		77,158	
Social Security		282,805	
State Retirement		439,688	
Life Insurance		3,554	
Medical Insurance		486,019	
Unemployment Compensation		98	
Employer Medicare		66,607	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Other Fringe Benefits	\$	4,756	
Contracts for Substitute Teachers - Non-certified		98,730	
Other Contracted Services		69,394	
Instructional Supplies and Materials		463,102	
Other Supplies and Materials		123,822	
Regular Instruction Equipment		146,714	
Total Regular Instruction Program			\$ 6,843,903

Alternative Instruction Program

Teachers	\$	27,277	
Social Security		1,691	
State Retirement		2,469	
Employer Medicare		396	
Total Alternative Instruction Program			31,833

Special Education Program

Teachers	\$	1,298,701	
Educational Assistants		1,139,805	
Speech Pathologist		229,109	
Other Salaries and Wages		119,778	
Social Security		165,248	
State Retirement		294,399	
Life Insurance		4,728	
Medical Insurance		636,975	
Employer Medicare		38,838	
Other Fringe Benefits		5,335	
Contracts for Substitute Teachers - Non-certified		44,750	
Other Contracted Services		275,436	
Instructional Supplies and Materials		381,717	
Other Supplies and Materials		1,359	
Other Charges		440	
Special Education Equipment		272,778	
Total Special Education Program			4,909,396

Vocational Education Program

Teachers	\$	179,969	
Clerical Personnel		63,269	
Social Security		14,985	
State Retirement		24,284	

(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.)

Life Insurance	\$	145	
Medical Insurance		24,087	
Employer Medicare		3,505	
Other Fringe Benefits		131	
Instructional Supplies and Materials		23,088	
Other Supplies and Materials		63,504	
Vocational Instruction Equipment		429,387	
Total Vocational Education Program			\$ 826,354

Support Services

Attendance

Other Contracted Services	\$	58,140	
Total Attendance			58,140

Health Services

Other Salaries and Wages	\$	172,987	
Social Security		10,519	
State Retirement		21,446	
Life Insurance		145	
Medical Insurance		27,997	
Employer Medicare		2,460	
Other Fringe Benefits		347	
Other Supplies and Materials		6,395	
Other Charges		33,619	
Total Health Services			275,915

Other Student Support

Guidance Personnel	\$	101,979	
Social Workers		418,289	
Attendants		13,820	
Other Salaries and Wages		111,205	
Social Security		38,410	
State Retirement		55,672	
Life Insurance		505	
Medical Insurance		86,425	
Employer Medicare		9,173	
Other Fringe Benefits		980	
Travel		34,653	
Other Contracted Services		11,200	

(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.)

Other Supplies and Materials	\$	91,537	
In Service/Staff Development		10,102	
Total Other Student Support			\$ 983,950

Regular Instruction Program

Supervisor/Director	\$	85,910	
Librarians		66,818	
Instructional Computer Personnel		32,925	
Secretary(ies)		33,757	
Other Salaries and Wages		249,559	
In-Service Training		47,408	
Social Security		31,213	
State Retirement		48,087	
Life Insurance		303	
Medical Insurance		55,927	
Employer Medicare		7,303	
Other Fringe Benefits		719	
Travel		13,797	
Contracts for Substitute Teachers - Certified		189	
Contracts for Substitute Teachers - Non-certified		709	
Other Supplies and Materials		4,992	
In Service/Staff Development		639,370	
Other Equipment		12,803	
Total Regular Instruction Program			1,331,789

Special Education Program

Psychological Personnel	\$	703,212	
Clerical Personnel		31,317	
Other Salaries and Wages		677,058	
Social Security		85,313	
State Retirement		130,528	
Life Insurance		1,199	
Medical Insurance		140,257	
Employer Medicare		19,963	
Other Fringe Benefits		2,811	
In Service/Staff Development		140,994	
Total Special Education Program			1,932,652

(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.)Vocational Education Program

Clerical Personnel	\$	7,691	
In-Service Training		3,943	
Social Security		689	
State Retirement		1,564	
Life Insurance		12	
Medical Insurance		2,199	
Employer Medicare		161	
Other Fringe Benefits		15	
Travel		335	
In Service/Staff Development		11,963	
Other Equipment		958	
Total Vocational Education Program			\$ 29,530

Office of the Principal

Principals	\$	90,161	
Assistant Principals		100,670	
Social Security		11,831	
State Retirement		17,270	
Employer Medicare		2,767	
Total Office of the Principal			222,699

Operation of Plant

Custodial Personnel	\$	132,612	
Social Security		8,222	
State Retirement		16,763	
Employer Medicare		1,922	
Total Operation of Plant			159,519

Transportation

Other Salaries and Wages	\$	169,066	
Social Security		10,038	
State Retirement		17,007	
Life Insurance		394	
Medical Insurance		43,517	
Employer Medicare		2,348	
Other Fringe Benefits		326	
Contracts with Vehicle Owners		10,225	
Maintenance and Repair Services - Vehicles		503	
Gasoline		5,036	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Transportation Equipment	\$ 58,670	
Total Transportation		\$ 317,130

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 139,151	
Social Security	8,628	
State Retirement	3,222	
Employer Medicare	2,017	
Total Food Service		153,018

Early Childhood Education

Teachers	\$ 22,861	
Social Security	1,418	
State Retirement	2,070	
Employer Medicare	331	
Total Early Childhood Education		26,680

Total School Federal Projects Fund \$ 18,102,508

Central Cafeteria Fund

Support Services

Board of Education

Audit Services	\$ 11,511	
Workers' Compensation Insurance	54,300	
Total Board of Education		\$ 65,811

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 1,491,739	
Accountants/Bookkeepers	77,134	
Cafeteria Personnel	3,824,284	
Other Salaries and Wages	98,710	
Social Security	330,469	
State Retirement	347,843	
Life Insurance	7,188	
Medical Insurance	874,698	
Unemployment Compensation	48,516	
Employer Medicare	77,506	

(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.)

Other Fringe Benefits	\$	6,384	
Communication		757	
Maintenance and Repair Services - Equipment		60,325	
Postal Charges		3,508	
Transportation - Other than Students		84,575	
Travel		7,024	
Other Contracted Services		346,941	
Food Preparation Supplies		373,279	
Food Supplies		6,376,373	
Office Supplies		21,966	
Uniforms		3,225	
USDA - Commodities		864,579	
Other Supplies and Materials		248,376	
In Service/Staff Development		59,845	
Food Service Equipment		762,447	
Total Food Service			\$ 16,397,691

Total Central Cafeteria Fund \$ 16,463,502

Education Capital Projects FundSupport ServicesBoard of Education

Trustee's Commission	\$	46,755	
Total Board of Education			\$ 46,755

Capital ProjectsEducation Capital Projects

Architects	\$	2,550	
Engineering Services		4,240	
Maintenance and Repair Services - Buildings		2,450,050	
Regular Instruction Equipment		13,266	
Total Education Capital Projects			2,470,106

Total Education Capital Projects Fund 2,516,861

Other Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	309,657	
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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.)

<u>Other Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects (Cont.)</u>		
Engineering Services	\$ 106,438	
Other Contracted Services	47,290	
Other Charges	102,722	
Building Construction	14,431,244	
Building Improvements	527,002	
Regular Instruction Equipment	29,664	
Site Development	4,995,623	
Total Education Capital Projects		\$ 20,549,640
Total Other Capital Projects Fund		\$ 20,549,640
Total Governmental Funds - Rutherford County School Department		\$ 316,909,447

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, 2012

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 10,295,886	\$ 10,295,886
Trustee's Collections - Prior Years	0	227,645	227,645
Circuit/Clerk and Master Collections - Prior Years	0	187,657	187,657
Interest and Penalty	0	47,030	47,030
Pick-up Taxes	0	22,709	22,709
Payments in-Lieu-of Taxes - T.V.A.	0	1,010	1,010
Payments in-Lieu-of Taxes - Local Utilities	0	152,395	152,395
Local Option Sales Tax	45,625,896	7,041,339	52,667,235
Wheel Tax	0	586,096	586,096
Business Tax	0	254,332	254,332
Interstate Telecommunications Tax	0	2,274	2,274
Marriage Licenses	0	2,073	2,073
Total Cash Receipts	<u>\$ 45,625,896</u>	<u>\$ 18,820,446</u>	<u>\$ 64,446,342</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 45,169,637	\$ 18,509,486	\$ 63,679,123
Trustee's Commission	456,259	291,335	747,594
Total Cash Disbursements	<u>\$ 45,625,896</u>	<u>\$ 18,800,821</u>	<u>\$ 64,426,717</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 19,625	\$ 19,625
Cash Balance, July 1, 2011	0	209,352	209,352
Cash Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 228,977</u>	<u>\$ 228,977</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	250-261
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)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
PRIMARY GOVERNMENT: (Note 1, 2)											
Governmental Activities											
Invested in Capital Assets, Net of Related Debt	\$ 149,327	\$ 166,358	\$ 162,068	\$ 146,463	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	
Restricted For:											
Capital Projects	16,114	10,606	14,397	29,782	17,761	7,674	2,071	403	3,650	3,251	
Debt Service	26,657	26,632	31,323	32,053	31,703	30,879	32,067	34,939	-	-	
General	-	-	-	-	-	-	-	-	-	588	
Finance	-	-	-	-	-	-	-	-	-	22	
Administration of Justice	-	-	-	-	-	-	-	-	-	951	
Public Safety	-	-	-	-	-	-	-	-	-	1,576	
Public Health and Welfare	-	-	-	-	-	-	-	-	-	99	
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	-	-	-	-	590	-	647	691	589	-	
Other Purposes	7,590	10,618	2,924	6,468	475	1,187	46	112	61	-	
Unrestricted (2)	(218,611)	(221,776)	(254,549)	(278,388)	(250,973)	(267,988)	(325,800)	(300,698)	(225,824)	(255,927)	
Total Governmental Activities Net Assets	\$ (18,923)	\$ (7,562)	\$ (27,457)	\$ (46,253)	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)	\$ (42,468)	
COMPONENT UNIT - Rutherford County Schools (Note 2)											
Governmental Activities											
Invested in Capital Assets, Net of Related Debt	\$ 246,569	\$ 261,946	\$ 273,716	\$ 301,332	\$ 331,320	\$ 361,986	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	
Restricted For:											
Capital Projects	19,815	16,309	38,446	51,723	15,927	14,976	46,795	10,924	1,482	30,143	
Education	-	-	-	-	-	-	-	-	292	-	
Textbooks	-	-	-	3,556	-	-	-	-	-	-	
Advances to Other	-	-	-	1,080	1,002	1,569	-	-	-	-	
School Federal Projects	-	-	-	-	1,569	384	394	828	86	289	
Central Cafeteria	-	-	-	-	-	3,160	4,198	4,902	5,151	5,059	
Career Ladder	-	-	-	-	-	-	-	335	-	-	
Driver Education	-	-	-	-	-	-	260	-	-	256	
Other Purposes	819	1,315	1,986	3,098	268	244	25	-	-	10	
Unrestricted	12,457	17,378	16,968	14,592	19,856	14,475	(226)	(2,383)	(8,963)	(13,787)	
Total Governmental Activities Net Assets	\$ 279,660	\$ 296,948	\$ 331,116	\$ 375,381	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565	\$ 436,528	

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 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)

	<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>2012</u>
EXPENSES (Note 1)										
Governmental Activities:										
General Government	\$ 930	\$ 2,244	\$ 1,639	\$ 5,341	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038
Finance	5,143	4,863	5,480	5,727	5,874	5,889	6,989	7,366	7,748	8,387
Administration of Justice	4,609	4,970	4,753	5,331	6,265	4,760	6,496	6,844	6,659	6,854
Public Safety	23,719	24,925	26,807	28,398	34,122	32,701	39,703	38,545	39,080	41,151
Public Health and Welfare	10,709	10,928	10,792	15,762	17,313	16,622	17,927	17,768	18,458	19,369
Social, Cultural, and Recreational Services	2,538	1,203	1,186	1,352	1,350	1,380	2,458	2,786	1,838	2,112
Agriculture and Natural Resources	346	971	1,439	802	918	724	864	1,036	1,085	1,141
Other Operations (Note 2)	5,118	4,811	6,880	6,104	6,899	6,876	13,523	-	-	-
Highways/Public Works	7,369	10,784	13,859	9,750	11,855	14,437	14,529	16,925	9,264	11,206
Education (Pymts to Comp. Unit)	28,827	40,140	67,167	70,937	23,940	62,793	99,547	33,085	35,351	89,448
Interest on Long-term Debt	13,346	13,497	13,123	14,510	16,617	16,447	16,221	17,064	13,850	15,177
Other Debt Service	20	-	1,146	-	-	154	-	-	-	-
Total Governmental Activities Expenses	\$ 102,674	\$ 119,336	\$ 154,271	\$ 164,014	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883

PROGRAM REVENUES

Governmental Activities:

Charges for Services:

General Government	\$ 3,345	\$ 3,679	\$ 4,226	\$ 5,460	\$ 4,757	\$ 4,206	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699
Finance	4,351	5,126	5,514	5,273	6,819	6,483	6,695	6,759	7,158	7,454
Administration of Justice	4,299	4,908	5,525	5,271	5,879	6,243	5,723	6,145	5,803	6,400
Public Safety	4,055	3,459	3,874	525	3,904	3,473	5,222	3,621	2,643	4,910
Public Health and Welfare	4,727	5,719	5,616	5,291	7,647	6,866	7,900	8,024	8,335	10,091
Social, Cultural, and Recreational Services	9	9	8	5	1	1	58	-	1	1
Agriculture and Natural Resources	6	65	126	118	113	-	19	-	23	41
Other Operations	-	68	-	-	-	-	82	-	-	-
Highways/Public Works	143	19	-	-	-	128	104	76	-	69
Education	12,164	18,139	21,634	24,969	28,930	34,080	34,122	37,070	40,077	38,887
Operating Grants and Contributions	7,446	5,120	6,279	11,045	7,002	7,158	6,950	8,161	9,591	8,591
Capital Grants and Contributions	2,271	9,292	2,327	4,873	5,041	5,050	13,745	14,707	1,936	1,770
Total Governmental Activities Program Revenues	\$ 42,816	\$ 55,603	\$ 55,129	\$ 62,830	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913

Table 2

Rutherford County, Tennessee

Changes in Net Assets (Cont.)

Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	<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>2012</u>
Net (Expense)/Revenue Governmental Activities	\$ (59,858)	\$ (63,733)	\$ (99,142)	\$ (101,184)	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)	\$ (128,970)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 17,933	\$ 22,585	\$ 22,520	\$ 23,957	\$ 21,929	\$ 24,852	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132
Property Tax Levied for Debt Services	20,805	22,621	25,016	27,009	30,523	33,151	38,072	39,729	37,780	36,077
Payments in-Lieu-of Taxes	-	-	-	-	-	6,188	6,526	5,535	7,084	6,751
Local Option Sales Tax	3,967	3,891	4,007	4,279	4,812	4,767	2,037	2,035	1,671	1,583
Hotel/Motel Tax	-	-	-	-	-	986	932	951	1,067	1,216
Wheel Tax	-	-	-	-	-	5,707	5,701	5,696	5,729	5,860
Business Tax	-	-	-	-	-	1,385	1,269	1,424	1,709	1,824
Litigation Tax	-	-	-	-	-	1,062	1,863	2,242	2,232	2,423
Development Tax	-	-	-	-	-	3,960	2,579	1,395	865	2,051
Mineral Severance Tax	-	-	-	-	-	-	359	232	220	257
Bank Excise Tax	-	-	-	-	-	-	-	-	77	68
Wholesale Beer Tax	-	-	-	-	-	-	861	837	811	825
Interstate Telecommunications Tax	-	-	-	-	-	-	2	1	1	5
Other Local Taxes	12,154	15,407	16,366	15,953	22,115	1,492	-	-	-	-
Unrestricted Grants and Contributions	5,224	5,905	6,011	6,014	1,054	1,073	892	655	618	1,351
Investment Earnings	1,583	1,065	2,501	5,114	8,500	5,671	2,603	1,218	654	407
Gain on Disposal of Capital Assets	-	36	2,500	62	-	-	-	-	-	-
Miscellaneous	779	467	325	-	424	130	264	119	63	140
Total Governmental Activities	\$ 62,445	\$ 71,977	\$ 79,246	\$ 82,388	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774	\$ 101,970
Change in Net Assets	\$ 2,587	\$ 8,244	\$ (19,896)	\$ (18,796)	\$ 31,828	\$ (8,122)	\$ (50,916)	\$ 31,774	\$ 27,404	\$ (27,000)

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES (Note 1)										
Governmental Activities:										
Education										
Instruction	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-	-	155,377	177,210	177,407	195,749	192,333
Operation of Noninstructional Services	-	-	-	-	-	94,371	107,541	95,279	106,283	104,722
Interest on Long-term Debt	-	-	-	-	-	14,510	13,763	15,857	17,093	19,011
	-	-	-	-	-	120	100	79	65	68
Total Governmental Activities Expenses	\$ 158,452	\$ 175,256	\$ 196,516	\$ 204,893	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services - Education	\$ 241	\$ 244	\$ 258	\$ 218	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760
Operating Grants and Contributions	9,377	13,040	16,650	17,002	18,018	21,131	20,249	29,948	31,830	28,696
Capital Grants and Contributions	14,930	23,511	43,554	46,255	-	36,322	71,724	-	803	48,267
Total Governmental Activities Program Revenues	\$ 24,548	\$ 36,795	\$ 60,462	\$ 63,475	\$ 18,233	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723
Net (Expense)/Revenue Governmental Activities	\$ (133,904)	\$ (138,461)	\$ (136,054)	\$ (141,418)	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Tax Levied for General Purposes	\$ 34,645	\$ 41,219	\$ 42,453	\$ 45,473	\$ 49,366	\$ 50,464	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080
Payments in-Lieu-of Taxes	-	-	-	-	-	650	734	828	841	871
Local Option Sales Tax	24,124	27,946	29,887	32,888	34,922	37,195	36,185	35,408	37,871	40,662
Wheel Tax	-	-	-	-	-	3,202	3,215	3,214	3,255	3,320
Business Tax	-	-	-	-	-	1,227	1,077	1,120	1,360	1,442
Interstate Telecommunications Tax	-	-	-	-	-	20	19	13	10	14
Other Local taxes	3,155	3,398	3,709	3,946	4,804	-	-	-	-	-
Unrestricted Grants and Contributions	74,819	82,331	93,215	101,632	110,660	132,260	139,098	140,711	154,124	157,772
Investment Earnings	281	203	460	1,171	1,624	1,396	731	327	185	108
Gain on Disposal of Capital Assets	-	356	-	573	-	514	-	-	-	-
Miscellaneous	311	296	498	-	359	360	143	197	145	105
Total Governmental Activities	\$ 137,335	\$ 155,749	\$ 170,222	\$ 185,683	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374
Change in Net Assets	\$ 3,431	\$ 17,288	\$ 34,168	\$ 44,265	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963

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
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
2012	41,132	36,077	6,751	1,583	1,216	5,860	1,824	2,422	2,051	257	825	68	5	-	100,071

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
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
2012	61,080	871	40,663	3,321	1,442	14	-	107,391

Table 4

Rutherford County, Tennessee
General Government Fund Balances - Primary Government
Last Ten Fiscal Years

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

	2003	2004	2005	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43	\$ 46
Reserved	1,561	2,247	2,978	3,387	3,794	2,700	2,983	4,013	-	-
Restricted	-	-	-	-	-	-	-	-	5,660	3,515
Committed	-	-	-	-	-	-	-	-	1,275	1,224
Assigned	-	-	-	-	-	-	-	-	2,210	3,838
Unassigned	-	-	-	-	-	-	-	-	14,524	14,687
Unreserved	12,331	16,234	16,936	20,580	19,931	17,025	12,794	18,694	-	-
Total General Fund	\$ 13,892	\$ 18,481	\$ 19,914	\$ 23,967	\$ 23,725	\$ 19,725	\$ 15,777	\$ 22,707	\$ 23,712	\$ 23,310
All Other Governmental Funds										
Reserved	\$ 724	\$ 757	\$ 501	\$ 508	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	3,016	6,729
Committed	-	-	-	-	-	-	-	-	769	3,620
Assigned	-	-	-	-	-	-	-	-	49,641	49,831
Unreserved, Reported In:										
Special Revenue Funds	11,031	14,743	18,308	19,805	19,540	17,753	17,581	14,376	-	-
Debt Service Fund	28,975	28,765	30,267	31,183	30,928	30,705	32,182	33,214	-	-
Capital Projects Funds	12,869	6,117	14,382	29,708	17,719	9,084	1,020	196	-	-
Total All Other Governmental Funds	\$ 53,600	\$ 50,381	\$ 63,458	\$ 81,204	\$ 69,023	\$ 58,762	\$ 53,727	\$ 50,414	\$ 53,426	\$ 60,180

(Note 1) GASB Statement 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)

	2003	2004	2005	2006	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 4,415	\$ 7,269	\$ 5,758	\$ 7,050	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	797	266
Committed	-	-	-	-	-	-	-	-	11	-
Assigned	-	-	-	-	-	-	-	-	6,873	9,253
Unassigned	-	-	-	-	-	-	-	-	12,641	14,890
Unreserved	5,412	6,954	9,875	11,283	12,832	11,396	10,948	16,318	-	-
Total General Purpose School Fund	<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>	<u>\$ 24,409</u>
All Other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248	\$ 200
Reserved	22,738	7,535	5,659	21,178	15,802	23,167	37,366	8,409	-	-
Restricted	-	-	-	-	-	-	-	-	6,471	35,492
Committed	-	-	-	-	-	-	-	-	1,572	1,000
Unreserved, Reported In:										
Debt Service Fund	-	-	-	68	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	3,141	3,972	4,695	-	-
Capital Projects Funds	(2,104)	10,089	33,399	31,229	1,127	(7,787)	10,049	3,549	-	-
Total All Other School Funds	<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>	<u>\$ 36,692</u>

(Note 1) GASB Statement 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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192
Licenses and Permits	1,099	1,248	1,679	2,040	1,830	1,688	1,263	1,295	1,276	1,421
Fines and Forfeitures	1,881	2,338	2,638	2,979	2,479	2,875	2,724	2,490	2,479	2,531
Charges for Service	13,453	9,177	9,822	10,349	12,004	12,283	11,998	12,511	10,856	11,750
Other Local Revenue	2,487	1,997	3,613	6,423	9,566	7,069	3,588	2,667	1,880	3,215
Fees from Co. Officials	(*)	6,029	6,327	7,147	7,730	7,147	6,559	6,621	9,407 (1)	10,232 (1)
State Revenues	9,729	9,551	8,898	10,695	11,187	11,382	10,518	9,162	9,856	11,259
Federal Revenues	1,140	1,323	1,805	3,138	1,533	432	602	1,297	1,817	2,080
Other Govt/Citizens	1,206	545	452	1,004	804	508	3,559	2,299	1,045	887
Total Revenues	\$ 90,667	\$ 101,815	\$ 109,191	\$ 120,376	\$ 127,018	\$ 127,043	\$ 128,899	\$ 136,396	\$ 137,470	\$ 143,567
Expenditures										
General Government	\$ 4,608	\$ 5,168	\$ 5,331	\$ 6,165	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)	\$ 8,757 (1)
Finance	5,022	4,872	5,452	5,953	6,417	6,876	6,968	7,065	7,437 (1)	7,993 (1)
Admin. of Justice	4,566	4,752	4,780	5,258	6,073	6,206	6,311	6,487	6,700	6,803
Public Safety	22,028	24,010	25,910	29,316	32,044	34,455	35,961	35,072	37,477	41,091
Public Health/Welfare	10,528	11,564	11,591	13,614	16,018	16,656	15,843	15,867	16,639	17,387
Social, Cultural/Rec.	1,095	1,103	1,086	1,252	1,350	1,381	1,418	1,422	1,476	2,112
Agriculture and Natural	359	852	1,418	690	735	772	755	780	874	964
Other Operations	5,109	4,805	12,010	9,271	6,878	6,913	7,088	8,535	7,540	5,288
Highway and Bridge	5,831	6,048	6,478	7,000	8,254	8,928	7,688	7,811	7,395	8,659
Debt Service:										
Principal	16,974	16,384	17,719	20,004	24,539	24,515	22,670	22,375	31,935	23,115
Interest	13,105	13,761	14,065	14,769	16,897	16,341	16,441	17,815	14,277	15,339
Other Charges	-	164	1,146	237	-	349	432	-	858	504
Capital Projects	20,469	32,142	46,579	52,523	13,632	54,019	85,202	4,709	1,062	52,130
Total Expenditures	\$ 109,694	\$ 125,625	\$ 153,565	\$ 166,052	\$ 139,870	\$ 184,903	\$ 214,110	\$ 135,028	\$ 141,613	\$ 190,142
Excess of Revenues Over (Under) Expenditures	\$ (19,027)	\$ (23,810)	\$ (44,374)	\$ (45,676)	\$ (12,852)	\$ (57,860)	\$ (85,211)	\$ 1,368	\$ (4,143)	\$ (46,575)

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

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

Table 5

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Transfers In	\$ 9,932 (10,262)	\$ 6,166 (5,980)	\$ 6,421 (6,911)	\$ 7,819 (7,580)	\$ 7,287 (6,971)	\$ 6,509 (6,130)	\$ 3,238 (2,843)	\$ 6,413 (5,997)	\$ 1,873 (1,389)	\$ 3,749 (3,254)
Transfers Out	-	-	-	-	113	-	100	12	49	14
Insurance Recovery	22,581	24,995	53,500	64,220	-	42,700	41,325	-	-	49,259
Bond Proceeds	-	-	-	-	-	-	31,000	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-	20,021
Refunding Debt Issued	7,534	-	60,165	-	-	-	-	-	140,275	-
Proceeds on refunded bonds	(7,534)	-	(64,792)	-	-	-	-	-	(153,003)	(21,420)
Payments to Refunded Bond Escrow Agent	158	-	6,501	3,018	-	473	3,408	-	20,355	4,557
Premiums on Debt Issued	-	-	4,000	-	-	47	-	-	-	-
Sale of Capital Assets	22,409	25,181	58,884	67,477	429	43,599	76,228	428	8,160	52,926
TOTAL OTHER SOURCES	\$ 3,382	\$ 1,371	\$ 14,510	\$ 21,801	\$ (12,423)	\$ (14,261)	\$ (8,983)	\$ 1,796	\$ 4,017	\$ 6,351
Net Change in Fund Balances										
Debt Service as a percentage of noncapital expenditures	30.0%	26.6%	22.7%	22.2%	34.2%	25.1%	19.2%	30.9%	33.2%	21.1%
Capital Expenditures	9,326	12,225	13,739	9,096	18,652	22,426	10,514	4,924	2,299	7,583
General Governmental TAX Revenues by Source										
Last Ten Fiscal Years (expressed in thousands)										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Property Tax & PIL	\$ 43,205	\$ 50,038	\$ 53,177	\$ 56,004	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212
Sales Tax	4,098	3,895	4,011	4,246	4,770	4,762	2,296	2,016	1,814	1,452
Hotel/Motel Tax	579	644	645	748	843	986	932	951	1,067	1,216
Wheel Tax	4,384	4,624	4,897	5,167	5,370	5,707	5,701	5,695	5,729	5,860
Litigation Tax	873	884	909	965	975	1,062	1,863	2,242	2,231	2,422
Business Tax	772	870	1,040	1,147	1,236	1,385	1,269	1,424	1,709	1,824
Mineral Severance	361	453	534	524	690	642	359	232	221	257
Development Tax	4,429	7,150	7,702	6,697	6,229	3,960	2,579	1,395	866	2,051
Bank Excise Tax	214	279	406	372	501	307	342	219	77	68
Wholesale Beer Tax	744	761	627	701	800	845	861	837	811	825
Other Statutory Tax	13	9	9	30	29	54	14	8	1	5
Total	\$ 59,672	\$ 69,607	\$ 73,957	\$ 76,601	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183
Licenses and Permits	13	14	14	15	16	15	11	11	12	12
Charges for Service	187	208	223	186	186	6,428	7,111	6,594	6,591	6,702
Other Local Revenue	726	885	1,158	1,924	3,577	6,584	1,255	743	518	432
State Revenues	75,109	82,029	94,000	101,319	112,189	133,203	140,433	144,467	153,732	156,628
Federal Revenues	8,577	12,334	14,246	15,477	15,826	15,593	17,784	24,958	32,939	29,669
Other Govt/Citizens	14,930	23,497	43,554	46,255	-	35,322	71,724	-	-	48,257
Total Revenues	\$ 161,718	\$ 191,524	\$ 230,091	\$ 247,522	\$ 220,893	\$ 289,621	\$ 334,962	\$ 276,680	\$ 298,198	\$ 348,883
Expenditures										
Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	-	-	-	-	-	-	-	-	-	-
Other Operations	939	1,267	-	-	-	-	-	-	-	-
Instruction	98,586	106,845	121,188	125,759	140,849	155,364	161,908	167,761	186,041	183,565
Support Services	44,958	51,068	55,884	63,264	67,680	76,848	82,531	82,355	89,164	90,621
Operational Services	2,904	3,950	4,343	5,211	6,298	13,970	14,089	15,070	17,602	18,696
Capital Outlay	45	69	150	347	150	666	38	124	2	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	300	541	561	581	601	673	933
Interest	-	-	-	27	148	129	109	89	73	75
Other Debt Service	-	-	-	-	-	-	-	-	13	-
Capital Projects	32,804	26,939	25,681	40,587	40,975	46,557	43,803	38,137	13,724	23,020
	\$ 180,236	\$ 190,138	\$ 207,246	\$ 235,495	\$ 256,641	\$ 294,095	\$ 303,059	\$ 304,137	\$ 307,292	\$ 316,910
Excess of Revenues Over (Under) Expenditures	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 12,027	\$ (35,748)	\$ (4,474)	\$ 31,903	\$ (27,457)	\$ (9,094)	\$ 31,973
Other Financing Sources (Uses)										
Transfers In	\$ 1,020	\$ 1,217	\$ 4,766	\$ 3,972	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724	\$ 907	\$ 244
Transfers Out	(1,020)	(1,217)	(4,766)	(3,972)	(3,942)	(7,433)	(1,836)	(724)	(907)	(244)
Insurance Recovery	-	-	-	-	-	1	-	-	4	-
Bond Proceeds	-	-	-	4,035	-	-	-	-	-	-
Note Proceeds	-	-	-	-	500	-	-	-	1,609	-
Capital Leases Issued	-	-	-	-	-	-	-	-	-	514
Premiums on Bonds sold	-	-	-	55	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	562	-	-	-	-
TOTAL OTHER SOURCES	\$ -	\$ -	\$ -	\$ 4,090	\$ 500	\$ 563	\$ -	\$ -	\$ 1,613	\$ 514
Net Change in Fund Balances	\$ (18,518)	\$ 1,386	\$ 22,845	\$ 16,117	\$ (35,248)	\$ (3,911)	\$ 31,903	\$ (27,457)	\$ (7,481)	\$ 32,487
Debt Service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.2%	0.4%	0.3%	0.3%	0.3%	0.2%	0.3%
Capital expenditures	27,886	20,997	22,677	79,765	68,239	38,735	30,257	30,607	8,243	21,028

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Property Tax and PILOT	\$ 34,947	\$ 41,502	\$ 43,500	\$ 45,946	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093
Sales Tax	24,074	27,654	29,689	32,452	35,001	37,056	36,381	35,359	37,676	40,313
Wheel Tax	2,436	2,581	2,752	2,900	3,006	3,202	3,215	3,214	3,255	3,321
Business Tax	691	794	929	1,022	1,164	1,227	1,077	1,120	1,360	1,442
Other Statutory Tax	28	26	26	26	25	20	19	13	11	14
Total	\$ 62,176	\$ 72,557	\$ 76,896	\$ 82,346	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183

Table 6

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

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Equalization Ratio	Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
2003	2002	\$ 2.5100	\$ 9,748,484,300	\$ 2,798,492,465	\$ 889,493,780	\$ 266,890,260	\$ 216,907,176	\$ 119,298,947	100.00%	\$ 10,854,885,256	\$ 3,184,681,672	29.34%
2004	2003	2.8000	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	2.8000	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	2.8000	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	2.4400	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	2.4400	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	2.5600	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	2.7350	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	20,423,301,900	5,472,574,875	1,333,641,764	400,109,784	293,610,342	161,485,688	100.00%	22,050,554,006	6,034,170,347	27.37%
2012	2011	2.4652	20,633,088,200	5,537,544,840	1,299,222,491	389,784,765	310,078,927	170,543,410	100.00%	22,242,389,618	6,097,873,015	27.42%

Sources: Trustee Tax Rolls, Assessor Geographic Tax Rolls, Public Service Commission

Table 7

Rutherford County, Tennessee
Property Tax Rates (per \$100 assessed value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Rutherford County					(2)			Percent of Direct Tax			Overlapping Rate				Total Direct & Overlapping Rate (3)
		County Operating	Education	Debt Service	Total County Rate	(1) Average Daily Attendance Fact	Net County Rate	Rate Collected for Benefit of the City of Murfreesboro	City of Murfreesboro	Town of Smyrna	City of LaVergne	City of Eagleville					
2003	2002**	\$ 0.5600	\$ 1.3000	\$ 0.6500	\$ 2.5100	0.1670	\$ 2.29	8.76%	\$ 1.7000	\$ 0.7200	\$ 0.5000	\$ 0.7200	\$ 6.1500				
2004	2003	0.6700	1.4600	0.6700	2.8000	0.1631	2.56	8.57%	1.7200	0.6900	0.5000	0.7200	6.4300				
2005	2004	0.6400	1.4400	0.7200	2.8000	0.1575	2.57	8.21%	1.7200	0.6900	0.5000	0.7200	6.4300				
2006	2005	0.6400	1.4400	0.7200	2.8000	0.1582	2.57	8.21%	1.7200	0.6900	0.5000	0.8700	6.5800				
2007	2006**	0.4800	1.2900	0.6700	2.4400	0.1603	2.23	8.61%	1.4070	0.6800	0.5000	0.8700	5.8970				
2008	2007	0.5100	1.2400	0.6900	2.4400	0.1586	2.24	8.20%	1.4070	0.8600	0.5000	0.9200	6.1270				
2009	2008	0.5400	1.2800	0.7400	2.5600	0.1545	2.36	7.73%	1.4070	0.8600	0.5000	0.9200	6.2470				
2010	2009	0.6800	1.3150	0.7400	2.7350	0.1537	2.53	7.39%	1.4070	0.8600	0.5000	0.9200	6.4220				
2011	2010**	0.6509	1.1881	0.6262	2.4652	0.1482	2.2891	7.14%	1.2703	0.7595	0.5000	0.7512	5.7462				
2012	2011	0.6809	1.1881	0.5962	2.4652	0.1498	2.2872	7.22%	1.2703	0.7595	1.0000	0.7512	6.2462				

Source: Rutherford County Trustee, Rutherford County Assessor and City/Town Recorders,

(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 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.

(3) Overlapping rates are those of local governments that apply to property owners within Rutherford County. Not all overlapping rates apply to all Rutherford County property categories for the city/town apply only to the portion of the Rutherford County property owners whose property is located within the geographic boundaries of the city/town).

** Reappraisal year

Table 8

Rutherford County, Tennessee
Principal Taxpayers
For the Fiscal Year Ended June 30, 2012

Taxpayer	Type of Business	2011		Percentage of		2002		Percentage of	
		Rank	Assessed Valuation	2011 Tax Liability	Total Taxes Levied (2)	Rank	Assessed Valuation	2002 Tax Liability	Total Taxes Levied (2)
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 486,192,149	\$ 4,108,739	2.75%	1	\$ 407,010,724	\$ 3,259,092 (1)	4.08%
Middle Tennessee Electric Public Utility-Electric Company		2	57,536,110	1,418,381	0.95%	3	36,423,900	914,239	1.14%
Pillsbury Co./General Mills Bakery Goods		3	51,434,562	1,249,212	0.84%	5	24,324,821	610,553	0.76%
Bridgestone Tire Maker		4	42,677,732	1,052,091	0.71%	2	49,410,275	1,240,198	1.55%
Southpark, Nashville, LLC Warehousing		5	35,547,120	876,307	0.59%	6	18,703,160	469,449	0.59%
CF Murfreesboro Assoc. Retail Mall (The Avenues)		6	31,098,696	766,645	0.51%				
Swanson Development Commercial Properties		7	27,319,015	673,476	0.45%				
Stone Ridge Farms Apartments		8	25,852,322	637,311	0.43%				
Prologis Distribution Facility		9	25,390,966	625,939	0.42%				
HCA Health Services Stone Crest Medical Center		10	24,849,061	610,558	0.41%				
BellSouth Public Utility-Telephone Co.						4	24,660,188	618,971	0.77%
State Farm Insurance Regional Office-Insurance Co.						7	12,989,360	326,332	0.41%
Ingram Books Book Distributor						8	12,032,803	302,023	0.38%
Stones River, LLC Shopping Mall						9	11,445,240	287,277	0.36%
Ozburn Hessey Storage Co. Warehousing						10	11,441,480	287,181	0.36%
					8.06%				
									10.40%

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

- (1) The taxes represent \$513,996 (2002 tax year) and \$565,655 (2011 tax year) collected on real and personal property not covered by the PILOT agreement.
- (2) The remaining amount of \$2,876,465 (2002) and \$3,543,084 (2011) represents net tax payments collected through payment in-lieu of tax agreements. This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of a tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2012

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of		Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
						Total Tax Collections to Tax Levy			
2002	\$ 79,909,122	\$ 76,104,340	95.24%	\$ 3,722,821	\$ 79,827,161	99.90%	\$	81,961	0.10%
2003	93,099,927	89,736,798	96.39%	3,276,279	93,013,077	99.91%		86,850	0.09%
2004 (2)	97,889,256	94,864,349	96.91%	2,944,949	97,809,298	99.92%		79,958	0.08%
2005 (2)	105,297,727	101,990,111	96.86%	3,256,731	105,246,842	99.95%		50,885	0.05%
2006 (2)	111,419,529	108,059,865	96.98%	3,217,306	111,277,171	99.87%		142,358	0.13%
2007	119,023,978	113,890,715	95.69%	4,909,055	118,799,770	99.81%		224,208	0.19%
2008	131,273,518	125,819,556	95.85%	5,084,124	125,819,556	95.85%		369,838	0.28%
2009	147,086,182	140,414,404	95.46%	5,878,251	140,414,404	95.46%		793,527	0.54%
2010	149,180,338	142,559,175	95.56%	4,605,978	142,559,175	95.56%		2,015,185	1.35%
2011	149,526,088	143,397,179	95.90%	(1)	143,397,179	95.90%		6,128,909	4.10%

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

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

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

Table 10

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

Fiscal Year					
Ending	Tax			Tax	
June 30	Year	Estimated	Assessed	Payments	
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	
2012	2011	1,485,792,411	524,161,804	4,827,512	

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 11 companies in 2011-2012, with Nissan representing approximately 73.39% of the total.

Section 7-53-305, *TCA*, is the statutory basis for these agreements, which allows the county's Industrial Development Board to finance new development with revenue bonds and establish these agreements during the term of the bonds.

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

Table 11

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

Fiscal Year	General Bonded Debt	Less: Amounts Available in Debt Service Funds	Net Bonded Debt (3)	% of Net Bonded		(1) Population	% of Bonded		% of Net Bonded	
				Assessed Value	Debt to Assessed Value		Bonded Debt per Capita	Debt to Total Personal Income (2)	Net Bonded Debt per Capita	Debt to Total Personal Income (2)
2003	\$ 275,187,432	\$ 28,975,397	\$ 246,212,035	\$ 3,184,681,672	7.73%	194,934	\$ 1,412	5.29%	\$ 1,263	4.74%
2004	283,797,983	28,764,889	246,212,035	3,318,022,024	7.42%	202,310	1,403	5.10%	1,217	4.43%
2005	318,888,534	30,266,866	288,621,668	3,488,360,363	8.27%	210,025	1,518	5.30%	1,374	4.80%
2006	366,839,085	31,251,284	335,587,801	3,745,268,176	8.96%	218,292	1,680	5.66%	1,537	5.18%
2007	338,565,000	30,928,426	307,636,574	4,583,953,898	6.71%	228,829	1,480	4.87%	1,344	4.42%
2008	356,750,000	30,704,855	326,045,145	4,869,995,647	6.69%	241,462	1,477	4.72%	1,350	4.31%
2009	406,405,000	32,182,126	374,222,874	5,128,557,596	7.30%	249,270	1,630	5.16%	1,501	4.75%
2010	384,030,000	33,214,372	350,815,628	5,371,366,282	6.53%	257,048	1,494	4.91%	1,365	4.49%
2011	354,180,000	33,913,474	320,266,526	6,034,170,347	5.31%	262,604	1,349	4.30%	1,220	3.88%
2012	379,345,000	33,993,542	345,351,458	6,097,873,015	5.66%	268,921	1,411	4.34%	1,284	3.95%

Sources: Table 6, Tennessee Department 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 2012, 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, Tennessee
Direct and Overlapping Debt
General Obligation Bonds and Notes
As of June 30, 2012

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 369,745,000		
Capital Outlay Notes	9,600,000		
Less: General Debt Service Funds (2)	<u>(33,993,542)</u>		
Total Direct Debt	\$ 345,351,458	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 194,490,924	43.38%	46.04%
Town of Smyrna	20,804,176	18.48%	16.72%
City of LaVergne	13,282,807	11.83%	13.02%
City of Eagleville	448,833	0.30%	0.27%
County School District of Rutherford (Bonds)	600,000	56.62%	53.96%
County School District of Rutherford (Notes)	<u>1,353,132</u>	56.62%	53.96%
Total Overlapping Debt	<u>230,979,872</u>		
Total Direct and Overlapping Debt	<u><u>\$ 576,331,330</u></u>		

Source: City Records, 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 Ending June 30	(1) Population	Per Capita Income	Total Personal Income	(2) Median Age	County School Enrollment	Average Unemployment rate
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%
2012	268,921	32,500	8,739,932,500	32.1	38,607	7.2%

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

(1) Populations are estimated for all years except fiscal year 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	2012			2003		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	6,050	1	4.58%	6,300	1	6.32%
Rutherford County Government and Board of Education	5,665	2	4.29%	3,183	2	3.19%
Middle Tennessee State University	2,225	3	1.68%	1,335	7	1.34%
City of Murfreesboro and Board of Education	1,913	4	1.45%	1,324	8	1.33%
State Farm Insurance	1,662	5	1.26%			
Alvin C. York Veterans Administration Medical Center	1,461	6	1.11%	1,500	5	1.50%
Ingram Book Company				2,200	3	2.21%
Middle Tennessee Medical Center				1,100	9	1.10%
Verizon	1,079	7	0.82%			
Asurion	1,050	8	0.79%			
Amazon	1,050	9	0.79%			
Bridgestone/Firestone, Inc.	900	10	0.68%	1,800	4	1.80%
Whirlpool Corp.				1,500	6	1.50%
Cumberland Swann				1,000	10	1.00%
Total			<u>17.45%</u>			<u>20.29%</u>

Source: Rutherford County Chamber of Commerce

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

Function:	Employees as of June 30,									
	<u>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>2012</u>
General Government	60	60	60	67	74	79	81	79	80	79
Finance	87	87	87	85	86	89	88	90	90	91
Justice	76	77	78	81	85	85	89	89	88	90
Public Safety	366	387	397	439	469	478	504	501	504	505
Health and Welfare	169	179	186	205	212	218	217	217	216	216
Agriculture	6	7	12	7	8	8	8	8	7	8
Other	3	3	3	3	3	3	3	3	3	3
Road and Bridge	71	71	71	77	77	77	77	70	72	64
Total	838	871	894	964	1014	1037	1067	1057	1060	1056

COMPONENT UNIT:

Education	2,444	2,597	2,748	2,779	3,098	3,987	4,129	4,332	4,555	4,609
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Sources: Rutherford County Finance Department and Rutherford County Board of Education

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	<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>2012</u>
<u>General Government</u>										
Registered Voters	96,682	105,286	116,705	121,222	123,350	132,477	141,090	144,150	142,856	148,849
Building Permits Issued										
Single Family Homes	585	566	828	996	811	623	314	388	305	410
All Other Permits	1,668	1,588	1,586	2,488	2,471	2,235	1,646	1,549	1,445	1,620
<u>Public Safety</u>										
Number of Warrants										
State - Issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,436	13,568
State - Served	9,518	10,542	10,216	10,799	11,177	12,140	12,215	12,012	12,722	12,484
Civil - Issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19,394	19,902
Civil - Served	16,390	17,638	17,655	17,516	17,499	19,101	19,966	19,795	19,069	19,054
<u>Public Health</u>										
Ambulance- Call Volume	16,432	17,341	16,978	16,993	17,923	19,378	18,600	19,724	22,119	24,331
Response Time - Avg. Minutes	8.10	8.20	8.50	8.00	7.79	7.83	8.02	7.70	7.60	4.60
Animal Control										
Requests for Service	14,765	13,313	10,937	13,953	14,332	16,415	16,824	16,539	14,328	15,920
Animals Impounded	9,739	8,510	7,421	8,511	8,615	9,193	9,220	8,616	8,208	8,403
Animals Adopted	1,385	1,596	1,774	2,104	2,359	2,457	2,009	2,010	1,658	1,471
<u>Road & Bridge</u>										
Street Resurfaced (miles)	N/A	N/A	71.7	62.8	58.9	62.3	54.4	57.4	55.9	56.2
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	97.9	103.1	111.8	110.9	103.9	110.9	105.7	106.3	103.8	104.1
Recyclables Collected	N/A	10.8	12.7	11.2	8.1	7.5	8.1	8.3	12.4	14.9

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

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

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Highways and Streets										
Number of Streets in System	1,724	1,759	1,763	1,829	1,914	1,962	2,004	2,034	2,039	2,039
Number of Miles	942	941	946	942	951	956	959	964	965	963
Number of Bridges	157	157	157	157	163	163	163	164	165	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	1
Ambulance Stations	8	8	10	10	11	12	12	12	12	12
Number of Ambulance Units	14	17	20	20	22	24	24	25	25	25
Sanitation/Landfill										
Number of Trucks	11	12	13	14	16	16	16	16	17	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										
Number of Employees	2,893	2,969	3,145	3,264	3,487	3,988	4,129	4,332	4,555	4,609
Elementary Schools	21	21	21	21	22	23	23	24	24	24
Middle Schools	3	6	7	7	8	8	9	9	10	10
High Schools	6	7	7	7	7	7	7	7	7	7
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	1	2	2	2	2	2	2	2	2	2
Magnet School	-	-	-	-	-	-	-	-	1	1

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

SINGLE AUDIT SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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 31, 2012

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, 2012, which collectively comprise Rutherford County's basic financial statements and have issued our report thereon dated October 31, 2012. 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

The management of Rutherford County is responsible for establishing and maintaining effective 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: 12.01, 12.06 and 12.07. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

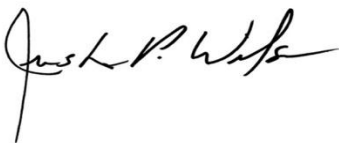
As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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: 12.02, 12.03, 12.04, and 12.05.

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/yu



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

INDEPENDENT AUDITOR'S REPORT

October 31, 2012

Rutherford County Mayor and
Board of County Commissioners
Rutherford County, Tennessee

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Rutherford County's compliance 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, 2012. 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, 2012.

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 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

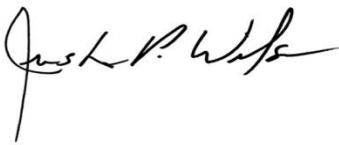
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutherford County as of and for the year ended June 30, 2012, and have issued our report thereon dated October 31, 2012. 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/yu

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Soil and Water Conservation	10.902	N/A	\$ 11,968
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	2,041,673
National School Lunch Program	10.555	N/A	6,908,053 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	48,529
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	864,579 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-11-33797-00	534,918
Total U.S. Department of Agriculture			<u>\$ 10,409,720</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	HM10-40	\$ 94,735
Total U.S. Department of Housing and Urban Development			<u>\$ 94,735</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 41,885
Total U.S. Department of the Interior			<u>\$ 41,885</u>
U.S. Department of Justice:			
Direct Programs:			
Federal Asset Forfeiture Program	16.XXX	N/A	\$ 510,925
State Criminal Alien Assistance Program	16.606	N/A	10,958
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	4157; 9928	82,472
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	37,932
Total U.S. Department of Justice			<u>\$ 642,287</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Z-12-GHS248-00	\$ 29,788
Alcohol Open Container Requirements	20.607	Z-12-GHS249-00	47,451
Total U.S. Department of Transportation			<u>\$ 77,239</u>
U.S. Department of Energy:			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	N/A	\$ 112,253
Total U.S. Department of Energy			<u>\$ 112,253</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	\$ 273,745
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	4,260,159

(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	\$ 7,625,237
Special Education - Preschool Grants	84.173	N/A	80,871
Special Education - Grants to States, Recovery Act	84.391	N/A	429,116
Special Education - Preschool Grants, Recovery Act	84.392	N/A	111,531
Career and Technical Education - Basic Grants to States	84.048	(2)	594,735
Education for Homeless Children and Youth Cluster:			
Education for Homeless Children and Youth	84.196	(2)	90,000
Education for Homeless Children and Youth, Recovery Act	84.387	(2)	9,207
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	14,215
Education Technology State Grants, Recovery Act	84.386	(2)	6,270
English Language Acquisition Grants	84.365	(2)	268,593
Improving Teacher Quality State Grants	84.367	N/A	475,277
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	706,648
Education Jobs Fund	84.410	(2)	4,123,330
Total U.S. Department of Education			<u>\$ 19,068,934</u>
U.S. Department of Elections:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00210-21	\$ 134,400
Total U.S. Department of Elections			<u>\$ 134,400</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	GG-09-25247-00	\$ 30,672
Total U.S. Department of Health and Human Services			<u>\$ 30,672</u>
Corporation for National and Community Service:			
Passed-through State Department of Education:			
Learn and Serve America School and Community Based Programs	94.004	(2)	\$ 5,281
Total Corporation for National and Community Service			<u>\$ 5,281</u>
U.S. Department of Homeland Security:			
Direct Programs:			
Hazard Mitigation Grant	97.039	N/A	\$ 2,500
Assistance to Firefighters Grant	97.044	N/A	2,400
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	79,001
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	76,823
Emergency Management Performance Grants	97.042	2868	63,000
Homeland Security Grant Program	97.067	6263; 2545	497,608
Total U.S. Department of Homeland Security			<u>\$ 721,332</u>
Total Expenditures of Federal Awards			<u>\$ 31,338,738</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	\$ 11,944
Juvenile Court Prevention - State Department of Children Services	N/A	GG-12-36631-00	417,696
Community Early Intervention Services - State Department of Children Services	N/A	GG-12-135103-00	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)	978,052
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	53,351
Statewide Student Management System - State Department of Education	N/A	(2)	96,865
Safe Schools - State Department of Education	N/A	(2)	167,700
Coordinated School Health - State Department of Education	N/A	(2)	180,000
YRBS-HIV Prevention - State Department of Education	N/A	(2)	1,800
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Military	N/A	(2)	51,216
Waste Tire Program - State Department of Environment and Conservation	N/A	Z-08-212965	200,360
Recycling Program - State Department of Environment and Conservation	N/A	(2)	7,931
Adult Education - State Department of Labor and Workforce Development	N/A	Z-10-218544-00	91,248
Rural Local Health Services - State Department of Health	N/A	(2)	1,580,590
Low Cost Sterilization of Dogs and Cats Grant - State Department of Health	N/A	(2)	3,000
Litter Program - State Department of Transportation	N/A	Z-10-220375-00	96,575
TWRA Archery Grant - State Department of Wildlife Resources	N/A	(2)	1,000
State and National Archival Partnership (SNAP) - State Library and Archives	N/A	(2)	2,000
Cerified Voting Equipment Grant - Tennessee Secretary of State	N/A	(2)	7,074
Arts Program Catergorical Grant - State Department of Finance and Administration	N/A	(2)	2,400
Drug Court Discretionary Grant Program - State Department of Finance and Administration	N/A	15550	50,000
Tennessee Arts Commission Grant - State Department of Finance and Administration	N/A	(2)	30,477
Total State Grants			<u>\$ 4,086,727</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 \$7,772,632.

Rutherford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
11.04	287	The office had deficiencies in computer system backup procedures

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

Finding Number	Page Number	Subject
11.05	287	Multiple employees operated from the same cash drawer

RUTHERFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unqualified opinion was issued on the financial statements of Rutherford County.
2. The audit of the financial statements disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Rutherford County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); Title I Grants to Local Educational Agencies (CFDA Nos. 84.010); Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, Special Education – Preschool Grants and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$940,162 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 county mayor; finance director; director of schools; circuit, general sessions, and juvenile courts clerk; and sheriff are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 12.01 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER IN THE RISK MANAGEMENT DEPARTMENT AND PLANNING DEPARTMENT**

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

Multiple employees operated from the same cash drawer in the Risk Management Department and Planning Department. 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, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets.

RECOMMENDATION

Management should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND FINANCE DIRECTOR

The named departments have changed their procedures to restrict access to the cash drawer. In some cases, a second cash drawer will be utilized during the lunch period.

FINDING 12.02 **COMPETITIVE BIDS WERE NOT SOLICITED FOR DOZER/DIRT WORK**

(Noncompliance Under *Government Auditing Standards*)

On the same day that the Sheriff's Department purchased dozer services for \$7,000, the department paid the same vendor an additional \$7,000 for hauling dirt. It appears the invoices were split to circumvent the county's purchasing requirements. Purchasing procedures for the Sheriff's Department are governed by Chapter 421, Private Acts of 1943, as amended, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

RECOMMENDATION

Invoices should not be split to circumvent the county's purchasing requirements.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND FINANCE DIRECTOR

The staff of the county's Purchasing Department has been notified to be diligent in identifying instances of attempts by departments to avoid the county's purchasing procedures.

MANAGEMENT'S RESPONSE – SHERIFF

Due to the shared responsibility between the Sheriff's Office and the City of Murfreesboro regarding the Firing Range, a sound barrier was required to be constructed. The invoices were split by the vendor because one was for materials, and one was for services.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.03 **RUTHERFORD COUNTY DID NOT REPORT A FRINGE BENEFIT FOR SCHOOL DEPARTMENT EMPLOYEES TO THE INTERNAL REVENUE SERVICE**

(Noncompliance Under *Government Auditing Standards*)

The School Department allowed seven lead custodians to live in apartments located in the high school buildings. Rutherford County did not report the fringe benefit provided to these School Department employees to the Internal Revenue Service (IRS). IRS regulations require an employer to report fringe benefits provided to an employee as income on the employee's Form W-2. Rutherford County advised that they were unaware that these amounts should be included on the employees' Form W-2.

RECOMMENDATION

Fringe benefits provided to employees should be reported on the employees' Form W-2 in compliance with IRS regulations.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND FINANCE DIRECTOR

The Board of Education will provide the amount of fringe benefits earned by their employees to the Finance Department. The Finance Department will ensure that the reported fringe benefit will be properly included on the employee's Form W-2.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Rutherford County will add a taxable fringe benefit allowance to the 2012 Form W-2 for the live-in high school lead custodians through September 30, 2012; however, their job descriptions have been changed effective October 1, 2012. Rutherford County will add the

same taxable fringe benefits to the employees who have been living in the apartments whose job descriptions do not require that they live in the apartment.

OFFICE OF SHERIFF

FINDING 12.04 **THE SHERIFF DID NOT OBTAIN A LETTER OF AGREEMENT OR COURT DECREE TO AUTHORIZE DEPUTY HIRES** (Noncompliance Under *Government Auditing Standards*)

The sheriff did not obtain a letter of agreement or file suit in Circuit Court to authorize the number and salaries of his deputies. Section 8-20-101, *Tennessee Code Annotated (TCA)*, requires the sheriff to enter into a letter of agreement with the county mayor concerning the number and the salaries of deputies or to file suit in Circuit Court. This noncompliance is the result of management's decision based on the sheriff's interpretation that the statute does not require him to obtain a letter of agreement or file suit in Circuit Court.

RECOMMENDATION

The sheriff should obtain a letter of agreement with the county mayor or petition Circuit Court for the number and salaries of deputies as required by state statute.

MANAGEMENT'S RESPONSE – SHERIFF

Section 8-20-101(c), *TCA*, states that if the sheriff is in agreement with the county legislative body on the number and salaries of deputies, the sheriff MAY, not SHALL, file a letter of agreement. A letter of agreement is not required in the situation where the sheriff is in agreement with the adopted budget; therefore, this finding is inaccurate and should be removed as a finding.

AUDITOR'S COMMENT

Sections 8-20-101(a,b), *TCA*, provide that the trustee, clerks, register, and sheriff may employ deputies and assistants by petitioning Circuit or Chancery Courts for authorization. Many years ago, all deputies were paid from officials' fee accounts. However, based on changes in legislation over the years, many deputies are now paid from the General Fund of the county based on an appropriation of the County Commission. In these instances in which officials agreed on the salaries appropriated by the County Commission, it was not necessary for the county to incur court costs, litigation taxes, and attorney fees. Therefore, the state legislature passed Section 8-20-101(c), *TCA*, which provides counties with an alternative method of approving salaries without incurring the costs associated with filing a petition in court. Section 8-20-101(c), *TCA*, states that "in the event the county official agrees with the number of deputies and assistants and the compensation and expenses related thereto, as set forth in the budget adopted by the county legislative body, the county mayor and the county official involved may prepare a letter of agreement...no court cost, litigation taxes, or attorney fees shall be assessed." Our interpretation of the statute is that county officials may obtain a letter of agreement in-lieu-of a court decree. We feel the

statute requires either a court decree or a letter of agreement authorizing the payment of deputies.

FINDING 12.05 **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. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 12.06 **THE OFFICE HAD CASH DRAWER AND ACCOUNTING SOFTWARE DEFICIENCIES**

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

The Office of Circuit, General Sessions, and Juvenile Courts Clerk had the following deficiencies:

- A. Multiple employees operated from the same cash drawer in each of the three courts. 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. This deficiency has been a management decision and could result in a loss of control over assets.
- B. Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business

practices dictate that each transaction be identified to the individual creating the transaction.

Failure to adhere to these control regimens 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, and the accounting software does not record the user who processed each transaction.

RECOMMENDATION

To strengthen internal controls over cash collections, separate cash drawers should be assigned to each employee handling cash. Management should contact the software vendor concerning the addition of controls to the software that would identify the user who performed each transaction.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

Because the software does not track user activity and cannot provide a listing of receipts by user, the maintenance of separate cash drawers is not practical. Circuit Court has undertaken an 18-month review and competitive search for a vendor that meets these and additional needs, and a contract was executed September 28, 2012. Changes to address this finding will be implemented as soon as practical in the development process.

FINDING 12.07 **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK**

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

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

This finding should more specifically relate to the Circuit Criminal Court Clerk's Office and the General Sessions Criminal Court Clerk's Office. The bookkeeper ("employees responsible for maintaining accounting records") is not at all involved in the preparation of the deposit in the General Sessions Office. Current office structure and staffing levels prohibit the ability to keep all receipting, depositing and/or disbursing functions completely separate. With the new software upgrade, the circuit court clerk is investigating creating a cash office system that could repurpose existing staff while producing the desired complete segregation of duties. That segregation cannot be implemented with the current software provider.

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 Local Government 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, 2012

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