

COMPREHENSIVE ANNUAL FINANCIAL REPORT

RUTHERFORD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2016

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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RUTHERFORD COUNTY, TENNESSEE

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

RUTHERFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Comprehensive Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2016.

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Rutherford County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The office had accounting software deficiencies.

INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

November 14, 2016

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, 2016, 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, 2016, 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 unmodified opinion on the financial statements of Rutherford County, for the fiscal year ended June 30, 2016, 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 C-5. 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

The strength of the Rutherford County economy can be attributed to our diversity. The county's strong economy in turn attracts a growing population. Rutherford County continues to be recognized as one of the fastest growing counties in America. The citizenry has grown to 298,612 per the 2015 Census estimate, which is 10.0 percent above the 2010 Census and 58.7 percent above the 2000 Census.

Our largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Johnson Controls, Schneider Electric, and General Mills. While manufacturing is our strongest economic segment, distribution, transportation, and other service-related industries are also large contributors to the strength of the economy. We are home to Tennessee's second largest state university with an enrollment exceeding 24,000, a regional veteran's facility with 347 hospital beds and 245 long-term care beds, the south central regional office for State Farm Insurance, and numerous other companies including a call center for Verizon Wireless and a call center for the Veteran's Administration. The county benefits from being within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

During 2014, Enovate Medical announced a corporate expansion representing a \$13.1 million investment over the next five years that is expected to yield 410 new jobs. M-TEK announced it will build its North American headquarters in Murfreesboro representing a \$13.4 million investment that is expected to yield 250 new jobs. Additionally, Federal-Mogul announced plans to expand its distribution center in Smyrna representing a \$6.2 million investment that is expected to yield 135 new jobs.

During 2015, Nissan USA announced a major expansion investment of \$160 million to build a new supplier park at its Smyrna assembly plant. The new supplier park is expected to yield more than 1,000 new jobs at various automotive suppliers. Jagermann Precision Plastics has also announced a 30,000 square-foot expansion that is expected to yield 90 new jobs.

In 2016, Steel Technologies announced an expansion with plans to invest \$18 million to build a new 83,000 sq. ft. manufacturing facility in Smyrna. The new facility is expected to yield 50 new jobs. Topre America, an automotive supplier, announced plans to invest \$55.3 million to build a new manufacturing facility in Smyrna. The new facility is expected to yield 100 new jobs and increase production efficiency. Empyrean Benefit Solutions announced that it would locate its new customer service center in LaVergne. The investment will total \$2.9 million and yield 120 new jobs.

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 2016, Rutherford County had a labor force of 161,100 with 154,470 employed resulting in a 4.1 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2016, Rutherford

County's unemployment rate was below both the state's average of 5.0 percent and the national average of 5.1 percent. These rates are lower than the June 2015 rates, which were reported as 5.2 percent for the county, 5.5 percent for the state, and 6.3 percent for the country.

The improvement in the county's economy was again reflected in the local option sales tax revenue for county schools during FY 2016 when this revenue component increased 9.22 percent over the prior year to a new high of \$54.62 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 16.81 percent of its income for the fiscal year.

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 Board of Education requested funding to renovate two schools; Smyrna Middle and David Youree Elementary, both are located in the Smyrna area. The board also requested funding of a new middle school. In March 2016, the commissioners approved funding for the new middle school, Smyrna Middle renovation and only the design phase of the elementary renovation. Even with these projects, the Board of Education determined it will need additional schools and significant additions to existing schools within the next five years if growth continues. Within that time frame, the Board of Education has expressed their possible need of two elementary schools, and both a middle and high school.

Rutherford County Government continues to move forward with the construction of a new judicial building and parking garage. The need for a new facility was determined over thirteen years ago. Because of the pressing need for additional schools for a fast growing population, the judicial building project had continuously been delayed. During the 2014-2015 fiscal year, a working committee was formed to assist the architect and the members of the Public Building Authority in designing the new facility. In an effort to provide adequate parking to support the judicial building, additional land was secured near the judicial building site with the expectation of building a parking garage. In September 2016, the county secured funding to complete both projects. The parking garage is expected to be completed in 2017 and the judicial building in 2018. Over the next couple of years, the county will develop a plan to best utilize the space left in the existing judicial building for county services.

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.

On June 27, 2016, the County Commission committed to using nearly \$6.2 million of the unassigned fund balance to fund the General Fund operations for the 2016-2017 fiscal year. At June 30, 2016, unassigned fund balance in the General Fund totaled \$23.63 million, which was 27.61 percent of the 2015-2016 General Fund expenditures. 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 General Debt Service Fund that is conservatively calculated to meet (1) cash flow needs, (2) budgeting contingencies, (3) emergency contingencies, (4) variable rate volatility contingencies, and (5) future forecasted needs. The ending fund balance of the General Debt Service Fund meets the debt service fund balance policy.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. 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 21 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 Mark Tucker, Teresa Jolly, Linda Godsey, Chrissi Caruthers, Robert Brown, Reba Carleton, Sue Hollandsworth, Sharon Richards, Sheryl Sandefur, Susan Thompson, Jennifer Henson and Scott Magner. 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, appearing to read "Lisa A. Nolen".

Lisa A. Nolen, CPA, CGFM
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rutherford County
Tennessee**

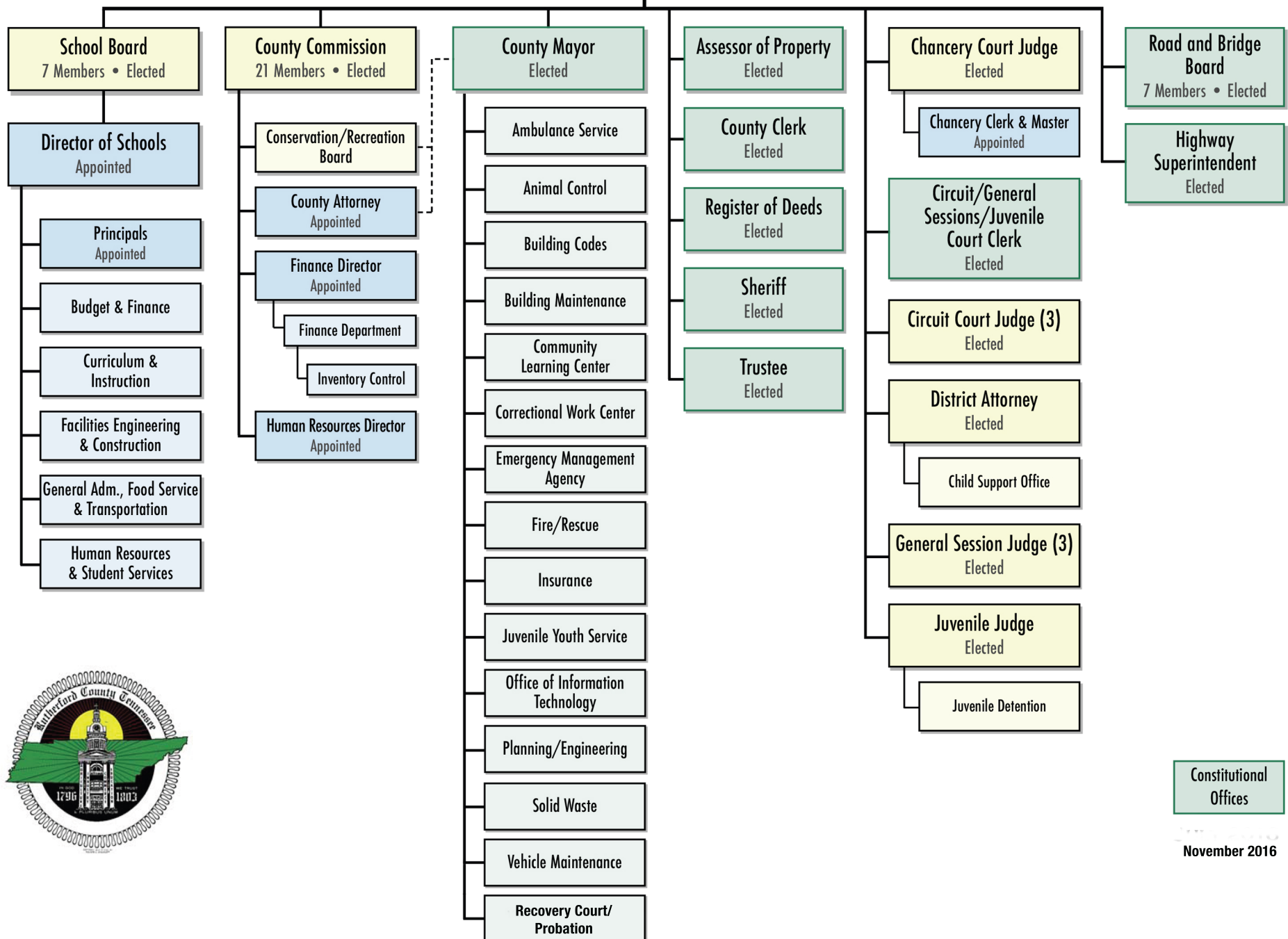
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

November 2016

Rutherford County Officials

June 30, 2016

Officials

Ernest G. Burgess, County Mayor
Greg Brooks, Highway Superintendent
Don Odom, Director of Schools
Thomas Batey, Trustee
Rob Mitchell, Assessor of Property
Lisa Crowell, County Clerk
Melissa Harrell, Circuit, General Sessions, and Juvenile Courts Clerk
John Bratcher, Clerk and Master
Heather Dawbarn, Register of Deeds
Robert Arnold, Sheriff
Lisa Nolen, Director of Finance

Board of County Commissioners

Ernest G. Burgess, County Mayor, Chairman	Rhonda Allen
Doug Shafer	Robert Stevens
Steve Percy	Paul Johnson
Will Jordan	Charlie Baum
Robert Peay, Jr.	David Nipper
Carol Cook	Phil Dodd
Joe Frank Jernigan	Jeff Phillips
Mike Kusch	Allen McAdoo
Pettus Read	Shawn Kaplan
Joe Gourley	Trey Gooch
Brad Turner	Chantho Sourinho

Highway Commissioners

Michael Anderson, Chairman	John Goad
David Victory	Paul Johnson
Keith Bratcher	Randal Jones
Greg Brooks	Richard Steagall

Rutherford County Officials (Cont.)

Board of Education

Wayne Blair, Chairman
Jim Estes
Terry Hodge
Aaron Holladay

Jeff Jordan
Lisa Moore
Coy Young

Audit Committee

Charlie Baum, Chairman
Keith Bratcher
Robert Coggin
Mark Crocker

Will Jordan
Steve Schroeder
Coy Young

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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 .7 percent, .7 percent, and 2.5 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the discretely presented Emergency Communications District, which represent 1.0 percent, 1.5 percent, and .7 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for

Community Care of Rutherford County, Inc., and the Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Rutherford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23-37 and the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 148-155 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rutherford County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), miscellaneous schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, 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

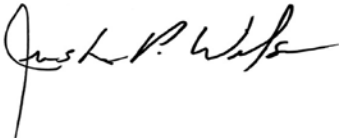
(a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2016, on our consideration of Rutherford County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rutherford County's internal control over financial reporting and compliance.

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
Nashville, Tennessee

November 14, 2016

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2016**

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, 2016. 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 assets and deferred outflows of resources of Rutherford County Government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$32,431 (net position). Of this amount, \$287,573 is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net position increased by \$40,518.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$97,334, an increase of \$911 in comparison with the prior year. Most of this total amount, \$76,401, is available for spending at the government's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, committed fund balance totaled \$8,683 in the General Fund. Of this amount, \$6,159 will be used to fund operations in the 2016-2017 fiscal year. Unassigned fund balance for the General Fund was \$23,625 or 27.61 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, decreased by \$29,016 (8.03 percent) during the current fiscal year. Bonded debt of \$28,430 was retired and \$586 in principal payments was paid for notes and capital leases. An inter-fund capital outlay note of \$15 million was issued from the Debt Service Fund to the General Capital Projects fund to provide cash flow for the Judicial/Parking Garage projects. This note will be repaid from future bond proceeds.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the finances of Rutherford County, Tennessee, in a manner similar to a private-sector business. The government-wide

financial statements consist of two statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the assets, deferred outflows, liabilities, and deferred inflows for Rutherford County, Tennessee, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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; 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 10 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 the General Capital Project Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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-5 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 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 after the Basic Financial Statements; see the table of contents for location.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with non-major 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 position may serve over time as a useful indicator of a government's financial position. In the case of Rutherford County, Tennessee, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$32,431 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, 2016, Rutherford County had outstanding debt totaling \$287,573 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 position without a corresponding increase in the county's capital assets.

Rutherford County, Tennessee, Net Position

	Governmental Activities	
	2015	2016
Assets:		
Current and other assets	\$ 238,451	\$ 243,002
Capital assets	261,638	271,285
Total assets	\$ 500,089	\$ 514,287
Deferred outflows of resources:		
Deferred charge on refunding	\$ 11,149	\$ 8,823
Pension related	5,593	5,845
Total deferred outflows of resources	\$ 16,742	\$ 14,668
Liabilities:		
Long-term liabilities outstanding	\$ 392,517	\$ 361,628
Other liabilities	46,150	45,417
Total liabilities	\$ 438,667	\$ 407,045
Deferred inflows of resources:		
Deferred current property taxes	\$ 80,608	\$ 86,633
Pension related	5,644	2,846
Total deferred inflows of resources	\$ 86,252	\$ 89,479
Net position:		
Net investment in capital assets	\$ 215,139	\$ 222,753
Restricted	12,200	13,991
Unrestricted	(235,427)	(204,313)
Total net position	\$ (8,088)	\$ 32,431

By far the largest portion of Rutherford County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) of \$222,753; 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 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 position of Rutherford County, Tennessee, of \$13,991 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 Position

Governmental activities. Governmental activities increased Rutherford County Government's net position by \$40,518. Key elements of this increase are displayed on the Changes in Net Position Table. The following table also presents 2015-2016 revenues and expenditures as a percentage of total revenues and expenditures.

CHANGES IN NET POSITION

	Governmental Activities		
	2015	2016	
Revenues:			
Program revenues:			
Charges for services	\$ 85,934	\$ 88,503	40%
Operating grants and contributions	9,705	8,505	4%
Capital grants and contributions	3,053	3,900	2%
General revenues:			
Property taxes	83,669	85,733	39%
Payment in-lieu-of taxes	7,778	8,380	4%
Local option sales taxes	3,463	4,141	2%
Hotel/Motel tax	1,708	2,061	1%
Wheel tax	6,449	6,684	3%
Business tax	2,454	2,455	1%
Mixed drink tax	17	17	0%
Litigation tax	2,080	2,092	1%
Development tax	3,353	5,189	2%
Mineral severance tax	346	433	0%
Bank excise tax	152	283	0%
Wholesale beer tax	969	1,064	0%
Interstate telecommunications tax	8	7	0%
Grants and contributions not restricted to specific programs	820	863	0%
Unrestricted investment income	319	609	0%
Other	96	83	0%
Total revenues	\$ 212,373	\$ 221,002	100%
Expenses:			
General government	\$ 17,083	\$ 17,666	10%
Finance	8,314	8,193	5%
Administration of justice	7,491	8,108	4%
Public safety	45,705	48,198	27%
Public health and welfare	19,704	19,650	11%
Social, cultural, and recreation services	2,307	2,687	1%
Agriculture and natural resources	1,388	1,171	1%
Highways	12,038	8,885	5%
Education	84,906	52,801	29%
Interest on long-term debt	14,203	13,124	7%
Total expenses	\$ 213,139	\$ 180,483	100%
Increase (Decrease) in net position	\$ (766)	\$ 40,519	
Net position, July 1	(8,393)	(8,088)	
Restatement (implementation of GASB 68)	1,071	0	
Net position, June 30	\$ (8,088)	\$ 32,431	

Governmental Program Expenses

The cost of all governmental activities was \$180,483. However, as shown on the previous page, 55.9 percent of these costs (\$100,908) was either paid by those who directly benefited from the programs (\$88,503), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$8,505) and capital grants and contributions (\$3,900). 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 below.

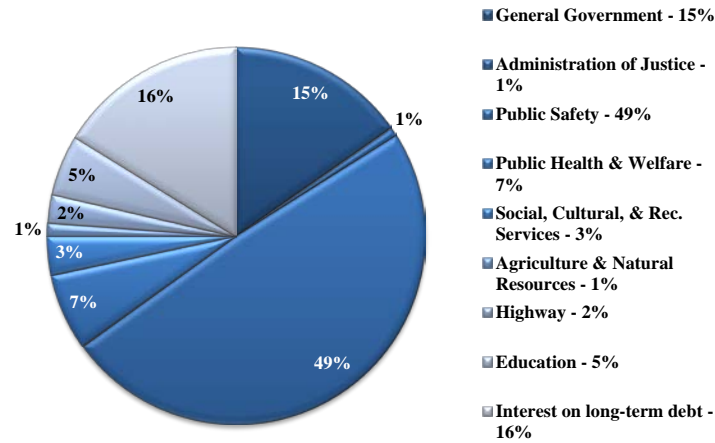
Education expenses of \$52,801, Public Safety expenses of \$48,198, and Public Health and Welfare expenses of \$19,650 comprise the largest categories of expenses of Rutherford County, which when combined (\$120,649) comprise 66.8 percent of total expenses. Of the \$120,649, \$67,683 was recovered by charges for services, \$2,800 from operating grants/contributions, and \$988 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 they can purchase, build, or renovate schools. The decrease in Education expenses during FY 2016, compared to the prior year, shows this effect when there is no borrowing on behalf of schools.

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 revenue. Citizens must then pay for these governmental activities through taxes, unrestricted grants, contributions, and investment income.

	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General Government - 15%	5,340	17,666	(12,326)	6.8%
Finance - (2%)	9,432	8,193	1,239	-0.7%
Administration of Justice - 1%	7,468	8,108	(640)	0.4%
Public Safety - 50%	8,583	48,198	(39,615)	21.9%
Public Health & Welfare - 7%	14,305	19,650	(5,345)	3.0%
Social, Cultural, & Rec. Services - 3%	0	2,687	(2,687)	1.5%
Agriculture & Natural Resources - 1%	265	1,171	(906)	0.5%
Highway - 2%	6,931	8,885	(1,954)	1.1%
Education - 5%	48,584	52,801	(4,217)	2.3%
Interest on long-term debt - 16%	-	13,124	(13,124)	7.3%
Total governmental activities	100,908	180,483	(79,575)	44.1%

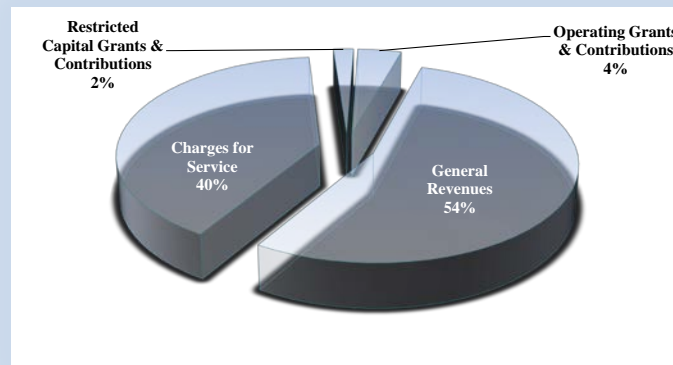
Unlike the preceding table, the next illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a percentage. For example, during the 2015-2016 fiscal year, 49 percent of the local citizen tax base was spent for Public Safety.

Allocation of the Citizen Tax Base to Governmental Activities



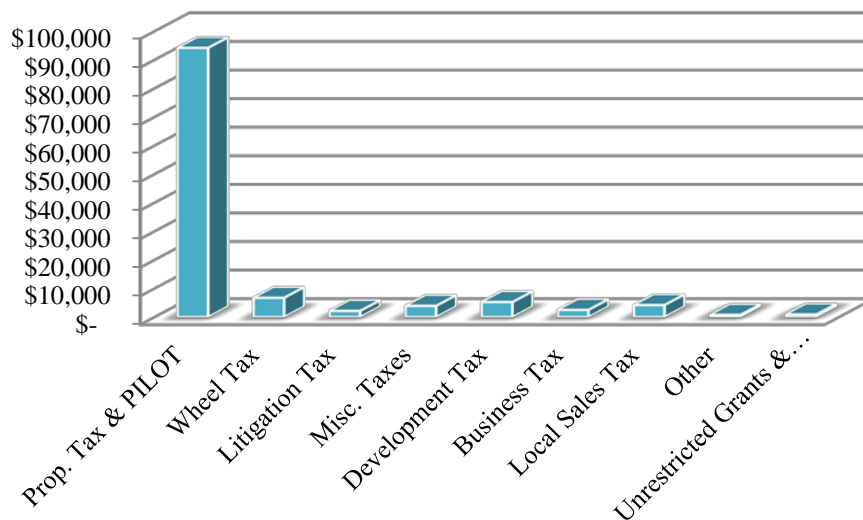
Revenues

Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 46 percent is received from program revenues and 54 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. As depicted in the previous chart, the largest source of program revenue is from charges for services.

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 illustrated in the following chart.



Financial Analysis of the Government's Funds

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

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

In 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: non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable Fund Balance, \$29 – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance, \$8,275 – 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, \$12,629 – 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, \$56,108 – 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 Budget/Finance Committee by resolution to make assignments.

- Unassigned Fund Balance, \$20,293 – the residual classification of the General Fund. This classification generally 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. The General Fund unassigned fund balance of \$23,625 has been reduced by the deficit fund balance in the General Capital Project fund. The deficit is caused by a \$15 million inter-fund capital outlay note issued from the General Debt Service Fund to provide temporary cash flow for the Judicial Building and Parking Garage capital projects. The inter-fund capital outlay note will be replaced with bond proceeds in the next fiscal year.

As of the end of the current fiscal year, Rutherford County Government's governmental funds reported combined ending fund balances of \$97,334, which was a slight increase of \$911 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 \$23,625 while total fund balance was \$36,650. Committed fund balance was \$8,683, of which \$6,159 has been committed 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 27.61 percent of total General Fund expenditures, while total fund balance represents 42.8 percent of that same amount. It should be noted that when the original budget for 2015-2016 was adopted, the unassigned fund balance was estimated at \$20,017 by June 30, 2016. The General Fund's unassigned fund balance actually increased by \$3,608 over the estimate during the 2015-2016 fiscal year, which was primarily due to actual revenues from local taxes (current levy, development tax and payment in-lieu-of tax) performing much better than anticipated and by departments not spending all their appropriations.

The Debt Service Fund is the fund Rutherford County sets aside resources to meet current and future debt service requirements on general long-term debt. At the end of the current fiscal year, assigned fund balance in this fund was \$33,903 while total fund balance was \$35,723. Committed fund balance totaled \$1,821. The committed fund balance offsets the Note Receivable due from the City of Murfreesboro Water and Sewer. The funding from the city will come from monies collected from sewer taps sold in the Rockvale area. The county and city both contributed to the cost of a sewer line constructed to service the Rockvale Middle School.

As a measure of the debt service liquidity, it will be most useful to compare assigned fund balance to the total of debt service expenditures. The assigned fund balance represents 78.02 percent of total expenditures for debt service. Other than an inter-fund capital outlay note issued in March 2016 from the General Debt Service Fund to the General Capital Project fund for \$15 million, no additional debt was issued or refunded by the county. The inter-fund capital outlay note was issued to provide cash flow for the Judicial Center and Parking Garage projects.

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 the Appropriation Budget - Amended over (under) Original

	2015	2016
General Government	\$ 83	\$ (176)
Finance	166	(892)
Administration of Justice	66	376
Public Safety	1,507	1,251
Public Health and Welfare	238	213
Social, Cultural, and Recreational Services	53	250
Agriculture and Natural Resources	3	31
Other Operations	44	584
Principal on Debt	227	113
Total Increase in Appropriations	\$ 2,387	\$ 1,750

There were several departments with significant changes to their original budget: in General Government, an increase of \$155 in the County Mayor's budget was for the purchase of land and additional legal services. The Personnel Department needed additional funds for employee testing and evaluations. The Register of Deeds changed from being classified as a "fee in lieu of payroll" office to an "excess fee" office effective January 1, 2016. This means for half of the fiscal year, the salaries and related benefits for that office were not treated as expenditures in the county general fund, but instead funds were withheld by the office to pay those salaries and benefits. Also, county fees collected to pay those salaries and benefits were not deposited with the County Trustee and reflected as revenue in the general fund. The revenue and appropriation budget were both decreased by \$366.

Similar to the Register of Deeds Office, the County Clerk also chose to become an "excess fee" office. The decrease in Finance was primarily due to this change. The County Clerk's budget was reduced by \$811.

The largest increase for Administration of Justice was due to adult probation services. Previous to April 2016, the county contracted with a private company to provide services to those individuals serving probation in lieu of incarceration. Beginning April 1, the county took over those responsibilities from the vendor and began a new department to provide those services to the public. This increase to appropriations totaled \$368.

The Sheriff's Department had carry-over grants from the prior year that were not in the original budget. The department also received additional grant awards from the Governor Highway Safety program and contributions from the public. This added approximately \$232 to the sheriff's budget. The commission also authorized additional funding of \$430 for the installation of a new CAD system for the Sheriff's Department. Because of an increase in jail population, additional funds of \$285 were needed to cover food costs. Rural Fire had carry-over grant funds of \$22 from homeland security that were not included in the original

budget. They also responded to South Carolina's flood disaster, which required additional funding of \$14 for overtime. Rural Fire also requested monies received from the sale of equipment to be appropriated for additional equipment. This added \$63 to their budget. The Disaster Relief department had carry-over grant funds totaling \$23 from homeland security. They were also the recipient of a grant for Clean Tennessee Energy, which required a 50% match. The commission added appropriations of \$46 for this project.

The increase in Public Health and Welfare was due to recognizing carry-over funding of \$164 from a state grant to develop a smoking cessation program. A decrease in appropriations of \$54 was approved in the Other Local Health Services to better reflect the contract with the State Department of Health. An appropriation of \$39 was added to provide funding to the Wellness Council. Additional funding of \$35 was needed to cover the cost of autopsies. The county's animal shelter also received \$28 in grants and contributions for use in their many programs.

The increase in Social, Cultural, and Recreational Services was needed to provide \$200 for the Linebaugh Library to assist them in building a Community Technology Center. An estimated increase in the county's hotel motel tax required the County to provide additional funding of \$50 to the City of Murfreesboro to help maintain the greenway.

The increase in Agriculture and Natural Resources was needed primarily to replace a compressor at Lane Agri-Park.

For Other Operations, a portion of the hotel-motel tax collected is allocated to tourism. Because of an estimated increase noted above in the hotel motel tax, an additional appropriation of \$150 for the Convention Visitor's Bureau was provided.

The county entered into a capital lease in September 2014. An increase to appropriations of \$113 was needed for the payments made on this lease during the fiscal year as the lease payments were made directly from the General Fund. To ensure the county's reserves for claims and judgments were sufficient, an additional \$400 was appropriated for this purpose.

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

	2015	2016
General Government	\$ 450	\$ 901
Finance	904	680
Administration of Justice	258	291
Public Safety	1,456	1,971
Public Health and Welfare	697	828
Social, Cultural, and Recreational Services	42	38
Agriculture and Natural Resources	94	72
Other Operations	393	622
Total Results	<u>\$ 4,294</u>	<u>\$ 5,403</u>

On a budgetary basis, at the close of the fiscal year, actual expenditures were \$5,403 less than budgetary estimates. Most of the unspent appropriations were in the personnel and

benefit line items, totaling \$2,773. 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. Unspent appropriations for services and supplies totaled approximately \$1,914.

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2016, totaled \$271,285 (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 \$9,647, which represented a 3.69 percent increase over the prior year.

	Governmental Activities	
	2015	2016
Land	\$ 35,820	\$ 37,789
Intangibles (Right of Way)	45,797	46,595
Buildings and improvements	70,743	68,636
Infrastructure	95,595	96,338
Intangibles (other)	880	1,160
Other capital assets	8,660	9,392
Construction in progress	4,143	11,375
Total	<u>\$ 261,638</u>	<u>\$ 271,285</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, capital leases and notes outstanding of \$332,251. 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	
	2015	2016	2015	2016	2015	2016
Notes	\$ 399	\$ 131	\$ -	\$ -	\$ 399	\$ 131
Cap. Lease	-	780	1,098	-	1,098	780
Bonds	310,767	286,662	49,003	44,678	359,770	331,340
Total	<u>\$ 311,166</u>	<u>\$ 287,573</u>	<u>\$ 50,101</u>	<u>\$ 44,678</u>	<u>\$ 361,267</u>	<u>\$ 332,251</u>

Rutherford County Board of Education is currently servicing some of the debt on behalf of the primary government. In previous years, this debt was reflected as debt of the Board of Education; however this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

Rutherford County decreased its long-term debt by \$29,016 (8.03 percent) during the 2015-2016 fiscal year by retiring \$28,430 of bonded debt, and retiring principal balances of \$586 for notes/capital leases. 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 Notes IV.F. and IV.G. of this report.

Economic Factors and Next Year’s Budget and Rates

Rutherford County adopted a budget for the fiscal year ending June 30, 2017, on June 27, 2016. 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. Based on continued increases in the local sales tax and revenues related to residential construction, it appears that the county’s economy continues to rebound. However, estimates for revenues from property tax, sales tax, development tax, and building related revenues were conservatively developed for the next fiscal year. Rutherford County’s Board of Commissioners has strived to limit the tax burden on property owners but has always been cognizant of the financial policies they have set in place.

The County Commission adopted a property tax rate of \$2.68 for the 2016 tax year, which was the same rate as the 2015 tax year, however the allocation has been changed. As displayed below, the County Commission moved six cents of the existing property tax to the General Debt Service Fund. Because of the planned debt issuance in the fall of 2016, along with projections presented by the Board of Education showing a need for additional schools, the Commission wants to ease the burden to the population in the near future by allocating more to this fund. The operating fund for schools has received sufficient local revenue (sales tax), which has allowed for this shift in the tax rate.

Distribution of the County Property Tax Rate

Fund	2015 Adopted		Change	2016 Adopted	
	Rate	Ratio		Rate	Ratio
County General	\$ 0.6395	23.86%	\$ (0.0200)	\$ 0.6195	23.12%
Ambulance	0.0661	2.47%	-	0.0661	2.47%
Highway/Roads	0.0126	0.46%	-	0.0126	0.47%
Education	1.3435	50.13%	(0.0500)	1.2935	48.26%
Ed. Capital Projects	0.0500	1.87%	0.0100	0.0600	2.24%
General Debt Service	0.5683	21.21%	0.0600	0.6283	23.44%
All Funds	\$ 2.6800	100.00%	\$ 0.0000	\$ 2.6800	100.00%

Projected amounts were sufficient and available in the unassigned fund balance in the General Fund to allow a portion to be used to fund operations in the next fiscal year. Rutherford County Government has appropriated \$6,159 for spending in the 2016-2017 fiscal year. This is reflected as the Committed for Other Purposes in the Balance Sheet of the Governmental Funds as of June 30, 2016. Unassigned fund balance in the General Fund is projected at \$23,625 as of June 30, 2017, which is 25.62 percent of the original 2016-2017 General Fund appropriations.

Assigned fund balance in the General Debt Service Fund is estimated to increase by \$2,248 by the next fiscal year-end. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2017, is expected to be \$36,150, or 80.7 percent of budgeted debt service expenditures. In September 2016, Rutherford County issued \$101 million in general obligation bonds for the Judicial Center/Parking Garage project along with funds for the renovation of existing schools and the construction of a new middle school in the fall of 2016; therefore, the budget for the Debt Service Fund includes an additional \$2.7 million for an anticipated debt service requirement on the newly issued debt.

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, Historic Courthouse Suite 201, 1 Public Square, Murfreesboro, TN 37130.

BASIC FINANCIAL STATEMENTS

Exhibit A

Rutherford County, Tennessee
Statement of Net Position
June 30, 2016

	Primary	Component Units		
	Government	Rutherford	Community	
	Governmental	County	Care of	
	Activities	School	Rutherford	Emergency
		Department	County, Inc.	Communications
				District
<u>ASSETS</u>				
Cash	\$ 5,845,268	\$ 1,312,000	\$ 2,313,677	\$ 4,167,730
Equity in Pooled Cash and Investments	122,799,709	81,781,295	0	0
Inventories	0	179,964	23,014	0
Accounts Receivable	16,405,704	128,970	1,161,039	0
Allowance for Uncollectibles	(5,076,149)	0	(335,000)	0
Property Taxes Receivable	92,327,933	80,778,097	0	0
Allowance for Uncollectible Property Taxes	(4,638,092)	(4,082,788)	0	0
Accrued Interest Receivable	0	0	0	975
Due from Other Governments	3,585,885	11,356,514	0	0
Due from Component Units	1,223,209	0	0	0
Advances to Other Funds	150,000	0	0	0
Prepaid Items	28,868	6,170	12,561	79,074
Notes Receivable - Long-term	4,632,666	0	0	0
Net Pension Asset - Agent Plan	5,716,663	3,895,613	487,751	0
Net Pension Asset - Teacher Retirement Plan	0	153,146	0	0
Capital Assets:				
Assets Not Depreciated:				
Land	37,788,786	17,634,620	0	17,500
Intangible Assets (Right-of-Ways)	46,594,784	0	0	0
Construction in Progress	11,375,075	16,428,189	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	68,635,701	397,560,809	723,773	770,450
Infrastructure	96,337,842	0	0	0
Intangible Assets	1,160,792	89,844	0	0
Other Capital Assets	9,392,446	6,692,649	254,049	1,494,985
Total Assets	\$ 514,287,090	\$ 613,915,092	\$ 4,640,864	\$ 6,530,714
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Amount on Refunding	\$ 8,822,596	\$ 0	\$ 0	\$ 0
Pension Changes in Experience	1,981	1,290,096	169	62,819
Pension Contribution after Measurement Date	5,843,440	17,782,876	517,141	30,028
Pension Changes in Proportionate Share of NPL	0	2,401,314	0	0
Total Deferred Outflows of Resources	\$ 14,668,017	\$ 21,474,286	\$ 517,310	\$ 92,847
<u>LIABILITIES</u>				
Accounts Payable	\$ 807,663	\$ 4,014,734	\$ 160,623	\$ 0
Accrued Payroll	2,290,370	23,648,730	146,747	0
Accrued Interest Payable	3,012,101	0	0	0
Payroll Deductions Payable	2,260	5,158	51,467	0
Due to Primary Government	0	1,137,668	0	0
Other Current Liabilities	0	0	31,549	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	371,353	0	0	0
Noncurrent Liabilities:				
Due Within One Year	38,933,478	40,378	208,462	44,620
Due in More Than One Year	361,628,051	79,631,006	1,343,897	199,017
Total Liabilities	\$ 407,045,276	\$ 108,477,674	\$ 1,942,745	\$ 243,637

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Rutherford County School Department	Component Units Community Care of Rutherford County, Inc.		Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 86,633,152	\$ 75,716,371	\$ 0	\$ 0	0
Pension Changes in Experience	1,574,000	26,117,440	134,295		0
Pension Changes in Investment Earnings	1,271,896	11,222,100	108,519		6,001
Total Deferred Inflows of Resources	<u>\$ 89,479,048</u>	<u>\$ 113,055,911</u>	<u>\$ 242,814</u>	<u>\$ 6,001</u>	
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 222,752,532	\$ 438,406,111	\$ 864,638	\$ 2,282,935	
Restricted for:					
General Government	490,468	0	0		0
Finance	96,795	0	0		0
Administrative of Justice	1,012,992	0	0		0
Public Safety	1,112,055	0	0		0
Public Health and Welfare	71,307	0	0		0
Capital Projects	2,630,020	15,110,277	0		0
Debt Service	2,861,075	0	0		0
Education	0	8,980,925	0		0
Other Purposes	5,716,663	0	487,751		0
Unrestricted	<u>(204,313,124)</u>	<u>(48,641,520)</u>	<u>1,620,226</u>	<u>4,090,988</u>	
Total Net Position	<u>\$ 32,430,783</u>	<u>\$ 413,855,793</u>	<u>\$ 2,972,615</u>	<u>\$ 6,373,923</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
Primary Government:								
General Government	\$ 17,666,563	\$ 4,545,460	\$ 794,678	\$ 0	\$ (12,326,425)	\$ 0	\$ 0	\$ 0
Finance	8,192,985	9,430,707	1,000	0	1,238,722	0	0	0
Administration of Justice	8,107,801	6,422,288	795,911	250,000	(639,602)	0	0	0
Public Safety	48,197,698	7,207,868	387,639	987,803	(39,614,388)	0	0	0
Public Health and Welfare	19,649,754	11,892,449	2,412,588	0	(5,344,717)	0	0	0
Social, Cultural, and Recreational Services	2,687,478	0	0	0	(2,687,478)	0	0	0
Agriculture and Natural Resources	1,170,551	265,246	0	0	(905,305)	0	0	0
Highways/Public Works	8,884,700	155,072	4,113,682	2,662,040	(1,953,906)	0	0	0
Education	52,801,486	48,583,507	0	0	(4,217,979)	0	0	0
Interest on Long-term Debt	13,123,891	0	0	0	(13,123,891)	0	0	0
Total Primary Government	\$ 180,482,907	\$ 88,502,597	\$ 8,505,498	\$ 3,899,843	\$ (79,574,969)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 349,438,964	\$ 6,768,987	\$ 23,459,230	\$ 605,448	\$ 0	\$ (318,605,299)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,541,780	9,095,653	231,334	0	0	0	(214,793)	0
Emergency Communications District	1,478,200	1,658,928	832,083	0	0	0	0	1,012,811
Total Component Units	\$ 360,458,944	\$ 17,523,568	\$ 24,522,647	\$ 605,448	\$ 0	\$ (318,605,299)	\$ (214,793)	\$ 1,012,811

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 47,849,845	\$ 79,583,604	\$ 0	\$ 0
Property Taxes Levied for Debt Service					37,883,361	0	0	0
Payments in-Lieu-of Tax					8,380,258	987,270	0	0
Local Option Sales Tax					4,140,590	54,869,944	0	0
Hotel/Motel Tax					2,061,330	0	0	0
Wheel Tax					6,684,332	3,787,060	0	0
Business Tax					2,454,650	2,272,193	0	0
Mixed Drink Tax					16,753	402,662	0	0
Litigation Tax					2,092,451	0	0	0
Adequate Facilities/Development Tax					5,188,500	0	0	0
Mineral Severance Tax					432,554	0	0	0
Bank Excise Tax					283,115	0	0	0
Wholesale Beer Tax					1,063,987	0	0	0
Interstate Telecommunications Tax					6,750	18,733	0	0
Grants and Contributions Not Restricted to Specific Programs					863,068	186,631,842	0	0
Unrestricted Investment Income					609,289	157,291	3,295	30,421
Miscellaneous					82,528	51,106	0	0
Gain on Disposal of Capital Assets					0	0	394	0
Total General Revenues					\$ 120,093,361	\$ 328,761,705	\$ 3,689	\$ 30,421
Change in Net Position					\$ 40,518,392	\$ 10,156,406	\$ (211,104)	\$ 1,043,232
Net Position, July 1, 2015					(8,087,609)	403,699,387	3,183,719	5,330,691
Net Position, June 30, 2016					\$ 32,430,783	\$ 413,855,793	\$ 2,972,615	\$ 6,373,923

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, 2016

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,929,459	\$ 0	\$ 0	\$ 2,018,412	\$ 3,947,871
Equity in Pooled Cash and Investments	33,699,740	18,778,257	11,816,680	23,134,813	87,429,490
Accounts Receivable	8,609,837	30,753	0	7,677,869	16,318,459
Allowance for Uncollectibles	0	0	0	(5,076,149)	(5,076,149)
Due from Other Governments	2,259,554	32,394	0	1,281,462	3,573,410
Due from Other Funds	613,267	15,000,000	0	0	15,613,267
Due from Component Units	101,935	0	0	0	101,935
Property Taxes Receivable	43,167,335	43,679,894	0	5,480,704	92,327,933
Allowance for Uncollectible Property Taxes	(2,182,789)	(2,179,105)	0	(276,198)	(4,638,092)
Prepaid Items	28,868	0	0	0	28,868
Notes Receivable - Long-term	0	1,820,785	0	2,811,881	4,632,666
Total Assets	\$ 88,227,206	\$ 77,162,978	\$ 11,816,680	\$ 37,052,794	\$ 214,259,658
<u>LIABILITIES</u>					
Accounts Payable	\$ 178,471	\$ 0	\$ 148,719	\$ 125,612	\$ 452,802
Accrued Payroll	1,718,751	0	0	571,619	2,290,370
Payroll Deductions Payable	2,260	0	0	0	2,260
Due to Other Funds	20,651	0	15,000,000	613,267	15,633,918
Current Liabilities Payable From Restricted Assets	371,353	0	0	0	371,353
Total Liabilities	\$ 2,291,486	\$ 0	\$ 15,148,719	\$ 1,310,498	\$ 18,750,703
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 40,459,282	\$ 41,034,006	\$ 0	\$ 5,139,864	\$ 86,633,152

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 456,301	\$ 405,498	\$ 0	\$ 56,154	\$ 917,953
Other Deferred/Unavailable Revenue	8,370,197	0	0	2,253,608	10,623,805
Total Deferred Inflows of Resources	<u>\$ 49,285,780</u>	<u>\$ 41,439,504</u>	<u>\$ 0</u>	<u>\$ 7,449,626</u>	<u>\$ 98,174,910</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 28,868	\$ 0	\$ 0	\$ 0	\$ 28,868
Restricted:					
Restricted for General Government	490,468	0	0	0	490,468
Restricted for Finance	96,795	0	0	0	96,795
Restricted for Administration of Justice	1,012,992	0	0	0	1,012,992
Restricted for Public Safety	10,968	0	0	1,101,087	1,112,055
Restricted for Public Health and Welfare	71,307	0	0	0	71,307
Restricted for Debt Service	0	0	0	2,861,075	2,861,075
Restricted for Capital Projects	2,630,020	0	0	0	2,630,020
Committed:					
Committed for General Government	421,740	0	0	0	421,740
Committed for Finance	454,080	0	0	0	454,080
Committed for Administration of Justice	251,609	0	0	0	251,609
Committed for Public Safety	969,194	0	0	0	969,194
Committed for Public Health and Welfare	131,497	0	0	0	131,497
Committed for Agriculture and Natural Resources	292,381	0	0	0	292,381
Committed for Other Operations	3,764	0	0	0	3,764
Committed for Highways/Public Works	0	0	0	2,125,100	2,125,100
Committed for Debt Service	0	1,820,785	0	0	1,820,785

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>					
Committed (Cont.):					
Committed for Other Purposes	\$ 6,159,002	\$ 0	\$ 0	\$ 0	\$ 6,159,002
Assigned:					
Assigned for General Government	0	0	0	255,379	255,379
Assigned for Finance	0	0	0	672,134	672,134
Assigned for Administration of Justice	0	0	0	125,569	125,569
Assigned for Public Health and Welfare	0	0	0	10,650,025	10,650,025
Assigned for Other Operations	0	0	0	201,158	201,158
Assigned for Highways/Public Works	0	0	0	10,301,143	10,301,143
Assigned for Debt Service	0	33,902,689	0	0	33,902,689
Unassigned	23,625,255	0	(3,332,039)	0	20,293,216
Total Fund Balances	<u>\$ 36,649,940</u>	<u>\$ 35,723,474</u>	<u>\$ (3,332,039)</u>	<u>\$ 28,292,670</u>	<u>\$ 97,334,045</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 88,227,206</u>	<u>\$ 77,162,978</u>	<u>\$ 11,816,680</u>	<u>\$ 37,052,794</u>	<u>\$ 214,259,658</u>

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

Exhibit C-2

Rutherford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2016

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	97,334,045
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	37,788,786	
Add: intangible assets – right-of-ways		46,594,784	
Add: construction in progress		11,375,075	
Add: buildings and improvements net of accumulated depreciation		68,635,701	
Add: infrastructure net of accumulated depreciation		96,337,842	
Add: intangible assets net of accumulated depreciation		1,160,792	
Add: other capital assets net of accumulated depreciation		<u>9,392,446</u>	271,285,426
(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 position.			24,485,703
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(130,976)	
Less: bonds payable		(331,340,000)	
Less: capital leases payable		(779,706)	
Add: deferred amount on refunding		8,822,596	
Add: debt to be contributed by the School Department		910,682	
Less: unamortized premium on debt		(31,407,115)	
Less: other postemployment benefits liability		(16,401,470)	
Less: landfill closure/postclosure care costs		(2,784,856)	
Less: compensated absences payable		(4,809,391)	
Less: accrued interest on bonds, notes & capital leases		<u>(3,012,101)</u>	(380,932,337)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	5,845,421	
Less: deferred inflows of resources related to pensions		<u>(2,845,896)</u>	2,999,525
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			5,716,663
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>11,541,758</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>32,430,783</u></u>

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

Exhibit C-3

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 62,840,113	\$ 42,819,312	\$ 0	\$ 12,442,485	\$ 118,101,910
Licenses and Permits	2,223,938	0	0	0	2,223,938
Fines, Forfeitures, and Penalties	2,215,829	0	0	527,593	2,743,422
Charges for Current Services	1,880,490	0	0	13,777,662	15,658,152
Other Local Revenues	1,491,447	300,930	13	516,095	2,308,485
Fees Received From County Officials	9,938,183	0	0	0	9,938,183
State of Tennessee	7,943,370	0	0	4,498,124	12,441,494
Federal Government	1,392,188	0	0	163,325	1,555,513
Other Governments and Citizens Groups	574,143	510,273	0	0	1,084,416
Total Revenues	\$ 90,499,701	\$ 43,630,515	\$ 13	\$ 31,925,284	\$ 166,055,513
<u>Expenditures</u>					
Current:					
General Government	\$ 8,268,788	\$ 813,584	\$ 0	\$ 338,699	\$ 9,421,071
Finance	7,600,337	0	0	1,299,470	8,899,807
Administration of Justice	5,789,985	0	0	2,439,446	8,229,431
Public Safety	49,505,715	0	0	423,494	49,929,209
Public Health and Welfare	4,587,585	0	0	15,000,924	19,588,509
Social, Cultural, and Recreational Services	2,687,478	0	0	0	2,687,478
Agriculture and Natural Resources	999,288	0	0	0	999,288
Other Operations	6,008,767	0	0	204,156	6,212,923
Highways	0	0	0	7,684,285	7,684,285
Debt Service:					
Principal on Debt	113,658	28,903,003	0	0	29,016,661
Interest on Debt	0	13,739,269	0	0	13,739,269
Capital Projects	0	0	9,357,533	0	9,357,533
Total Expenditures	\$ 85,561,601	\$ 43,455,856	\$ 9,357,533	\$ 27,390,474	\$ 165,765,464

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,938,100	\$ 174,659	\$ (9,357,520)	\$ 4,534,810	\$ 290,049
Other Financing Sources (Uses)					
Insurance Recovery	\$ 38,843	\$ 0	\$ 0	\$ 32,264	\$ 71,107
Transfers In	782,302	81,775	200,000	0	1,064,077
Transfers Out	(200,000)	0	(149,688)	(164,661)	(514,349)
Total Other Financing Sources (Uses)	\$ 621,145	\$ 81,775	\$ 50,312	\$ (132,397)	\$ 620,835
Net Change in Fund Balances	\$ 5,559,245	\$ 256,434	\$ (9,307,208)	\$ 4,402,413	\$ 910,884
Fund Balance, July 1, 2015	31,090,695	35,467,040	5,975,169	23,890,257	96,423,161
Fund Balance, June 30, 2016	\$ 36,649,940	\$ 35,723,474	\$ (3,332,039)	\$ 28,292,670	\$ 97,334,045

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

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, 2016

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)		\$	910,884
(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	\$	13,551,463	
Less: current-year depreciation expense		(6,476,614)	7,074,849
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized	\$	2,632,640	
Less: book value of capital assets disposed		(60,514)	2,572,126
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$	11,541,758	
Less: deferred delinquent property taxes and other deferred June 30, 2015		(10,515,195)	1,026,563
(4) The issuance of long-term debt (e.g. notes, bonds, leases) 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Add: principal payments on notes	\$	267,998	
Add: principal payments on bonds		28,430,000	
Add: principal payments on capital leases		318,663	
Add: change in premium on debt issuances		2,839,312	
Less: contributions from the School Department for notes and capital lease		(473,003)	
Less: change in deferred amount on refunding debt		(2,326,558)	29,056,412
(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	\$	102,624	
Change in landfill closure/postclosure care costs		1,217,184	
Change in other postemployment benefits liability		(1,673,688)	
Change in compensated absences payable		165,518	
Change in net pension asset		477,914	
Change in deferred outflows of resources related to pensions		252,149	
Change in deferred inflows of resources related to pensions		2,798,129	3,339,830
(6) Internal service funds are used by management to charge the cost of liability insurance, workers' compensation insurance, and employee health benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.			(3,462,272)
Change in net position of governmental activities (Exhibit B)		\$	40,518,392

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

Exhibit C-5

Rutherford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 62,840,113	\$ 0	\$ 0	\$ 62,840,113	\$ 58,281,450	\$ 62,530,752	\$ 309,361
Licenses and Permits	2,223,938	0	0	2,223,938	1,863,200	2,113,325	110,613
Fines, Forfeitures, and Penalties	2,215,829	0	0	2,215,829	2,165,700	2,184,110	31,719
Charges for Current Services	1,880,490	0	0	1,880,490	1,211,400	1,735,829	144,661
Other Local Revenues	1,491,447	0	0	1,491,447	681,000	1,450,248	41,199
Fees Received From County Officials	9,938,183	0	0	9,938,183	10,060,000	9,039,061	899,122
State of Tennessee	7,943,370	0	0	7,943,370	6,459,759	7,543,657	399,713
Federal Government	1,392,188	0	0	1,392,188	1,436,338	1,723,758	(331,570)
Other Governments and Citizens Groups	574,143	0	0	574,143	880,200	861,047	(286,904)
Total Revenues	\$ 90,499,701	\$ 0	\$ 0	\$ 90,499,701	\$ 83,039,047	\$ 89,181,787	\$ 1,317,914
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 205,666	\$ 0	\$ 0	\$ 205,666	\$ 249,070	\$ 249,070	\$ 43,404
Board of Equalization	2,681	0	0	2,681	20,930	20,930	18,249
County Mayor/Executive	672,372	0	13	672,385	539,451	693,951	21,566
Personnel Office	316,090	(121)	210	316,179	313,778	339,448	23,269
County Attorney	260,970	0	0	260,970	263,911	263,911	2,941
Election Commission	775,130	(6,849)	2,025	770,306	819,827	819,967	49,661
Register of Deeds	692,323	(69)	31	692,285	1,107,214	741,129	48,844
Planning	756,442	(1,745)	1,190	755,887	800,194	800,194	44,307
Codes Compliance	387	0	0	387	600	600	213
Geographical Information Systems	1,182,859	(69,434)	176,342	1,289,767	1,371,242	1,371,242	81,475
County Buildings	1,891,582	(25,006)	241,680	2,108,256	2,560,834	2,560,834	452,578
Other General Administration	275,215	0	148	275,363	303,164	303,164	27,801
Preservation of Records	119,641	0	101	119,742	127,529	130,029	10,287
Risk Management	1,117,430	(1,548)	0	1,115,882	1,184,894	1,192,274	76,392
<u>Finance</u>							
Accounting and Budgeting	1,118,060	0	2,536	1,120,596	1,179,043	1,179,043	58,447
Property Assessor's Office	1,085,468	0	1,000	1,086,468	1,252,830	1,252,830	166,362

(Continued)

Exhibit C-5

Rutherford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 954,148	\$ (21,249)	\$ 2,000	\$ 934,899	\$ 1,029,284	\$ 1,029,284	\$ 94,385
County Trustee's Office	679,190	0	2,448	681,638	706,650	706,650	25,012
County Clerk's Office	1,589,691	(405)	9,344	1,598,630	2,483,055	1,672,505	73,875
Data Processing	2,173,780	(211,403)	436,752	2,399,129	2,743,246	2,661,588	262,459
<u>Administration of Justice</u>							
Circuit Court	405,252	0	190	405,442	427,100	429,975	24,533
Circuit Court Judge	257,300	0	0	257,300	275,282	275,282	17,982
General Sessions Court	1,500,335	0	500	1,500,835	1,529,200	1,530,670	29,835
Drug Court	512,003	(987)	300	511,316	559,840	562,500	51,184
Chancery Court	939,178	(4,041)	263	935,400	1,002,539	1,004,239	68,839
Juvenile Court	524,083	0	0	524,083	557,469	557,469	33,386
District Attorney General	95,419	0	0	95,419	96,046	96,046	627
Office of Public Defender	71,988	0	0	71,988	72,148	72,148	160
Other Administration of Justice	327,526	0	342	327,868	0	367,504	39,636
Probation Services	955,555	0	0	955,555	971,175	971,175	15,620
Victim Assistance Programs	201,346	0	13	201,359	210,815	210,815	9,456
<u>Public Safety</u>							
Sheriff's Department	22,438,112	(218,874)	710,028	22,929,266	23,278,032	23,963,043	1,033,777
Special Patrols	37,345	0	0	37,345	47,071	47,071	9,726
Traffic Control	11,247	0	0	11,247	20,000	20,000	8,753
Administration of the Sexual Offender Registry	71,811	0	0	71,811	77,289	77,289	5,478
Jail	16,194,680	(356,011)	199,829	16,038,498	16,176,489	16,530,176	491,678
Workhouse	3,967,346	(208)	1,649	3,968,787	4,105,833	4,110,053	141,266
Juvenile Services	2,177,990	(1,273)	10,893	2,187,610	2,189,960	2,223,435	35,825
Rural Fire Protection	3,029,321	(35,942)	46,055	3,039,434	3,082,326	3,185,652	146,218
Disaster Relief	701,687	(3,105)	6,741	705,323	708,426	779,508	74,185
Inspection and Regulation	876,176	(4,172)	747	872,751	896,884	896,899	24,148
<u>Public Health and Welfare</u>							
Local Health Center	667,578	(570)	7,866	674,874	743,630	782,817	107,943

(Continued)

Exhibit C-5

Rutherford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 1,514,116	\$ (4,179)	\$ 7,448	\$ 1,517,385	\$ 1,713,986	\$ 1,742,483	\$ 225,098
Dental Health Program	11,117	(659)	571	11,029	11,850	11,850	821
Alcohol and Drug Programs	105,359	0	0	105,359	0	164,227	58,868
Other Local Health Services	1,896,681	0	0	1,896,681	2,380,065	2,325,900	429,219
General Welfare Assistance	53,550	0	0	53,550	53,550	53,550	0
Sanitation Management	34,384	0	0	34,384	34,500	34,500	116
Other Public Health and Welfare	304,800	0	0	304,800	275,600	310,600	5,800
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	36,000	0	0	36,000	36,000	36,000	0
Senior Citizens Assistance	1,575	0	0	1,575	1,575	1,575	0
Libraries	1,600,000	0	0	1,600,000	1,400,000	1,600,000	0
Parks and Fair Boards	520,261	0	0	520,261	507,915	557,915	37,654
Other Social, Cultural, and Recreational	529,642	0	0	529,642	529,642	529,642	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	734,762	(1,316)	0	733,446	724,889	755,689	22,243
Soil Conservation	76,489	0	0	76,489	99,238	99,238	22,749
Storm Water Management	188,037	(1,000)	362	187,399	214,095	214,095	26,696
<u>Other Operations</u>							
Tourism	670,399	0	0	670,399	532,000	682,000	11,601
Industrial Development	130,000	0	0	130,000	130,000	130,000	0
Other Economic and Community Development	1,980	0	0	1,980	330,000	330,000	328,020
Other Charges	236,204	(377)	3,764	239,591	259,125	259,125	19,534
Employee Benefits	633,299	0	0	633,299	798,300	774,395	141,096
Payments to Cities	1,996,524	0	0	1,996,524	2,016,000	2,016,000	19,476
Miscellaneous	2,340,361	0	0	2,340,361	1,985,000	2,442,505	102,144
<u>Principal on Debt</u>							
General Government	113,658	0	0	113,658	0	113,658	0
Total Expenditures	\$ 85,561,601	\$ (970,543)	\$ 1,873,381	\$ 86,464,439	\$ 90,117,630	\$ 91,867,356	\$ 5,402,917

(Continued)

Exhibit C-5

Rutherford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,938,100	\$ 970,543	\$ (1,873,381)	\$ 4,035,262	\$ (7,078,583)	\$ (2,685,569)	\$ 6,720,831
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 38,843	\$ 0	\$ 0	\$ 38,843	\$ 0	\$ 35,511	\$ 3,332
Transfers In	782,302	0	0	782,302	728,000	735,380	46,922
Transfers Out	(200,000)	0	0	(200,000)	0	(200,000)	0
Total Other Financing Sources	\$ 621,145	\$ 0	\$ 0	\$ 621,145	\$ 728,000	\$ 570,891	\$ 50,254
Net Change in Fund Balance	\$ 5,559,245	\$ 970,543	\$ (1,873,381)	\$ 4,656,407	\$ (6,350,583)	\$ (2,114,678)	\$ 6,771,085
Fund Balance, July 1, 2015	31,090,695	(970,543)	0	30,120,152	26,367,916	26,367,916	3,752,236
Fund Balance, June 30, 2016	\$ 36,649,940	\$ 0	\$ (1,873,381)	\$ 34,776,559	\$ 20,017,333	\$ 24,253,238	\$ 10,523,321

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

Exhibit D-1

Rutherford County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2016

	Governmental Activities - Internal Service Funds
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,897,397
Equity in Pooled Cash and Investments	35,370,219
Accounts Receivable	87,245
Due from Other Governments	12,475
Due from Other Funds	20,651
Due from Component Units	210,592
Advances to Other Funds	150,000
Total Assets	<u>\$ 37,748,579</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 354,861
Claims and Judgments Payable	10,080,112
Total Current Liabilities	<u>\$ 10,434,973</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	<u>\$ 2,827,903</u>
Total Liabilities	<u>\$ 13,262,876</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 24,485,703</u>
Total Net Position	<u>\$ 24,485,703</u>

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

Rutherford County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 57,781,913
Other Employee Benefits Charges/Contributions	1,696,474
Service Charges	2,975
Other Local Revenues:	
Sale of Supplies	96,114
Retirees' Insurance Payments	4,670,536
Cobra Insurance Payments	138,672
State of Tennessee:	
On-Behalf Contributions for OPEB	148,163
Total Operating Revenues	<u>\$ 64,534,847</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,845,995
Disability Insurance	360,740
Bank Charges	3,200
Consultants	78,648
Contracts with Private Agencies	2,722,373
Other Contracted Services	5,500
Medical Claims	58,869,222
Premiums on Corporate Surety Bonds	7,500
Liability Claims	1,534,283
Other Self-Insured Claims	702,184
Fines, Assessments, and Penalties	336,327
Other Charges	46,897
Total Operating Expenses	<u>\$ 67,512,869</u>
Operating Income (Loss)	<u>\$ (2,978,022)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 65,478
Total Nonoperating Revenues (Expenses)	<u>\$ 65,478</u>
Income (Loss) Before Transfers	\$ (2,912,544)
Transfers Out	<u>(549,728)</u>
Change in Net Position	\$ (3,462,272)
Net Position, July 1, 2015	<u>27,947,975</u>
Net Position, June 30, 2016	<u>\$ 24,485,703</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, 2016

	Governmental Activities - Internal Service Funds
	<hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 64,180,319
Payments to Suppliers	(6,766,789)
Claims Paid	(60,940,519)
Insurance Recovery	65,478
Payments of Taxes, Duties, Fines, Fees, and Penalties	(336,327)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (3,797,838)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (549,728)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (549,728)</u>
Net Increase (Decrease) in Cash	\$ (4,347,566)
Cash, July 1, 2015	<u>41,615,182</u>
Cash, June 30, 2016	<u><u>\$ 37,267,616</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (2,978,022)
Insurance Recovery	65,478
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	(74,098)
(Increase) Decrease in Due from Other Governments	(862)
(Increase) Decrease in Due From Other Funds	(20,651)
(Increase) Decrease in Due from Component Units	(108,917)
(Increase) Decrease in Advances to Other Funds	(150,000)
Increase (Decrease) in Accounts Payable	(417,939)
Increase (Decrease) in Due to Other Funds	(555,994)
Increase (Decrease) in Claims and Judgments Payable	443,167
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (3,797,838)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 1,897,397
Equity in Pooled Cash and Investments Per Net Position	<u>35,370,219</u>
Cash, June 30, 2016	<u><u>\$ 37,267,616</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 Position
Fiduciary Funds
June 30, 2016

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 111,062	\$ 7,982,748
Equity in Pooled Cash and Investments	185,812	646,707
Investments	0	7,315
Accounts Receivable	0	5,442
Due from Other Governments	0	11,738,292
Due from Component Units	1,583	0
Taxes Receivable	0	13,530,406
Allowance for Uncollectible Taxes	0	(684,631)
Total Assets	<u>\$ 298,457</u>	<u>\$ 33,226,279</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 19
Accrued Payroll	0	250
Due to Other Taxing Units	0	24,807,997
Due to Joint Ventures	0	11,373
Due to Litigants, Heirs, and Others	0	8,406,640
Advances Payable to Other Funds	150,000	0
Total Liabilities	<u>\$ 150,000</u>	<u>\$ 33,226,279</u>
<u>NET POSITION</u>		
Held in Trust for Other Employee Benefits	<u>\$ 148,457</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 Position
Fiduciary Fund
For the Year Ended June 30, 2016

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 1,201,751
Other Local Revenues:	
Miscellaneous Refunds	<u>94,624</u>
Total Additions	<u>\$ 1,296,375</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 1,210,825
Total Deductions	<u>\$ 1,210,825</u>
Change in Net Position	\$ 85,550
Net Position, July 1, 2015	<u>62,907</u>
Net Position, June 30, 2016	<u><u>\$ 148,457</u></u>

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

RUTHERFORD COUNTY, TENNESSEE
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RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

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, 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 East County Farm Road
Murfreesboro, TN 37127

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

Related Organization – The Public Building Authority of Rutherford County and Rutherford County Industrial Development Board are related organizations of Rutherford County. The county's officials are responsible for appointing the members of the boards, but the county's accountability for these organizations 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 Position 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 in 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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2016.

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, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Rutherford County reports three proprietary funds (internal service funds). It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service funds and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of

accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Rutherford County considers grants and similar revenues to be available if they are collected within 60 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Rutherford County reports the following major governmental funds:

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

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

General 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, 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, restricted revenues held for the benefit of the Office of District Attorney General, and assets held in a custodial capacity for a regional planning agency. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

Private-purpose Trust Fund – The Endowment Fund is used to account for resources legally held in trust to fund a scholarship at a local high school. Earnings on invested resources may be used to fund the scholarship, but the principal of the fund is required to be maintained intact.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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 position 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, an investment is held separately by the Constitutional Officers - Agency Fund. 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Accounts receivable in the General Fund include \$8,090,000 of payments in-lieu-of property taxes for certain local businesses. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable is reported as a deferred inflow of resources as of June 30.

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.

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 a deferred inflow of resources 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 as a deferred inflow of resources 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 \$87,091, deposits in-lieu-of bonds for developments \$259,804, software license deposits \$1,250, agricultural facilities rentals \$21,500, and animal adoption fees \$1,708.

3. Inventories and Prepaid Items

Inventories of the discretely presented Rutherford County School Department 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. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. 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 \$10,000 (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. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for deferred amount on refunding, pension changes in experience, changes in investment earnings, changes in proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental

funds balance sheet. These revenues are from the following sources: current property taxes, deferred grants received in advance, pension changes in experience, and changes in investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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.

7. 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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, claims and judgments,

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

8. Net Position and Fund Balance

In the government-wide financial statements and the proprietary funds in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$13,991,375 of restricted net position for the primary government, of which \$2,630,020 is restricted by enabling legislation and \$5,716,663 is restricted for Other Purposes for the primary government, which consists of net pension obligations.

As of June 30, 2016, Rutherford County had \$287,572,972 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 other public school systems 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 position with no corresponding increase in the county's capital assets.

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.

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. At June 30, 2016, the most significant restriction of fund balance is for the retirement of airport debt.

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. At June 30, 2016, the most significant commitment of fund balance is \$6,159,002 that has been committed to fund operations in the 2016-2017 General Fund budget.

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 by resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments by resolution for the school department. The most significant assignments at June 30, 2016, are \$33,902,689 for debt service; \$7,031,653 for solid waste and sanitation, and \$3,618,372 for the ambulance service, both of which are reported as Assigned for Public Health.

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.

9. 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 balances:

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.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Rutherford County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Rutherford County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Rutherford County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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 Position

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 Position.

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 Position.

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 position 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 position 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 Constitutional Officers – Fees Fund (special revenue fund), which is not budgeted, and the primary government's General Capital Projects Fund and the School Department's Other Capital Projects Fund, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission

and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2016, Rutherford County and the Rutherford County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Fund:		
General	Computer Aided Dispatch Software	\$ 460,295
School Department:		
Nonmajor Fund:		
Education Capital Projects	Roof Repair	266,768

B. Fund Deficit

The General Capital Projects Fund had a deficit unassigned fund balance of \$3,332,039 at June 30, 2016. This deficit unassigned fund balance resulted from expenditures exceeding available funds. During the year, Rutherford County began construction of a criminal justice center and parking garage. The county issued general obligation bonds to fund this capital project on September 28, 2016. The deficit unassigned fund balance was liquidated when these bond proceeds were recognized.

C. Investigation

A special investigation of the Office of Sheriff was conducted concurrent with this audit. The results of that investigation are published under a separate cover and are available for review at <http://comptroller.tn.gov>.

On May 26, 2016, Sheriff Robert Arnold, Chief Deputy Joe Russell, and a third party were indicted in U.S. District Court as a result of this investigation. Sheriff Arnold was indicted on 14 counts including conspiracy,

wire fraud, honest services fraud, bribery concerning federal programs, Hobbs Act extortion under color of official right, and attempt to tamper with a witness by corrupt persuasion. The court date has been scheduled for February 7, 2017.

On November 14, 2016, the Chancery Court of Rutherford County suspended Sheriff Arnold from office (without pay) pending completion of an ouster proceeding.

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 position as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net position 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, 2016, Rutherford County had the following investments carried at amortized 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.

Nonpooled investments in the Constitutional Officers – Agency Fund are by court order and at the request of a litigant. These investments do not expose the county to any risk; therefore, further disclosure is not required.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Amortized Cost</u>
Pooled:			
State Treasurer's Investment Pool	4 - 117	N/A	<u>\$ 87,258,125</u>
Nonpooled:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	4 - 117	N/A	<u>\$ 7,315</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, 2016, 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 two long-term notes receivable of \$270,631 and \$2,541,250 on June 30, 2016, from financing projects for the Smyrna-Rutherford County Airport (Joint Venture) and is included in the restricted fund balance account.

The General Debt Service Fund had a long-term note receivable of \$1,820,785 on June 30, 2016, from financing projects for the City of Murfreesboro's Rockvale Utility District and is included in the assigned fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

Primary Government

Governmental Activities:

	Balance		Increases		Decreases		Balance
	7-1-15						6-30-16
Capital Assets Not Depreciated:							
Land	\$	35,819,854	\$	1,968,932	\$	0	\$ 37,788,786
Intangible Assets (Right-of-Ways)		45,797,088		797,696		0	46,594,784
Construction in Progress		4,143,089		7,231,986		0	11,375,075
Total Capital Assets Not Depreciated	\$	85,760,031	\$	9,998,614	\$	0	\$ 95,758,645
Capital Assets Depreciated:							
Buildings and Improvements	\$	105,343,156	\$	53,257	\$	0	\$ 105,396,413
Infrastructure		137,968,693		2,632,640		0	140,601,333
Intangible Assets		3,222,987		491,307		(30,700)	3,683,594
Other Capital Assets		33,729,624		3,008,285		(2,518,610)	34,219,299
Total Capital Assets Depreciated	\$	280,264,460	\$	6,185,489	\$	(2,549,310)	\$ 283,900,639
Less Accumulated Depreciation For:							
Buildings and Improvements	\$	34,600,418	\$	2,160,294	\$	0	\$ 36,760,712
Infrastructure		42,373,868		1,889,623		0	44,263,491
Intangible Assets		2,342,619		205,492		(25,309)	2,522,802
Other Capital Assets		25,069,135		2,221,205		(2,463,487)	24,826,853
Total Accumulated Depreciation	\$	104,386,040	\$	6,476,614	\$	(2,488,796)	\$ 108,373,858
Total Capital Assets Depreciated, Net	\$	175,878,420	\$	(291,125)	\$	(60,514)	\$ 175,526,781
Governmental Activities Capital Assets, Net	\$	261,638,451	\$	9,707,489	\$	(60,514)	\$ 271,285,426

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

Governmental Activities:

General Government	\$ 606,069
Finance	328,363
Administration of Justice	15,225
Public Safety	2,359,587
Public Health and Welfare	820,122
Agriculture and Natural Resources	179,570
Highways	<u>2,167,678</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,476,614</u></u>

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

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 13,925,151	\$ 3,709,469	\$ 0	\$ 17,634,620
Construction in Progress	<u>6,486,576</u>	<u>15,544,282</u>	<u>(5,602,669)</u>	<u>16,428,189</u>
Total Capital Assets Not Depreciated	<u>\$ 20,411,727</u>	<u>\$ 19,253,751</u>	<u>\$ (5,602,669)</u>	<u>\$ 34,062,809</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 545,665,421	\$ 7,314,576	\$ 0	\$ 552,979,997
Intangible Assets	375,178	70,095	(29,106)	416,167
Other Capital Assets	<u>19,258,040</u>	<u>397,795</u>	<u>(121,637)</u>	<u>19,534,198</u>
Total Capital Assets Depreciated	<u>\$ 565,298,639</u>	<u>\$ 7,782,466</u>	<u>\$ (150,743)</u>	<u>\$ 572,930,362</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 142,995,465	\$ 12,423,723	\$ 0	\$ 155,419,188
Intangible Assets	317,432	30,509	(21,618)	326,323
Other Capital Assets	<u>11,770,653</u>	<u>1,192,020</u>	<u>(121,124)</u>	<u>12,841,549</u>
Total Accumulated Depreciation	<u>\$ 155,083,550</u>	<u>\$ 13,646,252</u>	<u>\$ (142,742)</u>	<u>\$ 168,587,060</u>
Total Capital Assets Depreciated, Net	<u>\$ 410,215,089</u>	<u>\$ (5,863,786)</u>	<u>\$ (8,001)</u>	<u>\$ 404,343,302</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 430,626,816</u></u>	<u><u>\$ 13,389,965</u></u>	<u><u>\$ (5,610,670)</u></u>	<u><u>\$ 438,406,111</u></u>

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

Governmental Activities:

Instruction	\$ 30,509
Support Services	13,210,749
Operation of Non-instructional Services	<u>404,994</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 13,646,252</u></u>

D. Construction Commitments

At June 30, 2016, the primary government had uncompleted construction contracts of approximately \$59,597,402 in the General Capital Projects Fund for the construction of the criminal justice center and parking garage. Funding was received subsequent to June 30, 2016.

At June 30, 2016, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$8,515,886 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, 2016, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 613,267
General Debt Service	General Capital Projects	15,000,000
Internal service	General	20,651

The balance between the General Debt Service and General Capital Projects funds resulted from the issuance of an interfund capital outlay note. Other 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.

Advances to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Internal Service: Employee Insurance - Health	Other Employee Benefit Trust: Flexible Benefits	\$ 150,000

The balance of \$150,000 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 Fund for cash flow purposes.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: Community Care of Rutherford Co., Inc.	\$ 1,667
"	Rutherford County School Department	100,268
Internal Service Fund	"	126,718
"	Community Care of Rutherford Co., Inc.	83,874
Primary Government	Rutherford County School Department for Contributions for Debt Service	910,682

The \$910,682 due the primary government from the discretely presented School Department relates to primary government debt, which is being serviced by the School Department.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	General Capital Projects Fund
General Fund	\$ 0	\$ 0	\$ 200,000
General Capital Projects Fund	149,688	0	0
Nonmajor governmental funds	82,886	81,775	0
Internal Service Funds	549,728	0	0
Total	<u>\$ 782,302</u>	<u>\$ 81,775</u>	<u>\$ 200,000</u>

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In General Purpose School Fund
Nonmajor governmental funds	\$ 148,041

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, Rutherford County entered into a seven-year lease-purchase agreement for the School Department for energy efficiency water upgrades. The terms of the agreement require total lease payments of \$1,461,013 plus interest of 3.7 percent. Title to the upgrades transfers to the School Department immediately upon acceptance of each upgrade. The General Purpose School Fund is reimbursing the primary government for 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.

On September 10, 2014, Rutherford County entered into a three-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$340,973 with no stated interest. Title to the equipment transfers to Rutherford County at the end of the lease period. The lease payments are made from the General Fund.

The asset acquired through a capital lease is as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Data Processing Equipment	\$ 340,973
Less: Accumulated Depreciation	<u>(57,762)</u>
Total Book Value	<u><u>\$ 283,211</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2016, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2017	\$ 239,560
2018	239,561
2019	239,561
2020	<u>119,782</u>
Total Minimum Lease Payments	\$ 838,464
Less: Amount Representing Interest	<u>(58,758)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 779,706</u></u>

G. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Rutherford County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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 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, 2016, will be retired from the General Debt Service Fund.

General obligation bonds, note, and capital lease outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
Capital Outlay Note	0	% 4-1-18	\$ 500,000	\$ 130,976
General Obligation Bonds	2.4 to 4.2	4-1-35	189,738,825	128,865,000
General Obligation Bonds - Refunding	1.6 to 2.9	4-1-34	251,305,000	202,475,000
Capital Lease	3.7	7-15-19	1,461,013	779,706

The annual requirements to amortize all general obligation bonds and the note outstanding as of June 30, 2016, including interest payments, are presented in the following tables:

Year Ending June 30	Note		
	Principal	Interest	Total
2017	\$ 71,424	\$ 0	\$ 71,424
2018	59,552	0	59,552
Total	\$ 130,976	\$ 0	\$ 130,976

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 28,180,000	\$ 12,869,418	\$ 41,049,418
2018	29,235,000	11,882,684	41,117,684
2019	27,365,000	10,818,843	38,183,843
2020	26,560,000	9,702,539	36,262,539
2021	26,425,000	8,714,790	35,139,790
2022-2026	105,535,000	28,111,022	133,646,022
2027-2031	67,260,000	9,887,665	77,147,665
2032-2035	20,780,000	1,411,016	22,191,016
Total	\$ 331,340,000	\$ 93,397,977	\$ 424,737,977

There is \$35,723,474 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes, bonds, and capital leases, totaled \$1,265, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School

Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-16
<u>Contributions from the General Purpose School Fund</u>	
<u>Note Payable</u>	
Energy Efficient Note	\$ 130,976
<u>Capital Lease Payable</u>	
Energy Efficient Water Upgrade	<u>779,706</u>
Total	<u>\$ 910,682</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2015	\$ 359,770,000	\$ 398,974
Additions	0	0
Reductions	(28,430,000)	(267,998)
Balance, June 30, 2016	<u>\$ 331,340,000</u>	<u>\$ 130,976</u>
Balance Due Within One Year	<u>\$ 28,180,000</u>	<u>\$ 71,424</u>
	Capital Leases	
Balance, July 1, 2015	\$ 1,098,369	
Additions	0	
Reductions	(318,663)	
Balance, June 30, 2016	<u>\$ 779,706</u>	
Balance Due Within One Year	<u>\$ 212,660</u>	

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2015	\$ 4,974,909	\$ 4,002,040
Additions	4,732,619	33,022
Reductions	(4,898,137)	(1,250,206)
Balance, June 30, 2016	<u>\$ 4,809,391</u>	<u>\$ 2,784,856</u>
Balance Due Within One Year	<u>\$ 144,282</u>	<u>\$ 245,000</u>

	Claims and Judgments	Other Postemployment Benefits
Balance, July 1, 2015	\$ 12,464,848	\$ 14,727,782
Additions	61,105,689	2,205,158
Reductions	(60,662,522)	(531,470)
Balance, June 30, 2016	<u>\$ 12,908,015</u>	<u>\$ 16,401,470</u>
Balance Due Within One Year	<u>\$ 10,080,112</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 369,154,414
Less: Due Within One Year	(38,933,478)
Add: Unamortized Premium on Debt	<u>31,407,115</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 361,628,051</u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term obligations for the internal service funds are included as part of the above totals for governmental activities. At year end, \$12,908,015 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.

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, 2016, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2007 School Facilities and Public Improvements	\$ 25,730,000

Discretely Presented Rutherford County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Rutherford County School Department for the year ended June 30, 2016, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	\$ 1,341,531	\$ 68,752,252
Additions	1,135,865	10,292,545
Reductions	(1,131,459)	(2,325,181)
	<u>\$ 1,345,937</u>	<u>\$ 76,719,616</u>
Balance, June 30, 2016		
	<u>\$ 1,345,937</u>	<u>\$ 76,719,616</u>
Balance Due Within One Year	<u>\$ 40,378</u>	<u>\$ 0</u>
	<u>Net Pension Liability - Legacy Plan*</u>	
Balance, July 1, 2015	\$ (623,576)	
Additions	54,365,684	
Reductions	(52,136,277)	
	<u>\$ 1,605,831</u>	
Balance, June 30, 2016		
	<u>\$ 1,605,831</u>	
Balance Due Within One Year	<u>\$ 0</u>	

*The Legacy Plan had a Net Pension Asset balance at July 1, 2015.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 79,671,384
Less: Due Within One Year	<u>(40,378)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 79,631,006</u></u>

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 an interfund capital outlay note in advance of receiving debt proceeds and deposited the proceeds in the General Capital Projects Fund. This note was issued because funds were needed for construction projects. Short-term debt activity for the year ended June 30, 2016, was as follows:

	Balance 7-1-15	Issued	Paid	Balance 6-30-16
Interfund Capital Outlay Note	\$ 0	\$ 15,000,000	\$ 0	\$ 15,000,000

The interfund capital outlay note was repaid subsequent to June 30, 2016.

I. Donor Restricted Endowments

The discretely presented Rutherford County School Department accounts for an endowment 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, 2016, interest earned and expended totaled \$205 with no resulting effect on net position.

V. OTHER INFORMATION

A. Risk Management

Rutherford County and the discretely presented 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 and the discretely presented School Department have 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 carries no reinsurance coverage.

Rutherford County and the discretely presented School Department have chosen 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
2014-15	\$	1,884,488	\$	1,228,235	\$	(1,495,295)	\$	1,617,428
2015-16		1,617,428		1,534,283		(1,563,146)		1,588,565

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2014-15	\$	9,378,915	\$	54,945,026	\$	(54,468,621)	\$	9,855,320
2015-16		9,855,320		58,869,222		(58,526,092)		10,198,450

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

2014-15	\$	1,141,000	\$	175,667	\$	(486,667)	\$	830,000
2015-16		830,000		203,718		(92,718)		941,000

On-the-Job Injury Program

2014-15	\$	156,300	\$	176,794	\$	(170,994)	\$	162,100
2015-16		162,100		498,466		(480,566)		180,000

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No.68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local*

Governments; Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Subsequent Events

On September 15, 2016, Rutherford County issued capital outlay notes totaling \$668,297 for energy efficient upgrades to schools.

On September 15, 2016, Rutherford County issued \$25,640,000 in general obligation refunding bonds.

On September 28, 2016, Rutherford County issued \$101,000,000 in general obligation bonds for construction of a criminal justice center and parking garage, and also for school construction and improvements.

D. 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.

E. Landfill Closure/Postclosure Care Costs

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

by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Rutherford County closed its sanitary landfill in 2000. The \$2,784,856 reported as postclosure care liability at June 30, 2016, represents amounts based on what it would cost to perform all postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Linebaugh Public 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 \$1,600,000 to the operations of the libraries during the year ended June 30, 2016.

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 had 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 \$543,668 to the operations of the board during the year ended June 30, 2016.

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:

Linebaugh Public Library System
105 West Vine Street
Murfreesboro, TN 37130

Smyrna-Rutherford County Airport
278 Doug Warpoole Road
Smyrna, TN 37167

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Rutherford County, non-certified employees of the discretely presented Rutherford County School Department, and employees of the discretely presented Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 56.60 percent, the non-certified employees of the discretely presented School Department comprised 38.57 percent, and employees of the discretely presented Community Care of Rutherford County, Inc., comprised 4.83 percent of the plan based on contributions data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted

each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	766
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1,867
Active Employees	2,453
Total	<u><u>5,086</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Rutherford County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Rutherford County was \$9,877,855 based on a rate of 11.97 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Rutherford County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Rutherford County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Bases on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5% Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		<u>100 %</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Rutherford County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 204,024,969	\$ 216,371,774	\$ (12,346,805)
Changes for the year:			
Service Cost	\$ 6,392,828	\$ 0	\$ 6,392,828
Interest	15,577,563	0	15,577,563
Differences Between Expected and Actual Experience	(3,244,405)	0	(3,244,405)
Contributions-Employer	0	9,877,855	(9,877,855)
Contributions-Employees	0	516	(516)
Net Investment Income	0	6,728,143	(6,728,143)
Benefit Payments, Including Refunds of Employee Contributions	(5,433,923)	(5,433,923)	0
Administrative Expense	0	(127,221)	127,221
Other Changes	0	0	0
Net Changes	\$ 13,292,063	\$ 11,045,370	\$ 2,246,693
Balance, June 30, 2015	\$ 217,317,032	\$ 227,417,144	\$ (10,100,112)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.60%	\$ 123,001,440	\$ 128,718,103	\$ (5,716,663)
Community Care	4.83%	10,496,413	10,984,249	(487,836)
School Department	38.57%	83,819,179	87,714,792	(3,895,613)
Total		\$ 217,317,032	\$ 227,417,144	\$ (10,100,112)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Rutherford County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was

calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rutherford County	6.5%	7.5%	8.5%

Net Pension Liability \$ 22,778,053 \$ (10,100,112) \$ (37,156,949)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2016, Rutherford County recognized pension expense of \$3,851,366.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Rutherford County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,500	\$ 2,780,919
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,729,309	9,976,475
Contributions Subsequent to the Measurement Date of June 30, 2015 *	10,343,473	N/A
Total	<u>\$ 18,076,282</u>	<u>\$ 12,757,394</u>

*The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 10,220,210	\$ 7,220,685
Community Care	890,636	616,183
School Department	6,965,436	4,920,526
Total	\$ 18,076,282	\$ 12,757,394

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (1,855,951)
2018	(1,855,951)
2019	(1,855,951)
2020	1,469,541
2021	(462,786)
Thereafter	(463,486)

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Rutherford County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Rutherford County, non-certified employees of the discretely presented Rutherford County School Department, and employees of the discretely presented Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 56.60 percent, the non-certified employees of the

discretely presented School Department comprise 38.57 percent, and employees of Community Care of Rutherford County, Inc., comprise 4.83 percent of the plan based on contributions data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Rutherford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less

than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$657,059, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2016, the Rutherford County School Department reported an asset of \$153,146 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Rutherford County School Department's proportion of the net pension asset was based on the Rutherford County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Rutherford County School Department's proportion was 3.806811 percent.

Pension Expense. For the year ended June 30, 2016, the Rutherford County School Department recognized pension expense of \$200,702.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Rutherford County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 49,846
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,379	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	657,059	N/A
Total	<u>\$ 669,438</u>	<u>\$ 49,846</u>

The Rutherford County School Department's employer contributions of \$657,059, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (1,059)
2018	(1,059)
2019	(1,059)
2020	(1,059)
2021	(4,154)
Thereafter	(29,077)

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Rutherford County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Rutherford County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$	27,157	\$	(153,146)	\$	(285,383)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Rutherford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to

an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Rutherford County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$13,142,925, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Asset). At June 30, 2016, the Rutherford County School Department reported a liability of \$1,605,831 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Rutherford County School Department's proportion of the net pension liability was based on the Rutherford County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Rutherford County School Department's proportion was 3.920158 percent. The proportion measured at June 30, 2014, was 3.837498 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Rutherford County School Department recognized negative pension expense of \$875,463.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Rutherford County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,288,746	\$ 24,994,994
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,996,275	39,364,022
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	2,401,314	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	13,142,925	N/A
Total	<u>\$ 45,829,260</u>	<u>\$ 64,359,016</u>

The Rutherford County School Department's employer contributions of \$13,142,925 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (10,133,259)
2018	(10,133,259)
2019	(10,133,259)
2020	2,988,082
2021	(4,260,987)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Rutherford County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Rutherford County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 109,480,131 \$ 1,605,831 \$ (87,701,368)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

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.

H. **Other Postemployment Benefits (OPEB)**

Plan Description

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

Funding Policy

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

On December 31, 2010, if employees had worked full-time at Rutherford County, 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) for a total of:

1. Less than six months of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. The county will provide \$300 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. All medical plan benefits will end with Medicare eligibility.
2. Six months up to seven years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide \$500 per month or the adequate rate, whichever is less, into a Health Reimbursement Account. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefits.
3. Seven up to ten years of service, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and 15 years on the plan, or any age with 30 years of service and 15 years on the plan. For pre-65 and post-65, the county will provide 50 percent for retirees and 25 percent for dependents of the adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older (post-65) at retirement, there will not be any pharmacy benefit.
4. Ten up to 20 years of service and were age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire have been met. For pre-65, the county will provide 50 percent for retirees and 50 percent for dependents of the adequate rate. For Post-65, the county pays 50 percent of adequate rate for Medicare supplement and county pharmacy plan.
5. Ten up to 20 years of service but you were not age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan, the eligibility requirements to retire with medical insurance are age 60 with 20 years of service and ten years on the plan, or any age with 30 years of service and ten years on the plan. For pre-65 and post-65, the county pays 50 percent of adequate rate. Pre-65 pharmacy benefits cease when the participant reaches age 65 or older and post-65 at retirement, there will not be any pharmacy benefit.

6. Twenty up to 30 years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are age 55 with 15 years of service and five years on the plan, age 62 with ten years of service and five years on the plan or any age with 30 years of service and five years on the plan. For pre-65, the county will provide 50 percent of the adequate rate. For post-65, the county pays 50 percent of adequate rate for Medicare supplement and county pharmacy plan.
7. Thirty or more years of service as of December 31, 2009, the eligibility requirements to retire with medical insurance are any age with 30 years of service and five years on the plan. For pre-65, the county will provide a 50 percent of the adequate rate. For post-65, the county pays 75 percent of adequate rate for themselves and 50 percent of the adequate rate for dependents for Medicare supplement and county pharmacy plan.

An employee who becomes disabled becomes eligible for retiree health coverage if they are under age 65 and have completed at least ten years of service prior to total disability termination plus the employee must have had active coverage for a continuous five-year period and have filed and qualified for Medicare disability coverage. If the retiree is eligible for health insurance coverage, the coverage is also provided for the retiree's spouse and/or dependent children. The State of Tennessee contributed \$148,163, to Rutherford County's Medicare Plan.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department
ARC	\$ 2,456,634	\$ 11,444,475
Interest on the NOPEBO	601,662	2,756,013
Adjustment to the ARC	(853,138)	(3,907,943)
Annual OPEB cost	\$ 2,205,158	\$ 10,292,545
Amount of contribution	(531,470)	(2,325,181)
Increase/decrease in NOPEBO	\$ 1,673,688	\$ 7,967,364
Net OPEB obligation, 7-1-15	14,727,782	68,752,252
Net OPEB obligation, 6-30-16	\$ 16,401,470	\$ 76,719,616

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Primary Government	\$ 2,328,546	19.65 %	\$ 12,959,164
6-30-15	"	2,237,217	20.95	14,727,782
6-30-16	"	2,205,158	24.10	16,401,470
6-30-14	School Department	11,187,092	19.89	60,424,831
6-30-15	"	10,433,595	20.19	68,752,252
6-30-16	"	10,292,545	22.59	76,719,616

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2014, was as follows:

	Primary Government	School Department
Actuarial valuation date	1-1-14	1-1-14
Actuarial accrued liability (AAL)	\$ 25,484,135	\$ 123,283,860
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 25,484,135	\$ 123,283,860
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 46,700,494	\$ 184,436,083
UAAL as a % of covered payroll	55%	67%

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

Actuarial Methods and Assumptions

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, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses), an annual pre-Medicare cost trend rate of eight percent for 2014, grading down to five percent for 2023 and beyond, and an annual post-Medicare cost trend rate of 6.75 percent for 2014, grading down to five percent for 2023 and beyond. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

I. Office of Central Accounting and Budgeting

Office of Director of Finance

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

J. Purchasing Laws

Office of County Mayor

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

Office of Highway Superintendent

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

The financial statements of Community Care of Rutherford County, Inc., (the nursing home) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The financial statements and footnotes are the representation 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 – 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, and the county is contingently liable for all the nursing home's debt obligations, therefore, the nursing home cannot be a primary government. Instead, it qualifies as a component unit according to the directives of GASB.

The GASB 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 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, Tennessee.

Basis of Presentation – The financial statements are prepared using the economic resources measurement focus and 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.

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 Flow – Cash and Cash Equivalents – 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, 2016, there were no certificates of deposit that qualified as cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts – Patient accounts receivable are stated at the amount the nursing home expects to collect from outstanding balances. Patient 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. The nursing home provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent accounts are written off based on individual evaluation and specific circumstances. Some delinquent accounts deemed to be collectible are placed with an attorney for collection.

Patient Service Revenue – Gross patient revenue is recorded on an accrual basis based on services rendered at amounts equal to established rates. Allowances for contractual adjustments are recorded for the differences between established rates and amounts estimated to be paid by the Medicare and Medicaid programs and other third-party payors. Contractual adjustments are deducted from gross patient revenue to determine net patient revenue. Amounts paid under Medicare and Medicaid programs are generally based on fixed rates per patient day, adjusted prospectively. All amounts earned under Medicare, Medicaid, and other governmental programs are subject to review by the third-party payors. Any differences between estimated settlements and final determinations are reflected in operations in the year finalized.

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	8 - 20
Leasehold Improvements	5 - 25
Transportation Equipment	4 - 5
Furniture, Fixtures, and Equipment	3 - 20

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The nursing home has one item that qualifies for reporting in this category. Accordingly, the item is reported in the Statement of Net Position. Deferred contributions for the pension plan were made during the fiscal year but are after the measurement date of the actuarial report. These amounts will be recognized during the next measurement period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. The deferred outflows relate to certain amounts related to pensions, such as differences between projected and actual earnings on pension plan investments and changes in pension plan assumptions.

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 principal ongoing operations. 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. Operating revenues are reported net of contractual discounts and bad debt expense, which for the fiscal year ended June 30, 2016, amounted to \$29,569 and \$485,007, respectively.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Rutherford County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Rutherford County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

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

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

B. Cash and Certificates of Deposit

The nursing home is authorized to make investments in bonds, notes, or treasury bills of the United States; certificates of deposit at Tennessee state chartered or federally chartered banks and savings and loan associations; Federal Loan Bank bonds; Federal Home Loan Bank notes and bonds; Federal National Mortgage Association notes and debentures; banks or cooperative debentures; or any of its other agencies; or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2016, 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, 2016, the carrying amount of cash was \$2,039,244, and the bank balance was \$2,205,259. In addition, the nursing home held patient funds in trust with a carrying amount of \$29,625 and a bank balance of \$34,498 at June 30, 2016. The entire amount of the nursing home's bank balances was covered by federal deposit insurance, or by collateral held in the Tennessee Bank Collateral Pool at June 30, 2016. 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 the cash – patients funds presented on the balance sheet include \$250 and \$100 respectively, of cash on hand not included in cash deposits above.

C. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

Description	Balance 7-1-15	Additions	Retirements	Balance 6-30-16
Capital assets not depreciated:				
Construction in progress	\$ 79,340	\$ 0	\$ (79,340)	\$ 0
Capital assets being depreciated:				
Land improvements	\$ 126,130	\$ 0	\$ 0	\$ 126,130
Buildings and improvements	786,736	70,741	0	857,477
Transportation equipment	87,095	0	0	87,095
Furniture, fixtures, and equipment	773,616	62,406	(11,303)	824,719
Total	\$ 1,773,577	\$ 133,147	\$ (11,303)	\$ 1,895,421
Accumulated depreciation:				
Land improvements	\$ 5,905	\$ 1,459	\$ 0	\$ 7,364
Buildings and improvements	208,551	43,919	0	252,470
Transportation equipment	80,072	6,771	0	86,843
Furniture, fixtures, and equipment	516,932	63,787	(9,797)	570,922
Total	\$ 811,460	\$ 115,936	\$ (9,797)	\$ 917,599
Net capital assets	\$ 1,041,457	\$ 17,211	\$ (80,846)	\$ 977,822

Depreciation expense for the fiscal year ended June 30, 2016, totaled \$115,936.

D. Long-Term Liabilities

A summary of changes in the nursing home's governmental activities long-term debt transactions for the year ended June 30, 2016, are as follows:

	Balance 7-1-15	Additions	Reductions	Balance 6-30-16	Due Within One Year
Compensated absences	\$ 228,026	\$ 125,186	\$ (144,750)	\$ 208,462	\$ 208,462
Net OPEB obligation	1,232,661	144,582	(33,596)	1,343,647	0
	\$ 1,460,687	\$ 269,768	\$ (178,346)	\$ 1,552,109	\$ 208,462

E. Patient Funds Held in Trust

At June 30, 2016, the nursing home had a fiduciary responsibility for funds totaling \$31,549 on behalf of patients. Of this amount, \$29,625 was held in a separate interest-bearing cash account, \$100 was held as cash on hand as

patient trust petty cash, and \$1,824 was due from the facility's operating cash account as of June 30, 2016.

The nursing home is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be accessed only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the nursing home for patient care, providing the amount does not include monies stipulated for patients' 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 use of 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, 2016, the nursing home incurred and paid group health and life insurance premiums totaling \$1,025,460. On June 16, 2016, the lease agreement was renewed for an additional five year period commencing July 1, 2016 and ending June 30, 2021. This agreement has the same terms as the prior renewal except the termination period is extended to 90 days written notice to terminate the lease.

G. Concentration of Credit Risk

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

Medicaid	45 %
Medicare	33
Private	8
Insurance	14

Approximately 84 percent of net patient revenue is derived from third-party payers.

H. Risk Management

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.

All full-time employees of Community Care of Rutherford County, Inc., are eligible to participate in Rutherford County's Employee Insurance – Health Fund, which is an internal service fund of Rutherford County. Premium charges are allocated to Community Care of Rutherford County, Inc., and are based on actuarial estimates of the amounts needed to pay prior- and current-year claims.

I. Pension Plan

Plan Description. Employees of Community Care of Rutherford County, Inc., are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs. Since Community Care of Rutherford County, Inc., is a component unit of Rutherford County and does not have its own distinct agent multiple-employer pension plan, the plan is treated as a cost-sharing plan for purposes of Community Care of Rutherford County, Inc.'s stand-alone financial statements. Community Care of Rutherford County, Inc., comprises 4.83 percent of the plan based on contribution data.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The

COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Community Care of Rutherford County, Inc., makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2016, employer contributions for Community Care of Rutherford County, Inc., were \$517,141 based on a rate of 11.97 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept state shared taxes of Rutherford County, the primary government, if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liabilities (Assets), Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2016, Community Care of Rutherford County, Inc., reported an asset of \$487,751 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The nursing home's portion of the net pension asset was based on a projection of the nursing home's long-term share of contributions to the pension plan relative to the actuarially determined projected contributions of all participating entities. At June 30, 2016, Community Care of Rutherford County, Inc.'s proportion was 4.8 percent.

Pension Expense. For the year ended June 30, 2016, Community Care of Rutherford County, Inc., recognized pension expense of \$185,989.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Community Care of Rutherford County, Inc., reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 169	\$ 134,295
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	108,519
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	517,141	N/A
Total	<u>\$ 517,310</u>	<u>\$ 242,814</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (89,627)
2018	(89,627)
2019	(89,627)
2020	70,996
2021	(22,348)
Thereafter	(22,382)

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012 actuarial study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent.

The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46	33
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Community Care of Rutherford County, Inc., will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Community Care of Rutherford County, Inc. calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Community Care of Rutherford County			
Net Pension Liability	\$ 109,989	\$ (487,751)	\$ (1,794,369)

Payable to the Pension Plan. At June 30, 2016, the nursing home reported a payable of \$39,764 for outstanding contributions due to the pension plan.

J. Postemployment Benefits

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. 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 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. 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, and 50 percent in 2013 and thereafter.

Adopted in May 2010 and effective January 1, 2010, 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 drug coverage will be provided after 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.:

ARC	\$ 165,191
Interest on the NPO	49,306
Adjustment to the ARC	<u>(69,915)</u>
Annual OPEB cost	\$ 144,582
Amount of contribution	<u>(33,596)</u>
Increase/decrease in NPO	\$ 110,986
Net OPEB obligation, 7-1-15	<u>1,232,661</u>
Net OPEB obligation, 6-30-16	<u><u>\$ 1,343,647</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of January 1, 2014, for Community Care of Rutherford County, Inc., are as follows:

Actuarial valuation date	1-1-14
Actuarial accrued liability (AAL)	\$ 1,764,989
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,764,989
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 3,282,149
UAAL as a % of covered payroll	54%

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, presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Community Care	\$ 183,268	24.66 %	\$ 1,113,126
6-30-15	"	146,581	18.40	1,232,661
6-30-16	"	144,582	23.24	1,343,647

Actuarial methods and assumptions – The discount rate as of January 1, 2014, is four 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 pre-Medicare health claims is eight percent for 2014 grading down to five percent for 2023 and beyond. The trend rate for post-Medicare health claims is 6.75 percent for 2014 grading down to five percent for 2023 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. The unfunded actuarial accrued liability is amortized as a level dollar amount on an open basis over 30 years.

K. Health Care Regulations

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

L. Subsequent Events

The nursing home has evaluated subsequent events through the date the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

**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 – 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 county in its financial report also presents the district's financial information.

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 the Governmental Accounting Standards Board (GASB).

GASB Statements No. 14 and No. 61 specify 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, 2016, 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 – The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

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 position, revenues, and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured 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 Position. Net position (i.e., total assets plus net deferred outflows net of total liabilities and net deferred inflows) are segregated into investment in capital assets and unrestricted components.

When both restricted and unrestricted resources are available for use, it is the district's policy to use restricted resources first and then unrestricted resources as they are needed.

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, 2016, there were no certificates of deposit that qualified as cash equivalents.

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 April of each year, the director presents a preliminary budget to the board of directors, which is then discussed and amended as necessary for approval by the board.

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, 2016, prepaid insurance and service contract costs were \$79,074.

Property and Equipment – Property and equipment are stated at cost. The district defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. 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	6 - 10
Office Equipment	3 - 10
Communications Equipment	5 - 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 has been accrued under the vesting method. The estimated amount calculated for compensated absences was recorded as a liability at June 30, 2016, and is \$44,620.

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.

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 principal ongoing operations. 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.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Rutherford County Emergency Communication District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Rutherford County Emergency Communication District's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The district currently has items that include actuarial losses related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions, as well as employer contributions. Changes in actuarial assumptions that result in an actuarial loss are included in deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district

currently has one item that qualifies for reporting in this category. It is the actuarial gains related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions. Changes in actuarial assumptions that result in an actuarial gain are included in deferred inflows of resources.

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, 2016, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2016, the carrying amount of cash deposits was \$1,167,720, and the bank balance was \$1,294,447, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2016, 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.

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
SunTrust Bank checking	0.04%	\$ 917,666	\$ 1,044,393
SunTrust Bank cash investment	0.04	250,054	250,054
Total		<u>\$ 1,167,720</u>	<u>\$ 1,294,447</u>

Certificates of Deposit – At June 30, 2016, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-16	0.60 %	\$ 250,000
First Bank	10-6-18	0.65	250,000
Pinnacle National Bank	1-13-17	1.30	250,000
SunTrust Bank	12-16-16	1.29	250,000
First Nat'l Bank of McMinnville	12-12-16	2.25	250,000
U.S. Bank	6-20-16	0.75	250,000
F&M Bank	10-24-17	1.00	250,010
Bank of America	8-22-16	0.10	250,000
First Nat'l Bank of Manchester	4-18-18	0.75	250,000
Regions Bank	12-21-16	1.09	250,000
Wilson Bank & Trust	10-19-16	0.95	250,000
Southern Community Bank	7-20-17	1.15	250,000
Total			<u><u>\$ 3,000,010</u></u>

The certificates of deposit are insured by the Federal Deposit Insurance Corporation or the Tennessee Bank Collateral Pool and are shown at fair value. The district manages its exposure to decreasing interest rates by staggering the maturity dates of the certificates of deposit.

C. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-15	Additions	Reductions	Balance 6-30-16
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,200,456	\$ 0	\$ 0	\$ 1,200,456
Furniture and Fixtures	45,757	0	0	45,757
Office Equipment	30,077	0	(4,435)	25,642
Communications Equipment	1,134,099	932,100	(375,544)	1,690,655
Vehicle	48,775	0	0	48,775
Other Capital Assets	494,105	117,457	(21,103)	590,459
Total	<u>\$ 2,953,269</u>	<u>\$ 1,049,557</u>	<u>\$ (401,082)</u>	<u>\$ 3,601,744</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	\$ (399,995)	\$ (30,011)	\$ 0	\$ (430,006)
Furniture and Fixtures	(45,757)	0	0	(45,757)
Office Equipment	(30,077)	0	4,435	(25,642)
Communications Equipment	(722,803)	(112,314)	375,544	(459,573)
Vehicle	(29,834)	(4,012)	0	(33,846)
Other Capital Assets	(293,628)	(68,960)	21,103	(341,485)
Total	<u>\$ (1,522,094)</u>	<u>\$ (215,297)</u>	<u>\$ 401,082</u>	<u>\$ (1,336,309)</u>

	Balance 7-1-15	Additions	Reductions	Balance 6-30-16
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Construction in Progress	0	0	0	0
Total	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,500</u>
Total Capital Assets	<u>\$ 1,448,675</u>	<u>\$ 834,260</u>	<u>\$ 0</u>	<u>\$ 2,282,935</u>

D. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Balance 7-1-15	Additions	Reductions	Balance 6-30-16
Postemployment Benefits Obligation	\$ 64,318	\$ 9,940	\$ 0	\$ 74,258
Net Pension Liability	54,472	70,287	0	124,759
Total Long-term Liabilities	<u>\$ 118,790</u>	<u>\$ 80,227</u>	<u>\$ 0</u>	<u>\$ 199,017</u>

E. Retirement Plan

Plan Description – Employees of Rutherford County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided – *TCA*, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same

manner as a service retirement benefit but are reduced 10 percent and include projects service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitles to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms – At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>4</u>
Total	<u><u>6</u></u>

Contributions – Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. 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 makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the actuarially determined contribution (ADC) for Rutherford County Emergency Communications District were \$28,359 based on a rate of 10.24 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Rutherford County Emergency Communications District’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Rutherford County Emergency Communications District’s net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.5 percent

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of three percent.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term		Target
	Expected Real		Allocation
	Rate of Return		
U.S. Equity	6.46	%	33 %
Developed market international equity	6.26		17
Emerging market international equity	6.40		5
Private equity and strategic lending	4.61		8
U.S. Fixed Income	0.98		29
Real Estate	4.73		7
Short-term securities	0.00		1
			<hr/> 100 % <hr/>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Rutherford County Emergency Communications District will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 638,955	\$ 584,483	\$ 54,472
Changes for the year:			
Service Cost	\$ 11,582	\$ 0	\$ 11,582
Interest	48,388	0	48,388
Differences Between Expected and Actual Experience	56,709	0	56,709
Contributions-Employer	0	28,359	(28,359)
Net Investment Income	0	18,236	(18,236)
Benefit Payments, Including Refunds of Employee Contributions	(10,728)	(10,728)	0
Administrative Expense	0	(203)	203
Net Changes	\$ 105,951	\$ 35,664	\$ 70,287
Balance, June 30, 2015	\$ 744,906	\$ 620,147	\$ 124,759

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the net pension liability (asset) of Rutherford County Emergency Communications District calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent) than the current rate:

	1%	Current	1%
Rutherford County Emergency Communications District	Decrease 6.5%	Discount Rate 7.5%	Increase 8.5%

Net Pension Liability (Asset)	\$ 249,790	\$ 124,759	\$ 22,540
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Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense – For the year ended June 30, 2016, Rutherford County Emergency Communications District recognized pension expense of \$22,875.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2016, Rutherford County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 62,819	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,003	27,004
Contributions Subsequent to the Measurement Date of June 30, 2015	30,028	0
Total	<u>\$ 113,850</u>	<u>\$ 27,004</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2015,” will be recognized as a reduction (increase) to the net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2017	\$ 7,192
2018	7,192
2019	7,192
2020	16,194
2021	10,943
Thereafter	8,101

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan – Rutherford County Emergency Communication District had no payables from required contributions to the pension plan as of June 30, 2016.

F. Risk Management

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

G. 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 postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the district's future cash flows. The actuarial cost method is the projected unit credit method. The unfunded actuarial accrued liability is amortized as a level dollar amount on an open basis over 30 years.

Plan Description – In addition to pension benefits described in Note VII.E., the district is included under Rutherford County's postretirement health insurance plan. Rutherford County's plan is a single employer plan that provides the same health insurance that is available to active employees for participants under age 65. Once a participant turns age 65, medical benefits provided by Rutherford County will be secondary to benefits provided under Medicare. Outpatient prescription drug benefits are offered through an Employer Group Waiver Plan (EGWP) plus wrap. 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 of 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 is retirement eligible based on the following criteria as of December 31, 2010, or has at least 20 years of service as of December 31, 2010, and 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. All other employees who retire from Rutherford County become eligible for retiree health coverage upon the earlier of attaining: (1) age 60 with 20 years of service and active coverage for 10 continuous years (15 continuous years of active coverage if employee has less than 10 years of service as of December 31, 2010), or (2) any age with 30 years of service and active coverage for 10 continuous years (15 continuous years of active coverage if employee has less than 10 years of service as of December 31, 2010).

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. The following additional conditions must also be met: (1) employee must have had active coverage for a continuous 5-year period, and (2) employee must have filed and qualified for Medicare disability coverage.

If the retiree is eligible for health insurance coverage, health coverage is also provided for the retiree's spouse and/or dependent children. In the event of the retiree's death, the eligible surviving spouse and dependent children may elect to continue coverage until they would no longer qualify as dependents if the retiree was alive.

Eligible retirees and dependents are required to share in the cost of health insurance coverage. 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 (1) pre-65: 50 percent of the adequate premium for themselves and their spouses, (2) post-65: 25 percent of the adequate premium for themselves and 50% 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, will be required to contribute 50 percent of the adequate premium for themselves and their spouses.

For all other retirees cost sharing and benefits are as follows: (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) employees with at least 6 months of service but 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 adequate rate, and (4) employees with less than 6 months of service as of December 31, 2010, the county contribution will be limited to the lesser of \$300 per month or the adequate rate, and no benefits will be provided past age 65.

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

ARC	\$	11,015
Interest on the NPO		2,573
Adjustment to the ARC		(3,648)
Annual OPEB cost	\$	9,940
Amount of contribution		0
Increase/decrease in NPO	\$	9,940
Net OPEB obligation, 7-1-15		64,318
Net OPEB obligation, 6-30-16	\$	74,258

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

Actuarial valuation date		1-1-14
Actuarial accrued liability (AAL)	\$	90,375
Actuarial value of plan assets	\$	0
Unfunded actuarial accrued liability (UAAL)	\$	90,375
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	\$	N/A
UAAL as a % of covered payroll		N/A

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, 2014, is four percent. The discount rate is determined by the plan sponsor based on the estimated long-term investment yield on the investments that is expected to be used to finance the payment of benefits. Rutherford County does not pre-fund the actuarial required contribution and therefore, the discount rate is based on the expected return on the county's general assets.

The trend rate for pre-Medicare health claims is eight percent for 2014 grading down to five percent for 2023 and beyond. The trend rate for post-Medicare health claims is 6.75 percent for 2014 grading down to five percent for 2023 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.

H. Transactions with Primary Government

Amounts paid to Rutherford County included amounts paid for mapping services and maintenance agreements totaled \$72,010. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$368,968 for salaries and benefits paid on the district's behalf.

I. Commitments

During the year ended June 30, 2016, the district entered into a contract with the State of Tennessee to remit \$1,063 monthly for five years, (a total of \$63,780) for disaster recovery services. The future payments for the years ending June 30, 2017, 2018, 2019, and 2020 are \$12,756, \$12,756, \$12,756, and \$4,252, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Rutherford County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015
Total Pension Liability (Asset)		
Service Cost	\$ 6,056,791	\$ 6,392,828
Interest	14,404,209	15,577,563
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	4,900	(3,244,405)
Changes in Assumptions	0	0
Benefit Payments, Including Refunds of Employee Contributions	(4,880,526)	(5,433,923)
Net Change in Total Pension Liability (Asset)	\$ 15,585,374	\$ 13,292,063
Total Pension Liability (Asset), Beginning	188,439,595	204,024,969
Total Pension Liability (Asset), Ending (a)	\$ 204,024,969	\$ 217,317,032
Plan Fiduciary Net Position		
Contributions - Employer	\$ 10,301,932	\$ 9,877,855
Contributions - Employee	8,810	516
Net Investment Income	30,377,074	6,728,143
Benefit Payments, Including Refunds of Employee Contributions	(4,880,526)	(5,433,923)
Administrative Expense	(97,209)	(127,221)
Net Change in Plan Fiduciary Net Position	\$ 35,710,081	\$ 11,045,370
Plan Fiduciary Net Position, Beginning	180,661,693	216,371,774
Plan Fiduciary Net Position, Ending (b)	\$ 216,371,774	\$ 227,417,144
Net Pension Liability (Asset), Ending (a - b)	\$ (12,346,805)	\$ (10,100,112)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%
Covered Employee Payroll	\$ 81,181,596	\$ 82,521,762
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	15.21%	12.24%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and discretely presented Community Care, Inc.

Exhibit F-2

Rutherford County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016
Actuarially Determined Contribution	\$ 10,301,932	\$ 9,877,855	\$ 10,343,473
Less Contributions in Relation to the			
Actuarially Determined Contribution	(10,301,932)	(9,877,855)	(10,343,473)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 81,181,596	\$ 82,521,762	\$ 86,453,085
Contributions as a Percentage of			
Covered Employee Payroll	12.69%	11.97%	11.97%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and discretely presented Community Care, Inc.

Exhibit F-3

Rutherford County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30

	2015	2016
Contractually Required Contribution	\$ 197,737	\$ 410,660
Less Contributions in Relation to the		
Contractually Required Contribution	(316,382)	(657,059)
Contribution Deficiency (Excess)	<u>\$ (118,645)</u>	<u>\$ (246,399)</u>
Covered Employee Payroll	\$ 7,909,475	\$ 16,426,406
Contributions as a Percentage of Covered Employee Payroll	4.0%	4.0%

Note: ten years of data will be presented when available.

Exhibit F-4

Rutherford County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016
Contractually Required Contribution	\$ 13,375,185	\$ 13,266,310	\$ 13,142,925
Less Contributions in Relation to the			
Contractually Required Contribution	(13,375,185)	(13,266,210)	(13,142,925)
Contribution Deficiency (Excess)	\$ 0	\$ 100	\$ 0
Covered Employee Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,386,199
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%	9.04%

Note: ten years of data will be presented when available.

Exhibit F-5

Rutherford County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Pension Plan of TCRS
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30 *

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	3.806811%
School Department's Proportionate Share of the Net Pension Liability Asset	\$ (153,146)
Covered Employee Payroll	\$ 7,909,475
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Rutherford County, Tennessee
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30 *

	2015	2016
School Department's Proportion of the Net Pension Asset	3.837498%	3.920158%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (623,576)	\$ 1,605,831
Covered Employee Payroll	\$ 150,621,457	\$ 146,751,255
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	(.414002)%	1.094253%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-7

Rutherford County, Tennessee

Schedule of Funding Progress – Other Postemployment Benefits Plans

Primary Government and Discretely Presented Rutherford County School Department,

June 30, 2016

(Dollar amounts in thousands)

Plans	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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	6-30-14	1-1-12	\$ 0	\$ 25,719	\$ 25,719	0 %	\$ 44,853	57 %
"	6-30-15	1-1-14	0	25,484	25,484	0	46,700	55
"	6-30-16	1-1-14	0	25,484	25,484	0	46,700	55
Rutherford County School Department	6-30-14	1-1-12	0	124,060	124,060	0	177,795	70
"	6-30-15	1-1-14	0	123,284	123,284	0	184,436	67
"	6-30-16	1-1-14	0	123,284	123,284	0	184,436	67

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	1 Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

**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.

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 of deeds, and sheriff.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county’s Highway Department.

Exhibit G-1

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>ASSETS</u>					
Cash	\$ 58,731	\$ 297,538	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	6,732,517	3,141,472	250,352	110,248	984,908
Accounts Receivable	98,102	7,575,893	0	0	365
Allowance for Uncollectibles	0	(5,076,149)	0	0	0
Due from Other Governments	502,480	116,838	0	5,264	302
Property Taxes Receivable	0	4,603,234	0	0	0
Allowance for Uncollectible Property Taxes	0	(231,978)	0	0	0
Notes Receivable - Long-term	0	0	2,811,881	0	0
Total Assets	\$ 7,391,830	\$ 10,426,848	\$ 3,062,233	\$ 115,512	\$ 985,575
<u>LIABILITIES</u>					
Accounts Payable	\$ 9,293	\$ 81,334	\$ 0	\$ 0	\$ 0
Accrued Payroll	63,177	464,665	0	0	0
Due to Other Funds	141	3,310	0	0	0
Total Liabilities	\$ 72,611	\$ 549,309	\$ 0	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 4,316,963	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	47,164	0	0	0
Other Deferred/Unavailable Revenue	287,566	1,895,040	0	0	0
Total Deferred Inflows of Resources	\$ 287,566	\$ 6,259,167	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit G-1

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
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 115,512	\$ 985,575
Restricted for Debt Service	0	0	2,861,075	0	0
Committed:					
Committed for Highways/Public Works	0	0	0	0	0
Assigned:					
Assigned for General Government	0	0	0	0	0
Assigned for Finance	0	0	0	0	0
Assigned for Administration of Justice	0	0	0	0	0
Assigned for Public Health and Welfare	7,031,653	3,618,372	0	0	0
Assigned for Other Operations	0	0	201,158	0	0
Assigned for Highways/Public Works	0	0	0	0	0
Total Fund Balances	<u>\$ 7,031,653</u>	<u>\$ 3,618,372</u>	<u>\$ 3,062,233</u>	<u>\$ 115,512</u>	<u>\$ 985,575</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,391,830</u>	<u>\$ 10,426,848</u>	<u>\$ 3,062,233</u>	<u>\$ 115,512</u>	<u>\$ 985,575</u>

(Continued)

Exhibit G-1

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

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
Accrued Payroll
Due to Other Funds
Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Deferred Delinquent Property Taxes
Other Deferred/Unavailable Revenue
Total Deferred Inflows of Resources

<u>Special Revenue Funds (Cont.)</u>			
Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds	
\$ 1,662,143	\$ 0	\$ 2,018,412	
0	11,915,316	23,134,813	
753	2,756	7,677,869	
0	0	(5,076,149)	
0	656,578	1,281,462	
0	877,470	5,480,704	
0	(44,220)	(276,198)	
0	0	2,811,881	
<hr/>			
\$ 1,662,896	\$ 13,407,900	\$ 37,052,794	
<hr/>			
\$ 0	\$ 34,985	\$ 125,612	
0	43,777	571,619	
609,814	2	613,267	
\$ 609,814	\$ 78,764	\$ 1,310,498	
<hr/>			
\$ 0	\$ 822,901	\$ 5,139,864	
0	8,990	56,154	
0	71,002	2,253,608	
\$ 0	\$ 902,893	\$ 7,449,626	
<hr/>			

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety

Restricted for Debt Service

Committed:

Committed for Highways/Public Works

Assigned:

Assigned for General Government

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, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds (Cont.)</u>			
Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds	
\$ 0	\$ 0	\$ 1,101,087	
0	0	2,861,075	
0	2,125,100	2,125,100	
255,379	0	255,379	
672,134	0	672,134	
125,569	0	125,569	
0	0	10,650,025	
0	0	201,158	
0	10,301,143	10,301,143	
<u>\$ 1,053,082</u>	<u>\$ 12,426,243</u>	<u>\$ 28,292,670</u>	
<u>\$ 1,662,896</u>	<u>\$ 13,407,900</u>	<u>\$ 37,052,794</u>	

Exhibit G-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
Revenues					
Local Taxes	\$ 2,463,555	\$ 4,538,139	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	527,593
Charges for Current Services	1,426,213	7,423,362	0	0	2,875
Other Local Revenues	348,413	15,010	87,562	210	2,410
State of Tennessee	425,615	0	0	0	0
Federal Government	1,618	420	0	90,714	0
Total Revenues	\$ 4,665,414	\$ 11,976,931	\$ 87,562	\$ 90,924	\$ 532,878
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	43,832	379,662
Public Health and Welfare	3,322,602	11,678,322	0	0	0
Other Operations	89,750	0	114,406	0	0
Highways	0	0	0	0	0
Total Expenditures	\$ 3,412,352	\$ 11,678,322	\$ 114,406	\$ 43,832	\$ 379,662
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,253,062	\$ 298,609	\$ (26,844)	\$ 47,092	\$ 153,216

(Continued)

Exhibit G-2

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

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 1,685	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	(81,775)	0	(82,886)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 1,685</u>	<u>\$ (81,775)</u>	<u>\$ 0</u>	<u>\$ (82,886)</u>
Net Change in Fund Balances	\$ 1,253,062	\$ 300,294	\$ (108,619)	\$ 47,092	\$ 70,330
Fund Balance, July 1, 2015	<u>5,778,591</u>	<u>3,318,078</u>	<u>3,170,852</u>	<u>68,420</u>	<u>915,245</u>
Fund Balance, June 30, 2016	<u>\$ 7,031,653</u>	<u>\$ 3,618,372</u>	<u>\$ 3,062,233</u>	<u>\$ 115,512</u>	<u>\$ 985,575</u>

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 5,440,791	\$ 12,442,485
Fines, Forfeitures, and Penalties	0	0	527,593
Charges for Current Services	4,925,212	0	13,777,662
Other Local Revenues	0	62,490	516,095
State of Tennessee	0	4,072,509	4,498,124
Federal Government	0	70,573	163,325
Total Revenues	<u>\$ 4,925,212</u>	<u>\$ 9,646,363</u>	<u>\$ 31,925,284</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 338,699	\$ 0	\$ 338,699
Finance	1,299,470	0	1,299,470
Administration of Justice	2,439,446	0	2,439,446
Public Safety	0	0	423,494
Public Health and Welfare	0	0	15,000,924
Other Operations	0	0	204,156
Highways	0	7,684,285	7,684,285
Total Expenditures	<u>\$ 4,077,615</u>	<u>\$ 7,684,285</u>	<u>\$ 27,390,474</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 847,597</u>	<u>\$ 1,962,078</u>	<u>\$ 4,534,810</u>

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 30,579	\$ 32,264
Transfers Out	0	0	(164,661)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 30,579</u>	<u>\$ (132,397)</u>
Net Change in Fund Balances	\$ 847,597	\$ 1,992,657	\$ 4,402,413
Fund Balance, July 1, 2015	<u>205,485</u>	<u>10,433,586</u>	<u>23,890,257</u>
Fund Balance, June 30, 2016	<u>\$ 1,053,082</u>	<u>\$ 12,426,243</u>	<u>\$ 28,292,670</u>

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,463,555	\$ 0	\$ 0	\$ 2,463,555	\$ 1,680,000	\$ 2,400,000	\$ 63,555
Charges for Current Services	1,426,213	0	0	1,426,213	1,300,000	1,390,000	36,213
Other Local Revenues	348,413	0	0	348,413	335,000	314,403	34,010
State of Tennessee	425,615	0	0	425,615	389,100	443,859	(18,244)
Federal Government	1,618	0	0	1,618	0	1,618	0
Total Revenues	\$ 4,665,414	\$ 0	\$ 0	\$ 4,665,414	\$ 3,704,100	\$ 4,549,880	\$ 115,534
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 142,512	\$ (472)	\$ 0	\$ 142,040	\$ 155,919	\$ 155,919	\$ 13,879
Convenience Centers	2,061,883	(2,975)	14,393	2,073,301	2,895,330	2,895,330	822,029
Other Waste Collection	170,847	(196)	19,207	189,858	264,889	264,889	75,031
Landfill Operation and Maintenance	684,178	(1,458)	41,211	723,931	825,287	925,287	201,356
Postclosure Care Costs	263,182	0	0	263,182	245,000	344,830	81,648
<u>Other Operations</u>							
Employee Benefits	25,000	0	0	25,000	30,025	30,025	5,025
Miscellaneous	64,750	0	0	64,750	58,580	64,750	0
Total Expenditures	\$ 3,412,352	\$ (5,101)	\$ 74,811	\$ 3,482,062	\$ 4,475,030	\$ 4,681,030	\$ 1,198,968
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,253,062	\$ 5,101	\$ (74,811)	\$ 1,183,352	\$ (770,930)	\$ (131,150)	\$ 1,314,502
Net Change in Fund Balance	\$ 1,253,062	\$ 5,101	\$ (74,811)	\$ 1,183,352	\$ (770,930)	\$ (131,150)	\$ 1,314,502
Fund Balance, July 1, 2015	5,778,591	(5,101)	0	5,773,490	5,773,490	5,773,490	0
Fund Balance, June 30, 2016	\$ 7,031,653	\$ 0	\$ (74,811)	\$ 6,956,842	\$ 5,002,560	\$ 5,642,340	\$ 1,314,502

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,538,139	\$ 0	\$ 0	\$ 4,538,139	\$ 4,360,379	\$ 4,542,249	\$ (4,110)
Charges for Current Services	7,423,362	0	0	7,423,362	6,830,000	7,050,000	373,362
Other Local Revenues	15,010	0	0	15,010	1,500	14,760	250
Federal Government	420	0	0	420	0	420	0
Total Revenues	\$ 11,976,931	\$ 0	\$ 0	\$ 11,976,931	\$ 11,191,879	\$ 11,607,429	\$ 369,502
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 11,678,322	\$ (109,894)	\$ 128,816	\$ 11,697,244	\$ 12,361,366	\$ 12,482,051	\$ 784,807
Total Expenditures	\$ 11,678,322	\$ (109,894)	\$ 128,816	\$ 11,697,244	\$ 12,361,366	\$ 12,482,051	\$ 784,807
Excess (Deficiency) of Revenues Over Expenditures	\$ 298,609	\$ 109,894	\$ (128,816)	\$ 279,687	\$ (1,169,487)	\$ (874,622)	\$ 1,154,309
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,685	\$ 0	\$ 0	\$ 1,685	\$ 0	\$ 1,685	\$ 0
Total Other Financing Sources	\$ 1,685	\$ 0	\$ 0	\$ 1,685	\$ 0	\$ 1,685	\$ 0
Net Change in Fund Balance	\$ 300,294	\$ 109,894	\$ (128,816)	\$ 281,372	\$ (1,169,487)	\$ (872,937)	\$ 1,154,309
Fund Balance, July 1, 2015	3,318,078	(109,894)	0	3,208,184	3,108,796	3,108,796	99,388
Fund Balance, June 30, 2016	\$ 3,618,372	\$ 0	\$ (128,816)	\$ 3,489,556	\$ 1,939,309	\$ 2,235,859	\$ 1,253,697

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 87,562	\$ 87,561	\$ 87,561	\$ 1
Total Revenues	<u>\$ 87,562</u>	<u>\$ 87,561</u>	<u>\$ 87,561</u>	<u>\$ 1</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 97,376	\$ 179,155	\$ 97,380	\$ 4
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	<u>\$ 114,406</u>	<u>\$ 196,185</u>	<u>\$ 114,410</u>	<u>\$ 4</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,844)</u>	<u>\$ (108,624)</u>	<u>\$ (26,849)</u>	<u>\$ 5</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (81,775)	0	\$ (81,775)	0
Total Other Financing Sources	<u>\$ (81,775)</u>	<u>0</u>	<u>\$ (81,775)</u>	<u>0</u>
Net Change in Fund Balance	\$ (108,619)	\$ (108,624)	\$ (108,624)	5
Fund Balance, July 1, 2015	<u>3,170,852</u>	<u>275,364</u>	<u>275,364</u>	<u>2,895,488</u>
Fund Balance, June 30, 2016	<u><u>\$ 3,062,233</u></u>	<u><u>\$ 166,740</u></u>	<u><u>\$ 166,740</u></u>	<u><u>\$ 2,895,493</u></u>

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 210	\$ 0	\$ 0	\$ 210	\$ 0	\$ 0	\$ 210
Federal Government	90,714	0	0	90,714	0	82,915	7,799
Total Revenues	<u>\$ 90,924</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,924</u>	<u>\$ 0</u>	<u>\$ 82,915</u>	<u>\$ 8,009</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 43,832	\$ (1,797)	\$ 15,552	\$ 57,587	\$ 10,000	\$ 142,915	\$ 85,328
Total Expenditures	<u>\$ 43,832</u>	<u>\$ (1,797)</u>	<u>\$ 15,552</u>	<u>\$ 57,587</u>	<u>\$ 10,000</u>	<u>\$ 142,915</u>	<u>\$ 85,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 47,092</u>	<u>\$ 1,797</u>	<u>\$ (15,552)</u>	<u>\$ 33,337</u>	<u>\$ (10,000)</u>	<u>\$ (60,000)</u>	<u>\$ 93,337</u>
Net Change in Fund Balance	\$ 47,092	\$ 1,797	\$ (15,552)	\$ 33,337	\$ (10,000)	\$ (60,000)	\$ 93,337
Fund Balance, July 1, 2015	<u>68,420</u>	<u>(1,797)</u>	<u>0</u>	<u>66,623</u>	<u>66,623</u>	<u>66,623</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 115,512</u>	<u>\$ 0</u>	<u>\$ (15,552)</u>	<u>\$ 99,960</u>	<u>\$ 56,623</u>	<u>\$ 6,623</u>	<u>\$ 93,337</u>

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 527,593	\$ 0	\$ 0	\$ 527,593	\$ 400,000	\$ 501,500	\$ 26,093
Charges for Current Services	2,875	0	0	2,875	0	2,875	0
Other Local Revenues	2,410	0	0	2,410	600	1,850	560
Total Revenues	<u>\$ 532,878</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 532,878</u>	<u>\$ 400,600</u>	<u>\$ 506,225</u>	<u>\$ 26,653</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 379,662	\$ (977)	\$ 89,256	\$ 467,941	\$ 444,160	\$ 564,600	\$ 96,659
Total Expenditures	<u>\$ 379,662</u>	<u>\$ (977)</u>	<u>\$ 89,256</u>	<u>\$ 467,941</u>	<u>\$ 444,160</u>	<u>\$ 564,600</u>	<u>\$ 96,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 153,216</u>	<u>\$ 977</u>	<u>\$ (89,256)</u>	<u>\$ 64,937</u>	<u>\$ (43,560)</u>	<u>\$ (58,375)</u>	<u>\$ 123,312</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (82,886)	\$ 0	\$ 0	\$ (82,886)	\$ (145,000)	\$ (145,000)	\$ 62,114
Total Other Financing Sources	<u>\$ (82,886)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (82,886)</u>	<u>\$ (145,000)</u>	<u>\$ (145,000)</u>	<u>\$ 62,114</u>
Net Change in Fund Balance	\$ 70,330	\$ 977	\$ (89,256)	\$ (17,949)	\$ (188,560)	\$ (203,375)	\$ 185,426
Fund Balance, July 1, 2015	<u>915,245</u>	<u>(977)</u>	<u>0</u>	<u>914,268</u>	<u>914,268</u>	<u>914,268</u>	<u>0</u>
Fund Balance, June 30, 2016	<u><u>\$ 985,575</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (89,256)</u></u>	<u><u>\$ 896,319</u></u>	<u><u>\$ 725,708</u></u>	<u><u>\$ 710,893</u></u>	<u><u>\$ 185,426</u></u>

Exhibit G-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,440,791	\$ 4,761,615	\$ 5,256,885	\$ 183,906
Other Local Revenues	62,490	45,000	72,100	(9,610)
State of Tennessee	4,072,509	4,056,000	4,040,400	32,109
Federal Government	70,573	0	70,573	0
Total Revenues	<u>\$ 9,646,363</u>	<u>\$ 8,862,615</u>	<u>\$ 9,439,958</u>	<u>\$ 206,405</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 848,160	\$ 756,244	\$ 882,699	\$ 34,539
Highway and Bridge Maintenance	5,172,104	5,602,070	5,713,570	541,466
Operation and Maintenance of Equipment	912,070	1,203,625	1,214,335	302,265
Other Charges	456,384	586,840	589,330	132,946
Employee Benefits	187,300	221,905	221,905	34,605
Capital Outlay	108,267	409,860	295,330	187,063
Total Expenditures	<u>\$ 7,684,285</u>	<u>\$ 8,780,544</u>	<u>\$ 8,917,169</u>	<u>\$ 1,232,884</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,962,078</u>	<u>\$ 82,071</u>	<u>\$ 522,789</u>	<u>\$ 1,439,289</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 30,579	0	\$ 30,600	\$ (21)
Total Other Financing Sources	<u>\$ 30,579</u>	<u>0</u>	<u>\$ 30,600</u>	<u>\$ (21)</u>
Net Change in Fund Balance	\$ 1,992,657	\$ 82,071	\$ 553,389	\$ 1,439,268
Fund Balance, July 1, 2015	10,433,586	10,433,591	10,433,591	(5)
Fund Balance, June 30, 2016	<u>\$ 12,426,243</u>	<u>\$ 10,515,662</u>	<u>\$ 10,986,980</u>	<u>\$ 1,439,263</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 42,819,312	\$ 40,012,986	\$ 42,788,834	\$ 30,478
Other Local Revenues	300,930	244,150	294,150	6,780
Other Governments and Citizens Groups	510,273	0	510,273	0
Total Revenues	<u>\$ 43,630,515</u>	<u>\$ 40,257,136</u>	<u>\$ 43,593,257</u>	<u>\$ 37,258</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 813,584	\$ 1,027,500	\$ 1,067,500	\$ 253,916
<u>Principal on Debt</u>				
General Government	4,331,420	4,331,420	4,331,420	0
Education	24,571,583	24,098,580	24,571,583	0
<u>Interest on Debt</u>				
General Government	1,978,379	1,978,379	1,978,379	0
Education	11,760,890	11,723,620	11,760,890	0
Total Expenditures	<u>\$ 43,455,856</u>	<u>\$ 43,159,499</u>	<u>\$ 43,709,772</u>	<u>\$ 253,916</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 174,659</u>	<u>\$ (2,902,363)</u>	<u>\$ (116,515)</u>	<u>\$ 291,174</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 81,775	\$ 81,775	\$ 81,775	\$ 0
Total Other Financing Sources	<u>\$ 81,775</u>	<u>\$ 81,775</u>	<u>\$ 81,775</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 256,434	\$ (2,820,588)	\$ (34,740)	\$ 291,174
Fund Balance, July 1, 2015	<u>35,467,040</u>	<u>33,646,256</u>	<u>33,646,256</u>	<u>1,820,784</u>
Fund Balance, June 30, 2016	<u>\$ 35,723,474</u>	<u>\$ 30,825,668</u>	<u>\$ 33,611,516</u>	<u>\$ 2,111,958</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 Position
Proprietary Funds
June 30, 2016

	Internal Service Funds			Total
	Self- Insurance	Employee Insurance - Health	Workers' Compensation	Proprietary Funds
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 292,652	\$ 1,446,000	\$ 158,745	\$ 1,897,397
Equity in Pooled Cash and Investments	2,255,227	31,445,528	1,669,464	35,370,219
Accounts Receivable	600	86,645	0	87,245
Due from Other Governments	0	12,475	0	12,475
Due from Other Funds	0	20,651	0	20,651
Due from Component Units	0	210,592	0	210,592
Advances to Other Funds	0	150,000	0	150,000
Total Assets	<u>\$ 2,548,479</u>	<u>\$ 33,371,891</u>	<u>\$ 1,828,209</u>	<u>\$ 37,748,579</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 354,861	\$ 0	\$ 354,861
Claims and Judgments Payable	1,588,565	10,198,450	1,121,000	12,908,015
Total Liabilities	<u>\$ 1,588,565</u>	<u>\$ 10,553,311</u>	<u>\$ 1,121,000</u>	<u>\$ 13,262,876</u>
<u>NET POSITION</u>				
Unrestricted	\$ 959,914	\$ 22,818,580	\$ 707,209	\$ 24,485,703
Total Net Position	<u>\$ 959,914</u>	<u>\$ 22,818,580</u>	<u>\$ 707,209</u>	<u>\$ 24,485,703</u>

Exhibit I-2

Rutherford County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 1,966,406	\$ 54,514,262	\$ 1,301,245	\$ 57,781,913
Other Employee Benefit Charges/Contributions	0	1,696,474	0	1,696,474
Service Charges	0	2,975	0	2,975
Other Local Revenues:				
Sale of Supplies	0	96,114	0	96,114
Retirees' Insurance Payments	0	4,670,536	0	4,670,536
Cobra Insurance Payments	0	138,672	0	138,672
State of Tennessee:				
On-Behalf Contributions for OPEB	0	148,163	0	148,163
Total Operating Revenues	\$ 1,966,406	\$ 61,267,196	\$ 1,301,245	\$ 64,534,847
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 54,480	\$ 2,759,919	\$ 31,596	\$ 2,845,995
Disability Insurance	0	0	360,740	360,740
Bank Charges	0	3,200	0	3,200
Consultants	0	78,648	0	78,648
Contracts with Private Agencies	0	2,722,373	0	2,722,373
Other Contracted Services	0	0	5,500	5,500
Medical Claims	0	58,869,222	0	58,869,222
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Liability Claims	1,534,283	0	0	1,534,283
Other Self-Insured Claims	0	0	702,184	702,184
Fines, Assessments, and Penalties	0	336,327	0	336,327
Other Charges	0	46,897	0	46,897
Total Operating Expenses	\$ 1,588,763	\$ 64,816,586	\$ 1,107,520	\$ 67,512,869
Operating Income (Loss)	\$ 377,643	\$ (3,549,390)	\$ 193,725	\$ (2,978,022)
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 54,752	\$ 4,934	\$ 5,792	\$ 65,478
Total Nonoperating Revenues (Expenses)	\$ 54,752	\$ 4,934	\$ 5,792	\$ 65,478
Income (Loss) Before Transfers	\$ 432,395	\$ (3,544,456)	\$ 199,517	\$ (2,912,544)
Transfers Out	0	(274,864)	(274,864)	(549,728)
Change in Net Position	\$ 432,395	\$ (3,819,320)	\$ (75,347)	\$ (3,462,272)
Net Position, July 1, 2015	527,519	26,637,900	782,556	27,947,975
Net Position, June 30, 2016	\$ 959,914	\$ 22,818,580	\$ 707,209	\$ 24,485,703

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Internal Service Funds			
	Employee			
	Self -	Insurance -	Workers'	Total
	Insurance	Health	Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 1,968,910	\$ 60,910,164	\$ 1,301,245	\$ 64,180,319
Payments to Suppliers	(54,480)	(6,306,973)	(405,336)	(6,766,789)
Claims Paid	(1,563,146)	(58,526,092)	(851,281)	(60,940,519)
Insurance Recovery	54,752	4,934	5,792	65,478
Payments of Taxes, Duties, Fines, Fees, and Penalties	0	(336,327)	0	(336,327)
Net Cash Provided By (Used In) Operating Activities	\$ 406,036	\$ (4,254,294)	\$ 50,420	\$ (3,797,838)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (274,864)	\$ (274,864)	\$ (549,728)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (274,864)	\$ (274,864)	\$ (549,728)
Net Increase (Decrease) in Cash	\$ 406,036	\$ (4,529,158)	\$ (224,444)	\$ (4,347,566)
Cash, July 1, 2015	2,141,843	37,420,686	2,052,653	41,615,182
Cash, June 30, 2016	\$ 2,547,879	\$ 32,891,528	\$ 1,828,209	\$ 37,267,616
<u>Reconciliation of Operating Income (Loss)</u>				
<u>to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ 377,643	\$ (3,549,390)	\$ 193,725	\$ (2,978,022)
Insurance Recovery	54,752	4,934	5,792	65,478
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	2,504	(76,602)	0	(74,098)
(Increase) Decrease in Due from Other Governments	0	(862)	0	(862)
(Increase) Decrease in Due From Other Funds	0	(20,651)	0	(20,651)
(Increase) Decrease in Due from Component Units	0	(108,917)	0	(108,917)
(Increase) Decrease in Advances to Other Funds	0	(150,000)	0	(150,000)
Increase (Decrease) in Accounts Payable	0	(417,939)	0	(417,939)
Increase (Decrease) in Due to Other Funds	0	(277,997)	(277,997)	(555,994)
Increase (Decrease) in Claims and Judgments Payable	(28,863)	343,130	128,900	443,167
Net Cash Provided By (Used In) Operating Activities	\$ 406,036	\$ (4,254,294)	\$ 50,420	\$ (3,797,838)
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 292,652	\$ 1,446,000	\$ 158,745	\$ 1,897,397
Equity in Pooled Cash and Investments Per Net Position	2,255,227	31,445,528	1,669,464	35,370,219
Cash, June 30, 2016	\$ 2,547,879	\$ 32,891,528	\$ 1,828,209	\$ 37,267,616

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 of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of the District Attorney General.

Exhibit J-1

Rutherford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	Agency Funds					
	Cities - Sales Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 7,982,748	\$ 0	\$ 7,982,748
Equity in Pooled Cash and Investments	0	224,476	11,373	0	410,858	646,707
Investments	0	0	0	7,315	0	7,315
Accounts Receivable	0	0	0	5,185	257	5,442
Due from Other Governments	10,035,265	1,702,481	0	0	546	11,738,292
Taxes Receivable	0	13,530,406	0	0	0	13,530,406
Allowance for Uncollectible Taxes	0	(684,631)	0	0	0	(684,631)
Total Assets	\$ 10,035,265	\$ 14,772,732	\$ 11,373	\$ 7,995,248	\$ 411,661	\$ 33,226,279
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19	\$ 19
Accrued Payroll	0	0	0	0	250	250
Due to Other Taxing Units	10,035,265	14,772,732	0	0	0	24,807,997
Due to Joint Ventures	0	0	11,373	0	0	11,373
Due to Litigants, Heirs, and Others	0	0	0	7,995,248	411,392	8,406,640
Total Liabilities	\$ 10,035,265	\$ 14,772,732	\$ 11,373	\$ 7,995,248	\$ 411,661	\$ 33,226,279

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 59,891,258	\$ 59,891,258	\$ 0
Due from Other Governments	9,360,784	10,035,265	9,360,784	10,035,265
Total Assets	\$ 9,360,784	\$ 69,926,523	\$ 69,252,042	\$ 10,035,265
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,360,784	\$ 69,926,523	\$ 69,252,042	\$ 10,035,265
Total Liabilities	\$ 9,360,784	\$ 69,926,523	\$ 69,252,042	\$ 10,035,265
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 24,308,022	\$ 24,083,546	\$ 224,476
Due from Other Governments	1,589,411	1,702,481	1,589,411	1,702,481
Taxes Receivable	13,413,981	13,530,406	13,413,981	13,530,406
Allowance for Uncollectible Taxes	(692,904)	(684,631)	(692,904)	(684,631)
Total Assets	\$ 14,310,488	\$ 38,856,278	\$ 38,394,034	\$ 14,772,732
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 14,310,488	\$ 38,856,278	\$ 38,394,034	\$ 14,772,732
Total Liabilities	\$ 14,310,488	\$ 38,856,278	\$ 38,394,034	\$ 14,772,732
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,828	\$ 0	\$ 455	\$ 11,373
Total Assets	\$ 11,828	\$ 0	\$ 455	\$ 11,373
<u>Liabilities</u>				
Due to Joint Ventures	\$ 11,828	\$ 0	\$ 455	\$ 11,373
Total Liabilities	\$ 11,828	\$ 0	\$ 455	\$ 11,373
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 9,005,425	\$ 66,235,444	\$ 67,258,121	\$ 7,982,748
Investments	7,299	7,315	7,299	7,315
Accounts Receivable	37,665	5,185	37,665	5,185
Total Assets	\$ 9,050,389	\$ 66,247,944	\$ 67,303,085	\$ 7,995,248
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 9,050,389	\$ 66,247,944	\$ 67,303,085	\$ 7,995,248
Total Liabilities	\$ 9,050,389	\$ 66,247,944	\$ 67,303,085	\$ 7,995,248

(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>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 389,492	\$ 56,384	\$ 35,018	\$ 410,858
Accounts Receivable	0	257	0	257
Due from Other Governments	1,160	546	1,160	546
Total Assets	<u>\$ 390,652</u>	<u>\$ 57,187</u>	<u>\$ 36,178</u>	<u>\$ 411,661</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 19	\$ 0	\$ 19
Accrued Payroll	0	250	0	250
Due to Litigants, Heirs, and Others	390,652	56,918	36,178	411,392
Total Liabilities	<u>\$ 390,652</u>	<u>\$ 57,187</u>	<u>\$ 36,178</u>	<u>\$ 411,661</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 9,005,425	\$ 66,235,444	\$ 67,258,121	\$ 7,982,748
Equity in Pooled Cash and Investments	401,320	84,255,664	84,010,277	646,707
Investments	7,299	7,315	7,299	7,315
Accounts Receivable	37,665	5,442	37,665	5,442
Due from Other Governments	10,951,355	11,738,292	10,951,355	11,738,292
Taxes Receivable	13,413,981	13,530,406	13,413,981	13,530,406
Allowance for Uncollectible Taxes	(692,904)	(684,631)	(692,904)	(684,631)
Total Assets	<u>\$ 33,124,141</u>	<u>\$ 175,087,932</u>	<u>\$ 174,985,794</u>	<u>\$ 33,226,279</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 19	\$ 0	\$ 19
Accrued Payroll	0	250	0	250
Due to Other Taxing Units	23,671,272	108,782,801	107,646,076	24,807,997
Due to Joint Ventures	11,828	0	455	11,373
Due to Litigants, Heirs, and Others	9,441,041	66,304,862	67,339,263	8,406,640
Total Liabilities	<u>\$ 33,124,141</u>	<u>\$ 175,087,932</u>	<u>\$ 174,985,794</u>	<u>\$ 33,226,279</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 214,997,362	\$ 239,601	\$ 11,724,325	\$ 0	\$ (203,033,436)
Support Services	115,179,260	56,408	1,110,914	605,448	(113,406,490)
Operation of Non-instructional Services	19,262,342	6,472,978	10,623,991	0	(2,165,373)
Total Governmental Activities	\$ 349,438,964	\$ 6,768,987	\$ 23,459,230	\$ 605,448	\$ (318,605,299)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 79,583,604
Payments in-Lieu-of Tax					987,270
Local Option Sales Tax					54,869,944
Wheel Tax					3,787,060
Business Tax					2,272,193
Mixed Drink Tax					402,662
Interstate Telecommunications Tax					18,733
Grants and Contributions Not Restricted for Specific Programs					186,631,842
Unrestricted Investment Income					157,291
Miscellaneous					51,106
Total General Revenues					\$ 328,761,705
Change in Net Position					\$ 10,156,406
Net Position, July 1, 2015					403,699,387
Net Position, June 30, 2016					\$ 413,855,793

Exhibit K-2

Rutherford County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Rutherford County School Department
 June 30, 2016

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 9,422	\$ 1,302,578	\$ 1,312,000
Equity in Pooled Cash and Investments	63,378,403	18,402,892	81,781,295
Inventories	0	179,964	179,964
Accounts Receivable	127,718	1,252	128,970
Due from Other Governments	9,867,303	1,489,211	11,356,514
Property Taxes Receivable	76,612,204	4,165,893	80,778,097
Allowance for Uncollectible Property Taxes	(3,876,538)	(206,250)	(4,082,788)
Prepaid Items	6,170	0	6,170
Total Assets	\$ 146,124,682	\$ 25,335,540	\$ 171,460,222
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,893,285	\$ 121,449	\$ 4,014,734
Accrued Payroll	22,897,628	751,102	23,648,730
Payroll Deductions Payable	5,158	0	5,158
Due to Primary Government	226,986	0	226,986
Total Liabilities	\$ 27,023,057	\$ 872,551	\$ 27,895,608
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 71,797,797	\$ 3,918,574	\$ 75,716,371
Deferred Delinquent Property Taxes	814,734	35,676	850,410
Other Deferred/Unavailable Revenue	4,588,898	0	4,588,898
Total Deferred Inflows of Resources	\$ 77,201,429	\$ 3,954,250	\$ 81,155,679
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 179,964	\$ 179,964
Prepaid Items	6,170	0	6,170
Restricted:			
Restricted for Education	413,704	4,338,498	4,752,202
Restricted for Capital Projects	120,000	14,990,277	15,110,277
Committed:			
Committed for Education	0	1,000,000	1,000,000
Assigned:			
Assigned for Education	7,867,695	0	7,867,695
Unassigned	33,492,627	0	33,492,627
Total Fund Balances	\$ 41,900,196	\$ 20,508,739	\$ 62,408,935
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 146,124,682	\$ 25,335,540	\$ 171,460,222

Exhibit K-3

Rutherford County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Discretely Presented Rutherford County School Department

June 30, 2016

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$ 62,408,935
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 17,634,620	
Add: construction in progress	16,428,189	
Add: buildings and improvements net of accumulated depreciation	397,560,809	
Add: intangible assets net of accumulated depreciation	89,844	
Add: other capital assets net of accumulated depreciation	<u>6,692,649</u>	438,406,111
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for notes	\$ (130,976)	
Less: contributions due on primary government debt for capital lease	(779,706)	
Less: other postemployment benefits liability	(76,719,616)	
Less: compensated absences payable	(1,345,937)	
Less: pension liability	<u>(1,605,831)</u>	(80,582,066)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 21,474,286	
Less: deferred inflows of resources related to pensions	<u>(37,339,540)</u>	(15,865,254)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: agent plan	\$ 3,895,613	
Add: teacher retirement plan	<u>153,146</u>	4,048,759
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>5,439,308</u>
Net position of governmental activities (Exhibit A)		<u>\$ 413,855,793</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, 2016

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 138,095,356	\$ 3,435,950	\$ 141,531,306
Licenses and Permits	12,343	0	12,343
Charges for Current Services	187,621	6,472,978	6,660,599
Other Local Revenues	599,722	7,304	607,026
State of Tennessee	184,075,616	726,345	184,801,961
Federal Government	1,667,394	23,873,110	25,540,504
Total Revenues	\$ 324,638,052	\$ 34,515,687	\$ 359,153,739
<u>Expenditures</u>			
Current:			
Instruction	\$ 210,712,471	\$ 8,800,491	\$ 219,512,962
Support Services	99,087,186	4,658,194	103,745,380
Operation of Non-Instructional Services	2,399,819	16,926,852	19,326,671
Capital Outlay	49,776	0	49,776
Debt Service:			
Other Debt Service	510,273	0	510,273
Capital Projects	0	23,634,592	23,634,592
Total Expenditures	\$ 312,759,525	\$ 54,020,129	\$ 366,779,654
Excess (Deficiency) of Revenues			
Over Expenditures	\$ 11,878,527	\$ (19,504,442)	\$ (7,625,915)
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 3,109	\$ 0	\$ 3,109
Transfers In	148,041	0	148,041
Transfers Out	0	(148,041)	(148,041)
Total Other Financing Sources (Uses)	\$ 151,150	\$ (148,041)	\$ 3,109
Net Change in Fund Balances	\$ 12,029,677	\$ (19,652,483)	\$ (7,622,806)
Fund Balance, July 1, 2015	29,870,519	40,161,222	70,031,741
Fund Balance, June 30, 2016	\$ 41,900,196	\$ 20,508,739	\$ 62,408,935

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, 2016

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (7,622,806)
(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	\$ 21,387,689	
Less: current-year depreciation expense	<u>(13,646,252)</u>	7,741,437
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 45,859	
Less: book value of capital assets disposed	<u>(8,001)</u>	37,858
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 5,439,308	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(5,042,414)</u>	396,894
(4) The contributions of long-term debt (e.g., notes and lease) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal contributions on notes to primary government	\$ 267,998	
Add: principal contributions on lease to primary government	<u>205,005</u>	473,003
(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 other postemployment benefits liability	\$ (7,967,364)	
Change in compensated absences payable	(4,406)	
Change in net pension asset - agent pension plan	(2,582,754)	
Change in net pension asset - teacher retirement pension plan	153,146	
Change in net pension liability - teacher legacy pension plan	(2,229,407)	
Change in deferred outflows of resources related to pensions	742,145	
Change in deferred inflows of resources related to pensions	<u>21,018,660</u>	<u>9,130,020</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 10,156,406</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2016

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,302,578	\$ 1,302,578	\$ 0
Equity in Pooled Cash and Investments	527,149	2,893,675	3,420,824	2,609,196
Inventories	0	179,964	179,964	0
Accounts Receivable	0	730	730	522
Due from Other Governments	1,353,876	133,041	1,486,917	2,294
Property Taxes Receivable	0	0	0	4,165,893
Allowance for Uncollectible Property Taxes	0	0	0	(206,250)
Total Assets	<u>\$ 1,881,025</u>	<u>\$ 4,509,988</u>	<u>\$ 6,391,013</u>	<u>\$ 6,571,655</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 121,347	\$ 102	\$ 121,449	\$ 0
Accrued Payroll	750,580	522	751,102	0
Total Liabilities	<u>\$ 871,927</u>	<u>\$ 624</u>	<u>\$ 872,551</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 3,918,574
Deferred Delinquent Property Taxes	0	0	0	35,676
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,954,250</u>

(Continued)

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department (Cont.)

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 179,964	\$ 179,964	\$ 0
Restricted:				
Restricted for Education	9,098	4,329,400	4,338,498	0
Restricted for Capital Projects	0	0	0	2,617,405
Committed:				
Committed for Education	1,000,000	0	1,000,000	0
Total Fund Balances	<u>\$ 1,009,098</u>	<u>\$ 4,509,364</u>	<u>\$ 5,518,462</u>	<u>\$ 2,617,405</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,881,025</u>	<u>\$ 4,509,988</u>	<u>\$ 6,391,013</u>	<u>\$ 6,571,655</u>

(Continued)

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 1,302,578
Equity in Pooled Cash and Investments	12,372,872	14,982,068	18,402,892
Inventories	0	0	179,964
Accounts Receivable	0	522	1,252
Due from Other Governments	0	2,294	1,489,211
Property Taxes Receivable	0	4,165,893	4,165,893
Allowance for Uncollectible Property Taxes	0	(206,250)	(206,250)
Total Assets	\$ 12,372,872	\$ 18,944,527	\$ 25,335,540
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 121,449
Accrued Payroll	0	0	751,102
Total Liabilities	\$ 0	\$ 0	\$ 872,551
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 3,918,574	\$ 3,918,574
Deferred Delinquent Property Taxes	0	35,676	35,676
Total Deferred Inflows of Resources	\$ 0	\$ 3,954,250	\$ 3,954,250

(Continued)

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department (Cont.)

FUND BALANCES

Nonspendable:

Inventory

Restricted:

Restricted for Education

Restricted for Capital Projects

Committed:

Committed for Education

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>		Total
<u>Other</u>		<u>Nonmajor</u>
<u>Capital</u>		<u>Governmental</u>
<u>Projects</u>	<u>Total</u>	<u>Funds</u>
\$ 0	\$ 0	\$ 179,964
0	0	4,338,498
12,372,872	14,990,277	14,990,277
0	0	1,000,000
<u>\$ 12,372,872</u>	<u>\$ 14,990,277</u>	<u>\$ 20,508,739</u>
<u>\$ 12,372,872</u>	<u>\$ 18,944,527</u>	<u>\$ 25,335,540</u>

Exhibit K-7

Rutherford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2016

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 3,435,950
Charges for Current Services	0	6,472,978	6,472,978	0
Other Local Revenues	0	7,304	7,304	0
State of Tennessee	0	166,756	166,756	0
Federal Government	13,446,357	10,426,753	23,873,110	0
Total Revenues	<u>\$ 13,446,357</u>	<u>\$ 17,073,791</u>	<u>\$ 30,520,148</u>	<u>\$ 3,435,950</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 8,800,491	\$ 0	\$ 8,800,491	\$ 0
Support Services	4,524,658	66,029	4,590,687	67,507
Operation of Non-Instructional Services	0	16,926,852	16,926,852	0
Capital Projects	0	0	0	2,968,737
Total Expenditures	<u>\$ 13,325,149</u>	<u>\$ 16,992,881</u>	<u>\$ 30,318,030</u>	<u>\$ 3,036,244</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 121,208</u>	<u>\$ 80,910</u>	<u>\$ 202,118</u>	<u>\$ 399,706</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (112,110)	\$ (35,931)	\$ (148,041)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (112,110)</u>	<u>\$ (35,931)</u>	<u>\$ (148,041)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 9,098	\$ 44,979	\$ 54,077	\$ 399,706
Fund Balance, July 1, 2015	1,000,000	4,464,385	5,464,385	2,217,699
Fund Balance, June 30, 2016	<u>\$ 1,009,098</u>	<u>\$ 4,509,364</u>	<u>\$ 5,518,462</u>	<u>\$ 2,617,405</u>

(Continued)

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 (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 3,435,950	\$ 3,435,950
Charges for Current Services	0	0	6,472,978
Other Local Revenues	0	0	7,304
State of Tennessee	559,589	559,589	726,345
Federal Government	0	0	23,873,110
Total Revenues	<u>\$ 559,589</u>	<u>\$ 3,995,539</u>	<u>\$ 34,515,687</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 0	\$ 0	\$ 8,800,491
Support Services	0	67,507	4,658,194
Operation of Non-Instructional Services	0	0	16,926,852
Capital Projects	20,665,855	23,634,592	23,634,592
Total Expenditures	<u>\$ 20,665,855</u>	<u>\$ 23,702,099</u>	<u>\$ 54,020,129</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (20,106,266)</u>	<u>\$ (19,706,560)</u>	<u>\$ (19,504,442)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ 0	\$ 0	\$ (148,041)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (148,041)</u>
Net Change in Fund Balances	\$ (20,106,266)	\$ (19,706,560)	\$ (19,652,483)
Fund Balance, July 1, 2015	32,479,138	34,696,837	40,161,222
Fund Balance, June 30, 2016	<u>\$ 12,372,872</u>	<u>\$ 14,990,277</u>	<u>\$ 20,508,739</u>

Exhibit K-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
General Purpose School Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 138,095,356	\$ 0	\$ 0	\$ 138,095,356	\$ 131,206,284	\$ 135,825,531	\$ 2,269,825
Licenses and Permits	12,343	0	0	12,343	11,500	11,500	843
Charges for Current Services	187,621	0	0	187,621	168,487	168,487	19,134
Other Local Revenues	599,722	0	0	599,722	119,559	370,579	229,143
State of Tennessee	184,075,616	0	0	184,075,616	181,381,139	183,059,049	1,016,567
Federal Government	1,667,394	0	0	1,667,394	1,231,231	1,709,250	(41,856)
Total Revenues	\$ 324,638,052	\$ 0	\$ 0	\$ 324,638,052	\$ 314,118,200	\$ 321,144,396	\$ 3,493,656
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 171,729,002	\$ (50,653)	\$ 1,128,434	\$ 172,806,783	\$ 178,993,196	\$ 179,421,654	\$ 6,614,871
Alternative Instruction Program	1,929,305	0	0	1,929,305	1,855,665	1,974,772	45,467
Special Education Program	24,954,928	0	0	24,954,928	26,770,342	27,008,208	2,053,280
Vocational Education Program	11,739,164	(20,060)	51,364	11,770,468	12,344,024	12,431,493	661,025
Adult Education Program	360,072	0	1,406	361,478	535,736	578,164	216,686
<u>Support Services</u>							
Attendance	734,537	(3,449)	3,707	734,795	746,038	762,061	27,266
Health Services	4,021,955	0	0	4,021,955	4,089,375	4,139,561	117,606
Other Student Support	7,859,110	(1,541)	222,740	8,080,309	8,621,418	8,494,807	414,498
Regular Instruction Program	10,410,319	(19,628)	29,486	10,420,177	10,653,069	10,732,970	312,793
Alternative Instruction Program	795,242	(153)	100	795,189	802,823	834,838	39,649
Special Education Program	1,287,481	(260)	498	1,287,719	1,302,205	1,393,647	105,928
Vocational Education Program	247,096	(445)	15,749	262,400	242,515	277,188	14,788
Adult Programs	95,999	0	0	95,999	120,684	123,672	27,673
Board of Education	6,616,927	0	3,550	6,620,477	6,493,208	7,302,734	682,257
Director of Schools	720,290	(24,341)	25,577	721,526	765,358	768,386	46,860
Office of the Principal	17,624,503	(8,476)	1,320	17,617,347	17,909,174	18,164,949	547,602
Fiscal Services	920,576	0	2,954	923,530	953,920	963,780	40,250
Human Services/Personnel	554,093	(2,988)	0	551,105	562,703	573,811	22,706

(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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 21,950,289	\$ (23,030)	\$ 28,010	\$ 21,955,269	\$ 23,387,401	\$ 23,633,132	\$ 1,677,863
Maintenance of Plant	6,837,397	(157,848)	110,198	6,789,747	6,978,303	7,009,575	219,828
Transportation	15,960,538	(3,150)	0	15,957,388	16,446,914	16,400,920	443,532
Central and Other	2,450,834	(39,457)	43,165	2,454,542	2,453,127	2,614,378	159,836
<u>Operation of Non-Instructional Services</u>							
Community Services	36,201	0	0	36,201	35,000	54,520	18,319
Early Childhood Education	2,363,618	0	0	2,363,618	2,453,021	2,507,157	143,539
<u>Capital Outlay</u>							
Regular Capital Outlay	49,776	(2,000)	0	47,776	75,000	75,000	27,224
<u>Principal on Debt</u>							
Education	0	0	0	0	515,287	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	38,532	0	0
<u>Other Debt Service</u>							
Education	510,273	0	0	510,273	0	553,819	43,546
Total Expenditures	\$ 312,759,525	\$ (357,479)	\$ 1,668,258	\$ 314,070,304	\$ 326,144,038	\$ 328,795,196	\$ 14,724,892
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,878,527	\$ 357,479	\$ (1,668,258)	\$ 10,567,748	\$ (12,025,838)	\$ (7,650,800)	\$ 18,218,548
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,109	\$ 0	\$ 0	\$ 3,109	\$ 0	\$ 3,109	\$ 0
Transfers In	148,041	0	0	148,041	200,000	200,000	(51,959)
Total Other Financing Sources	\$ 151,150	\$ 0	\$ 0	\$ 151,150	\$ 200,000	\$ 203,109	\$ (51,959)
Net Change in Fund Balance	\$ 12,029,677	\$ 357,479	\$ (1,668,258)	\$ 10,718,898	\$ (11,825,838)	\$ (7,447,691)	\$ 18,166,589
Fund Balance, July 1, 2015	29,870,519	(357,479)	0	29,513,040	29,155,702	29,155,702	357,338
Fund Balance, June 30, 2016	\$ 41,900,196	\$ 0	\$ (1,668,258)	\$ 40,231,938	\$ 17,329,864	\$ 21,708,011	\$ 18,523,927

Exhibit K-9

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Rutherford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 13,446,357	\$ 13,681,837	\$ 15,401,999	\$ (1,955,642)
Total Revenues	\$ 13,446,357	\$ 13,681,837	\$ 15,401,999	\$ (1,955,642)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,114,655	\$ 4,145,723	\$ 4,366,740	\$ 252,085
Alternative Instruction Program	4,900	0	4,900	0
Special Education Program	4,096,252	4,092,959	4,707,219	610,967
Vocational Education Program	584,684	530,631	585,238	554
<u>Support Services</u>				
Health Services	250,804	253,890	253,820	3,016
Other Student Support	967,380	1,131,658	1,330,345	362,965
Regular Instruction Program	1,270,845	1,333,315	1,757,309	486,464
Special Education Program	1,721,612	1,656,426	1,915,205	193,593
Vocational Education Program	7,653	3,300	7,653	0
Transportation	306,364	396,507	339,660	33,296
Total Expenditures	\$ 13,325,149	\$ 13,544,409	\$ 15,268,089	\$ 1,942,940
Excess (Deficiency) of Revenues Over Expenditures	\$ 121,208	\$ 137,428	\$ 133,910	\$ (12,702)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (112,110)	\$ (137,430)	\$ (133,910)	\$ 21,800
Total Other Financing Sources	\$ (112,110)	\$ (137,430)	\$ (133,910)	\$ 21,800
Net Change in Fund Balance	\$ 9,098	\$ (2)	\$ 0	\$ 9,098
Fund Balance, July 1, 2015	1,000,000	787,711	787,711	212,289
Fund Balance, June 30, 2016	\$ 1,009,098	\$ 787,709	\$ 787,711	\$ 221,387

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 6,472,978	\$ 0	\$ 0	\$ 6,472,978	\$ 6,323,699	\$ 6,373,699	\$ 99,279
Other Local Revenues	7,304	0	0	7,304	3,750	4,800	2,504
State of Tennessee	166,756	0	0	166,756	184,753	184,753	(17,997)
Federal Government	10,426,753	0	0	10,426,753	10,013,340	10,229,772	196,981
Total Revenues	\$ 17,073,791	\$ 0	\$ 0	\$ 17,073,791	\$ 16,525,542	\$ 16,793,024	\$ 280,767
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 66,029	\$ 0	\$ 0	\$ 66,029	\$ 66,300	\$ 66,300	\$ 271
<u>Operation of Non-Instructional Services</u>							
Food Service	16,926,852	(9,737)	37,732	16,954,847	17,383,693	17,651,175	696,328
Total Expenditures	\$ 16,992,881	\$ (9,737)	\$ 37,732	\$ 17,020,876	\$ 17,449,993	\$ 17,717,475	\$ 696,599
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,910	\$ 9,737	\$ (37,732)	\$ 52,915	\$ (924,451)	\$ (924,451)	\$ 977,366
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (35,931)	\$ 0	\$ 0	\$ (35,931)	\$ (56,000)	\$ (56,000)	\$ 20,069
Total Other Financing Sources	\$ (35,931)	\$ 0	\$ 0	\$ (35,931)	\$ (56,000)	\$ (56,000)	\$ 20,069
Net Change in Fund Balance	\$ 44,979	\$ 9,737	\$ (37,732)	\$ 16,984	\$ (980,451)	\$ (980,451)	\$ 997,435
Fund Balance, July 1, 2015	4,464,385	(9,737)	0	4,454,648	4,454,648	4,454,648	0
Fund Balance, June 30, 2016	\$ 4,509,364	\$ 0	\$ (37,732)	\$ 4,471,632	\$ 3,474,197	\$ 3,474,197	\$ 997,435

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,435,950	\$ 0	\$ 0	\$ 3,435,950	\$ 3,301,387	\$ 3,301,387	\$ 134,563
Total Revenues	\$ 3,435,950	\$ 0	\$ 0	\$ 3,435,950	\$ 3,301,387	\$ 3,301,387	\$ 134,563
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 67,507	\$ 0	\$ 0	\$ 67,507	\$ 81,721	\$ 81,721	\$ 14,214
<u>Capital Projects</u>							
Education Capital Projects	2,968,737	(184,534)	302,138	3,086,341	3,833,049	3,833,049	746,708
Total Expenditures	\$ 3,036,244	\$ (184,534)	\$ 302,138	\$ 3,153,848	\$ 3,914,770	\$ 3,914,770	\$ 760,922
Excess (Deficiency) of Revenues Over Expenditures	\$ 399,706	\$ 184,534	\$ (302,138)	\$ 282,102	\$ (613,383)	\$ (613,383)	\$ 895,485
Net Change in Fund Balance	\$ 399,706	\$ 184,534	\$ (302,138)	\$ 282,102	\$ (613,383)	\$ (613,383)	\$ 895,485
Fund Balance, July 1, 2015	2,217,699	(184,534)	0	2,033,165	2,278,989	2,278,989	(245,824)
Fund Balance, June 30, 2016	\$ 2,617,405	\$ 0	\$ (302,138)	\$ 2,315,267	\$ 1,665,606	\$ 1,665,606	\$ 649,661

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2016

Private-
Purpose
Trust
Fund

Endowment
Fund

ASSETS

Equity in Pooled Cash and Investments	\$ 28,783
Total Assets	<u>\$ 28,783</u>

NET POSITION

Held in Trust for Scholarships	<u><u>\$ 28,783</u></u>
--------------------------------	-------------------------

Exhibit K-13

Rutherford County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
For the Year Ended June 30, 2016

	Private- Purpose Trust Fund <hr/> Endowment Fund <hr/>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 205
Total Additions	<hr/> \$ 205 <hr/>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 205
Total Deductions	<hr/> \$ 205 <hr/>
Change in Net Position	\$ 0
Net Position, July 1, 2015	<hr/> 28,783 <hr/>
Net Position, June 30, 2016	<hr/> \$ 28,783 <hr/>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-16
<u>NOTES PAYABLE</u>								
<u>Payable by School Department Contributions</u> <u>from the General Purpose School Fund to</u> <u>the General Debt Service Fund</u>								
Energy Efficient Note	\$ 1,109,188	3	%	7-22-10	4-1-16	\$ 196,574	\$ 0	\$ 196,574
Energy Efficient Note	500,000	0		7-22-10	4-1-18	202,400	0	71,424
Total Notes Payable					\$ 398,974	\$ 0	\$ 267,998	\$ 130,976
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Data Processing Equipment	340,973	0		9-10-14	6-30-16	\$ 113,658	\$ 0	\$ 113,658
<u>Payable by School Department Contributions</u> <u>from the General Purpose School Fund to</u> <u>the General Debt Service Fund</u>								
Energy Efficient Water Upgrade	1,461,013	3.7		6-15-12	7-15-19	984,711	0	205,005
Total Capital Lease Payable					\$ 1,098,369	\$ 0	\$ 318,663	\$ 779,706
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bonds	64,220,000	4.375 to 5		6-1-06	6-1-16	\$ 2,345,000	\$ 0	\$ 2,345,000
School Facilities and Public Improvement	42,700,000	4.17		10-24-07	4-1-18	5,620,000	0	1,900,000
School Facilities and Public Improvement	41,325,000	3.67		5-28-09	6-30-29	32,100,000	0	1,760,000
Refunding Bonds	88,800,000	2.48		9-28-10	4-1-26	83,950,000	0	6,265,000
Refunding Bonds	41,875,000	2.037		1-7-11	4-1-20	11,470,000	0	4,755,000
School Facilities, Public Improvement and Refunding	69,280,000	2.4245		2-15-12	4-1-32	61,810,000	0	2,660,000

(Continued)

Exhibit L-1

Rutherford County, Tennessee

Schedule of Changes in Long-term Notes, Capital Leases, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-16
<u>BONDS PAYABLE (CONT.)</u>									
Refunding Bonds	\$ 38,410,000	2.4214	%	2-27-13	4-1-30	\$ 38,410,000	\$ 0	\$ 0	\$ 38,410,000
Refunding Bonds	27,290,000	1.5833		2-27-13	4-1-21	26,855,000	0	230,000	26,625,000
School Facilities, Public Improvement and Refunding	31,000,000	2.8396		6-12-14	4-1-34	30,250,000	0	1,140,000	29,110,000
Public Improvements	2,570,000	3.6776		6-12-14	4-1-34	2,570,000	0	0	2,570,000
Refunding Bonds	6,596,175	2.8757		5-14-15	3-31-16	6,596,175	0	6,596,175	0
School Facilities, Public Improvement	33,863,825	2.8757		5-14-15	4-1-35	33,863,825	0	778,825	33,085,000
Refunding Bonds	23,930,000	2.2522		5-14-15	4-1-28	23,930,000	0	0	23,930,000
Total Bonds Payable						<u>\$ 359,770,000</u>	<u>\$ 0</u>	<u>\$ 28,430,000</u>	<u>\$ 331,340,000</u>

Exhibit L-2

Rutherford County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Note		
	Principal	Interest	Total
2017	\$ 71,424	\$ 0	\$ 71,424
2018	59,552	0	59,552
Total	\$ 130,976	\$ 0	\$ 130,976

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2017	\$ 212,660	\$ 26,900	\$ 239,560
2018	220,602	18,959	239,561
2019	228,840	10,721	239,561
2020	117,604	2,178	119,782
Total	\$ 779,706	\$ 58,758	\$ 838,464

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 28,180,000	\$ 12,869,418	\$ 41,049,418
2018	29,235,000	11,882,684	41,117,684
2019	27,365,000	10,818,843	38,183,843
2020	26,560,000	9,702,539	36,262,539
2021	26,425,000	8,714,790	35,139,790
2022	23,635,000	7,627,426	31,262,426
2023	22,960,000	6,483,853	29,443,853
2024	18,995,000	5,447,076	24,442,076
2025	19,655,000	4,630,315	24,285,315
2026	20,290,000	3,922,352	24,212,352
2027	15,975,000	3,099,225	19,074,225

(Continued)

Exhibit L-2

Rutherford County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2028	\$ 16,445,000	\$ 2,500,181	\$ 18,945,181
2029	14,345,000	1,897,419	16,242,419
2030	11,840,000	1,397,457	13,237,457
2031	8,655,000	993,383	9,648,383
2032	8,970,000	700,981	9,670,981
2033	4,600,000	391,933	4,991,933
2034	4,760,000	238,477	4,998,477
2035	2,450,000	79,625	2,529,625
Total	<u>\$ 331,340,000</u>	<u>\$ 93,397,977</u>	<u>\$ 424,737,977</u>

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2016

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
State Treasurer's Investment Pool	various	none	varies	<u>\$ 7,315</u>
Total Investments				<u><u>\$ 7,315</u></u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2016

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-16
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	5-10-19	2 %	\$ 270,631
Construction/Renovations	Smyrna/Rutherford County Airport	2,570,000	4-17-14	4-1-34	3.6	2,541,250
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><u>\$ 4,632,666</u></u>

Exhibit L-5

Rutherford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2016

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Operations	\$ 200,000
Industrial Development Fund	General Debt Service Fund	Interest Payments	81,775
General Capital Projects Fund	General Fund	Operations	149,688
Drug Control Fund	General Fund	"	82,886
Worker's Compensation Fund	General Fund	"	274,864
Employee Insurance Fund	General Fund	"	<u>274,864</u>
Total Transfers Primary Government			<u><u>\$ 1,064,077</u></u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	\$ 112,110
Central Cafeteria	"	Salaries and maintenance	<u>35,931</u>
Total Transfers Discretely Presented Rutherford County School Department			<u><u>\$ 148,041</u></u>

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, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 130,776	\$ 100,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	124,549	100,000	"
Director of Schools	State Board of Education and Local Board of Education	147,629 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	102,933	11,761,641	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	102,933	60,000	"
Director of Finance	County Commission	120,770 (2)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	102,933	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> and County Commission	113,226 (3)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge and County Commission	102,933 (4)	100,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	102,933	100,000	Hartford Fire Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	124,549 (5)	100,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			475,000	Brit Global Specialty

(1) Includes a \$1,000 career ladder payment.

(2) Does not include longevity pay of \$475 and a salary supplement of \$1,800.

(3) Includes \$10,293 for serving more than one court.

(4) Does not include longevity pay of \$550.

(5) Does not include a law enforcement training supplement of \$600.

2+A1

Exhibit L-7

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2016

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 41,391,381	\$ 0	\$ 4,286,498	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	581,541	0	60,201	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	374,505	0	38,769	0	0	0
Interest and Penalty	132,473	0	13,713	0	0	0
Pickup Taxes	119,307	0	12,351	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,613	0	374	0	0	0
Payments in-Lieu-of Taxes - Other	8,002,990	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	821,185	2,463,555	0	0	0	0
Hotel/Motel Tax	2,061,330	0	0	0	0	0
Wheel Tax	3,342,166	0	0	0	0	0
Litigation Tax - General	254,307	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	571,816	0	0	0	0	0
Business Tax	1,218,644	0	126,233	0	0	0
Mixed Drink Tax	16,753	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	2,594,250	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	283,115	0	0	0	0	0
Wholesale Beer Tax	1,063,987	0	0	0	0	0
Interstate Telecommunications Tax	6,750	0	0	0	0	0
Total Local Taxes	\$ 62,840,113	\$ 2,463,555	\$ 4,538,139	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 277,896	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	28,446	0	0	0	0	0
Cable TV Franchise	992,837	0	0	0	0	0
<u>Permits</u>						
Building Permits	756,599	0	0	0	0	0
Plumbing Permits	85,760	0	0	0	0	0
Food Handling Permits	825	0	0	0	0	0
Other Permits	81,575	0	0	0	0	0
Total Licenses and Permits	\$ 2,223,938	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 37,213	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	446,286	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	63,625
Drug Court Fees	15,240	0	0	0	0	0
Jail Fees	203,075	0	0	0	0	0
Data Entry Fee - Circuit Court	4,704	0	0	0	0	0
<u>Criminal Court</u>						
Veterans Treatment Court Fees	672	0	0	0	0	0
DUI Treatment Fines	6,135	0	0	0	0	0
Data Entry Fee - Criminal Court	2,829	0	0	0	0	0
Victims Assistance Assessments	14,257	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	399,701	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>General Sessions Court (Cont.)</u>						
Game and Fish Fines	\$ 1,397	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	0	71,076
Drug Court Fees	57,788	0	0	0	0	0
Veterans Treatment Court Fees	14,224	0	0	0	0	0
DUI Treatment Fines	60,099	0	0	0	0	0
Data Entry Fee - General Sessions Court	81,967	0	0	0	0	0
Courtroom Security Fee	17,158	0	0	0	0	0
Victims Assistance Assessments	182,866	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	5,745	0	0	0	0	0
Drug Control Fines	249	0	0	0	0	0
Drug Court Fees	9,479	0	0	0	0	0
Jail Fees	526,765	0	0	0	0	0
Data Entry Fee - Juvenile Court	4,005	0	0	0	0	0
Courtroom Security Fee	1,738	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	19,935	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	78,731	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	17,523	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	6,048	0	0	0	0	392,892
Total Fines, Forfeitures, and Penalties	\$ 2,215,829	\$ 0	\$ 0	\$ 0	\$ 0	527,593

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 568,818	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	857,395	0	0	0	0
Patient Charges	47,473	0	7,246,296	0	0	0
Past Due Collections - Ambulance	0	0	87,785	0	0	0
Zoning Studies	79,600	0	0	0	0	0
Work Release Charges for Board	104,073	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	2,875
<u>Fees</u>						
Subdivision Lot Fees	174,000	0	0	0	0	0
Archives and Records Management Fee	131,711	0	0	0	0	0
Telephone Commissions	491,192	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	114,922	0	0	0	0	0
Probation Fees	234,991	0	0	0	0	0
Data Processing Fee - Sheriff	17,057	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,800	0	0	0	0	0
Data Processing Fee - County Clerk	30,876	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEA's	395,965	0	0	0	0	0
TBI Criminal Background Fee	48,495	0	0	0	0	0
Other Charges for Services	2,335	0	89,281	0	0	0
Total Charges for Current Services	\$ 1,880,490	\$ 1,426,213	\$ 7,423,362	\$ 0	\$ 0	\$ 2,875

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 332,266	\$ 0	\$ 0	\$ 87,562	\$ 210	\$ 2,410
Lease/Rentals	159,945	0	0	0	0	0
Sale of Materials and Supplies	6,349	0	3,550	0	0	0
Commissary Sales	285,534	0	0	0	0	0
Sale of Maps	17,750	0	0	0	0	0
Sale of Recycled Materials	15,935	339,010	0	0	0	0
Sale of Animals/Livestock	114,528	0	0	0	0	0
Miscellaneous Refunds	255,181	603	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	145,232	8,800	4,360	0	0	0
Damages Recovered from Individuals	80	0	0	0	0	0
Contributions and Gifts	62,497	0	7,100	0	0	0
Performance Bond Forfeitures	92,895	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	3,255	0	0	0	0	0
Total Other Local Revenues	\$ 1,491,447	\$ 348,413	\$ 15,010	\$ 87,562	\$ 210	\$ 2,410
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 802,940	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	650,000	0	0	0	0	0
Register	336,176	0	0	0	0	0
Trustee	5,094,940	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
County Clerk	1,515,400	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>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Clerk and Master	\$ 563,342	\$ 0	\$ 0	\$ 0	\$ 0	0
Register	903,285	0	0	0	0	0
Sheriff	72,100	0	0	0	0	0
Total Fees Received From County Officials	\$ 9,938,183	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	15,759	0	0	0	0
Other General Government Grants	104,744	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	135,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,837,996	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	0	95,100	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	0
Income Tax	255,879	0	0	0	0	0
Beer Tax	18,488	0	0	0	0	0
Vehicle Certificate of Title Fees	33,483	0	0	0	0	0
Alcoholic Beverage Tax	356,119	0	0	0	0	0
Emergency Hospital - Prisoners	63,491	0	0	0	0	0
Contracted Prisoner Boarding	4,275,865	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>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
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	570,435	0	0	0	0	0
Other State Revenues	267,706	314,756	0	0	0	0
Total State of Tennessee	\$ 7,943,370	\$ 425,615	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Title I Grants to Local Education Agencies	\$ 62,471	\$ 0	\$ 0	\$ 0	\$ 0	0
Community Development	1,980	0	0	0	0	0
Civil Defense Reimbursement	69,350	0	0	0	0	0
Disaster Relief	2,450	1,618	420	0	0	0
Homeland Security Grants	35,254	0	0	0	0	0
Law Enforcement Grants	30,955	0	0	0	0	0
Other Federal through State	181,463	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	36,521	0	0	0	0	0
Asset Forfeiture Funds	23,860	0	0	0	90,714	0
Other Direct Federal Revenue	947,884	0	0	0	0	0
Total Federal Government	\$ 1,392,188	\$ 1,618	\$ 420	\$ 0	\$ 90,714	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 8,603	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Other Governments (Cont.)</u>						
Contributions	\$ 52,289	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	512,301	0	0	0	0	0
<u>Other</u>						
Other	950	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 574,143</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 90,499,701</u>	<u>\$ 4,665,414</u>	<u>\$ 11,976,931</u>	<u>\$ 87,562</u>	<u>\$ 90,924</u>	<u>\$ 532,878</u>

(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	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 798,008	\$ 36,795,592	\$ 0	\$ 83,271,479
Trustee's Collections - Prior Year	0	11,212	516,952	0	1,169,906
Circuit Clerk/Clerk and Master Collections - Prior Years	0	7,220	332,911	0	753,405
Interest and Penalty	0	2,557	117,758	0	266,501
Pickup Taxes	0	2,300	106,056	0	240,014
Payments in-Lieu-of Taxes - T.V.A.	0	70	3,211	0	7,268
Payments in-Lieu-of Taxes - Other	0	0	0	0	8,002,990
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	821,185	0	0	4,105,925
Hotel/Motel Tax	0	0	0	0	2,061,330
Wheel Tax	0	3,342,166	0	0	6,684,332
Litigation Tax - General	0	0	631,567	0	885,874
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	634,761	0	634,761
Litigation Tax - Courthouse Security	0	0	0	0	571,816
Business Tax	0	23,519	1,086,254	0	2,454,650
Mixed Drink Tax	0	0	0	0	16,753
Mineral Severance Tax	0	432,554	0	0	432,554
Adequate Facilities/Development Tax	0	0	2,594,250	0	5,188,500
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	283,115
Wholesale Beer Tax	0	0	0	0	1,063,987
Interstate Telecommunications Tax	0	0	0	0	6,750
Total Local Taxes	\$ 0	\$ 5,440,791	\$ 42,819,312	\$ 0	\$ 118,101,910

(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	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	277,896
Animal Vaccination	0	0	0	0	28,446
Cable TV Franchise	0	0	0	0	992,837
<u>Permits</u>					
Building Permits	0	0	0	0	756,599
Plumbing Permits	0	0	0	0	85,760
Food Handling Permits	0	0	0	0	825
Other Permits	0	0	0	0	81,575
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	2,223,938
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	37,213
Officers Costs	0	0	0	0	446,286
Drug Control Fines	0	0	0	0	63,625
Drug Court Fees	0	0	0	0	15,240
Jail Fees	0	0	0	0	203,075
Data Entry Fee - Circuit Court	0	0	0	0	4,704
<u>Criminal Court</u>					
Veterans Treatment Court Fees	0	0	0	0	672
DUI Treatment Fines	0	0	0	0	6,135
Data Entry Fee - Criminal Court	0	0	0	0	2,829
Victims Assistance Assessments	0	0	0	0	14,257
<u>General Sessions Court</u>					
Fines	0	0	0	0	399,701

(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	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Game and Fish Fines	\$ 0	\$ 0	\$ 0	\$ 0	1,397
Drug Control Fines	0	0	0	0	71,076
Drug Court Fees	0	0	0	0	57,788
Veterans Treatment Court Fees	0	0	0	0	14,224
DUI Treatment Fines	0	0	0	0	60,099
Data Entry Fee - General Sessions Court	0	0	0	0	81,967
Courtroom Security Fee	0	0	0	0	17,158
Victims Assistance Assessments	0	0	0	0	182,866
<u>Juvenile Court</u>					
Fines	0	0	0	0	5,745
Drug Control Fines	0	0	0	0	249
Drug Court Fees	0	0	0	0	9,479
Jail Fees	0	0	0	0	526,765
Data Entry Fee - Juvenile Court	0	0	0	0	4,005
Courtroom Security Fee	0	0	0	0	1,738
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	19,935
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	78,731
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	17,523
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	398,940
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	2,743,422

(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	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	568,818
Surcharge - Host Agency	0	0	0	0	857,395
Patient Charges	0	0	0	0	7,293,769
Past Due Collections - Ambulance	0	0	0	0	87,785
Zoning Studies	0	0	0	0	79,600
Work Release Charges for Board	0	0	0	0	104,073
Other General Service Charges	0	0	0	0	2,875
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	174,000
Archives and Records Management Fee	0	0	0	0	131,711
Telephone Commissions	0	0	0	0	491,192
Constitutional Officers' Fees and Commissions	4,925,212	0	0	0	4,925,212
Data Processing Fee - Register	0	0	0	0	114,922
Probation Fees	0	0	0	0	234,991
Data Processing Fee - Sheriff	0	0	0	0	17,057
Sexual Offender Registration Fee - Sheriff	0	0	0	0	7,800
Data Processing Fee - County Clerk	0	0	0	0	30,876
<u>Education Charges</u>					
Contract for Administrative Services with Other LEA's	0	0	0	0	395,965
TBI Criminal Background Fee	0	0	0	0	48,495
Other Charges for Services	0	0	0	0	91,616
Total Charges for Current Services	\$ 4,925,212	\$ 0	\$ 0	\$ 0	15,658,152

(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	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 30,048	\$ 156,780	\$ 13	\$ 609,289
Lease/Rentals	0	0	144,150	0	304,095
Sale of Materials and Supplies	0	32,442	0	0	42,341
Commissary Sales	0	0	0	0	285,534
Sale of Maps	0	0	0	0	17,750
Sale of Recycled Materials	0	0	0	0	354,945
Sale of Animals/Livestock	0	0	0	0	114,528
Miscellaneous Refunds	0	0	0	0	255,784
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	158,392
Damages Recovered from Individuals	0	0	0	0	80
Contributions and Gifts	0	0	0	0	69,597
Performance Bond Forfeitures	0	0	0	0	92,895
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	3,255
Total Other Local Revenues	\$ 0	\$ 62,490	\$ 300,930	\$ 13	\$ 2,308,485
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 802,940
Circuit Court Clerk	0	0	0	0	650,000
Register	0	0	0	0	336,176
Trustee	0	0	0	0	5,094,940
<u>Fees In-Lieu-of Salary</u>					
County Clerk	0	0	0	0	1,515,400

(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	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary (Cont.)</u>					
Clerk and Master	\$ 0	\$ 0	\$ 0	\$ 0	563,342
Register	0	0	0	0	903,285
Sheriff	0	0	0	0	72,100
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	9,938,183
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	0	0	0	0	15,759
Other General Government Grants	0	0	0	0	104,744
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	135,000
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	1,837,996
<u>Public Works Grants</u>					
Bridge Program	0	29,400	0	0	29,400
Litter Program	0	0	0	0	95,100
<u>Other State Revenues</u>					
Flood Control	0	19,874	0	0	19,874
Income Tax	0	0	0	0	255,879
Beer Tax	0	0	0	0	18,488
Vehicle Certificate of Title Fees	0	0	0	0	33,483
Alcoholic Beverage Tax	0	0	0	0	356,119
Emergency Hospital - Prisoners	0	0	0	0	63,491
Contracted Prisoner Boarding	0	0	0	0	4,275,865

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Gasoline and Motor Fuel Tax	\$ 0	\$ 3,819,572	\$ 0	\$ 0	\$ 3,819,572
Petroleum Special Tax	0	189,481	0	0	189,481
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	14,182	0	0	584,617
Other State Revenues	0	0	0	0	582,462
Total State of Tennessee	\$ 0	\$ 4,072,509	\$ 0	\$ 0	\$ 12,441,494
<u>Federal Government</u>					
<u>Federal Through State</u>					
Title I Grants to Local Education Agencies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,471
Community Development	0	0	0	0	1,980
Civil Defense Reimbursement	0	0	0	0	69,350
Disaster Relief	0	70,573	0	0	75,061
Homeland Security Grants	0	0	0	0	35,254
Law Enforcement Grants	0	0	0	0	30,955
Other Federal through State	0	0	0	0	181,463
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	36,521
Asset Forfeiture Funds	0	0	0	0	114,574
Other Direct Federal Revenue	0	0	0	0	947,884
Total Federal Government	\$ 0	\$ 70,573	\$ 0	\$ 0	\$ 1,555,513
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,603

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Other Governments (Cont.)</u>					
Contributions	\$ 0	\$ 0	\$ 510,273	\$ 0	\$ 562,562
Contracted Services	0	0	0	0	512,301
<u>Other</u>					
Other	0	0	0	0	950
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 510,273</u>	<u>\$ 0</u>	<u>\$ 1,084,416</u>
Total	<u>\$ 4,925,212</u>	<u>\$ 9,646,363</u>	<u>\$ 43,630,515</u>	<u>\$ 13</u>	<u>\$ 166,055,513</u>

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, 2016

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 73,944,245	\$ 0	\$ 0	\$ 3,245,059	\$ 0	\$ 77,189,304
Trustee's Collections - Prior Year	1,038,536	0	0	45,578	0	1,084,114
Circuit Clerk/Clerk and Master Collections - Prior Years	668,673	0	0	29,351	0	698,024
Interest and Penalty	236,574	0	0	10,381	0	246,955
Pickup Taxes	213,063	0	0	9,350	0	222,413
Payments in-Lieu-of Taxes - T.V.A.	6,451	0	0	283	0	6,734
Payments in-Lieu-of Taxes - Local Utilities	987,270	0	0	0	0	987,270
<u>County Local Option Taxes</u>						
Local Option Sales Tax	54,615,844	0	0	0	0	54,615,844
Wheel Tax	3,787,060	0	0	0	0	3,787,060
Business Tax	2,176,245	0	0	95,948	0	2,272,193
Mixed Drink Tax	402,662	0	0	0	0	402,662
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	18,733	0	0	0	0	18,733
Total Local Taxes	\$ 138,095,356	\$ 0	\$ 0	\$ 3,435,950	\$ 0	\$ 141,531,306
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 12,343	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,343
Total Licenses and Permits	\$ 12,343	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,343
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 73,725	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,725

(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	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Tuition - Other	\$ 57,106	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,106
Lunch Payments - Children	0	0	4,891,373	0	0	4,891,373
Lunch Payments - Adults	0	0	200,432	0	0	200,432
Income from Breakfast	0	0	575,475	0	0	575,475
A la Carte Sales	0	0	805,698	0	0	805,698
Contract for Administrative Services with Other LEA's	18,945	0	0	0	0	18,945
Other Charges for Services	37,845	0	0	0	0	37,845
Total Charges for Current Services	<u>\$ 187,621</u>	<u>\$ 0</u>	<u>\$ 6,472,978</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,660,599</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 150,242	\$ 0	\$ 7,049	\$ 0	\$ 0	\$ 157,291
Sale of Materials and Supplies	89,825	0	0	0	0	89,825
E-Rate Funding	8,200	0	0	0	0	8,200
Miscellaneous Refunds	44,028	0	0	0	0	44,028
<u>Nonrecurring Items</u>						
Sale of Equipment	5,418	0	255	0	0	5,673
Contributions and Gifts	289,119	0	0	0	0	289,119
<u>Other Local Revenues</u>						
Other Local Revenues	12,890	0	0	0	0	12,890
Total Other Local Revenues	<u>\$ 599,722</u>	<u>\$ 0</u>	<u>\$ 7,304</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 607,026</u>

(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	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 179,173,260	\$ 0	\$ 0	\$ 0	\$ 0	\$ 179,173,260
Early Childhood Education	995,177	0	0	0	0	995,177
School Food Service	0	0	166,756	0	0	166,756
Energy Efficient School Initiative	0	0	0	0	559,589	559,589
Driver Education	277,540	0	0	0	0	277,540
Other State Education Funds	91,050	0	0	0	0	91,050
Career Ladder Program	665,500	0	0	0	0	665,500
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	2,396,047	0	0	0	0	2,396,047
Other State Grants	477,042	0	0	0	0	477,042
Total State of Tennessee	\$ 184,075,616	\$ 0	\$ 166,756	\$ 0	\$ 559,589	\$ 184,801,961
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 7,805,601	\$ 0	\$ 0	\$ 7,805,601
USDA - Commodities	0	0	345,886	0	0	345,886
Breakfast	0	0	2,254,566	0	0	2,254,566
USDA - Other	0	0	20,700	0	0	20,700
Vocational Education - Basic Grants to States	0	650,095	0	0	0	650,095
Title I Grants to Local Education Agencies	0	4,777,826	0	0	0	4,777,826
Special Education - Grants to States	869,269	6,974,650	0	0	0	7,843,919
Special Education Preschool Grants	0	101,250	0	0	0	101,250
English Language Acquisition Grants	0	236,609	0	0	0	236,609
Education for Homeless Children and Youth	0	188,536	0	0	0	188,536

(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	Special Revenue Funds		Capital Projects Funds		
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<hr/>						
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$	0	\$ 508,291	\$ 0	\$ 0	\$ 508,291
Other Federal through State		246,917	9,100	0	0	256,017
<u>Direct Federal Revenue</u>						
ROTC Reimbursement		551,208	0	0	0	551,208
Total Federal Government	\$	1,667,394	\$ 13,446,357	\$ 10,426,753	\$ 0	\$ 25,540,504
<hr/>						
Total	\$	324,638,052	\$ 13,446,357	\$ 17,073,791	\$ 3,435,950	\$ 559,589
						\$ 359,153,739

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	75,400	
Other Per Diem and Fees		74,700	
Social Security		8,416	
Employer Medicare		2,176	
Dues and Memberships		37,174	
Other Contracted Services		7,800	
Total County Commission			\$ 205,666

Board of Equalization

Board and Committee Members Fees	\$	2,100	
Social Security		130	
Employer Medicare		30	
Legal Notices, Recording, and Court Costs		421	
Total Board of Equalization			2,681

County Mayor/Executive

County Official/Administrative Officer	\$	130,776	
Assistant(s)		86,976	
Secretary(ies)		107,716	
Longevity Pay		1,575	
Social Security		18,995	
Pensions		38,035	
Employee and Dependent Insurance		26,507	
Disability Insurance		540	
Employer Medicare		4,620	
Communication		180	
Dues and Memberships		2,600	
Engineering Services		7,771	
Operating Lease Payments		7,560	
Legal Services		105,958	
Legal Notices, Recording, and Court Costs		6,210	
Maintenance Agreements		1,980	
Maintenance and Repair Services - Office Equipment		217	
Postal Charges		572	
Printing, Stationery, and Forms		486	
Office Supplies		2,955	
Other Charges		51,129	
Land		69,014	
Total County Mayor/Executive			672,372

Personnel Office

County Official/Administrative Officer	\$	99,373	
Assistant(s)		73,392	
Part-time Personnel		10,364	
Longevity Pay		175	
In-service Training		900	
Social Security		11,209	

(Continued)

Exhibit L-9

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

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

Pensions	\$	19,702	
Employee and Dependent Insurance		14,339	
Disability Insurance		317	
Unemployment Compensation		498	
Employer Medicare		2,621	
Communication		9	
Dues and Memberships		331	
Evaluation and Testing		41,726	
Maintenance Agreements		238	
Postal Charges		187	
Travel		1,172	
Other Contracted Services		31,414	
Gasoline		73	
Office Supplies		2,761	
Other Charges		5,289	
Total Personnel Office			\$ 316,090

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		39,526	
Longevity Pay		900	
Social Security		6,672	
Pensions		13,440	
Employee and Dependent Insurance		24,091	
Disability Insurance		206	
Employer Medicare		1,560	
Legal Services		102,575	
Total County Attorney			260,970

Election Commission

County Official/Administrative Officer	\$	92,640	
Part-time Personnel		21,810	
Longevity Pay		2,000	
Overtime Pay		537	
Other Salaries and Wages		253,550	
Election Commission		9,000	
Election Workers		116,539	
In-service Training		4,730	
Social Security		26,778	
Pensions		41,415	
Employee and Dependent Insurance		69,844	
Disability Insurance		635	
Employer Medicare		6,378	
Communication		1,905	
Data Processing Services		1,418	
Dues and Memberships		1,452	
Legal Notices, Recording, and Court Costs		11,012	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance Agreements	\$	21,168	
Postal Charges		21,750	
Printing, Stationery, and Forms		9,920	
Rentals		600	
Travel		5,006	
Data Processing Supplies		9,177	
Office Supplies		17,036	
Data Processing Equipment		25,855	
Furniture and Fixtures		2,620	
Office Equipment		355	
Total Election Commission			\$ 775,130

Register of Deeds

County Official/Administrative Officer	\$	52,252	
Deputy(ies)		291,761	
Longevity Pay		6,100	
In-service Training		554	
Social Security		41,122	
Pensions		82,729	
Employee and Dependent Insurance		151,353	
Disability Insurance		1,273	
Employer Medicare		9,617	
Communication		794	
Data Processing Services		28,863	
Maintenance Agreements		15,444	
Postal Charges		2,172	
Travel		600	
Data Processing Supplies		2,484	
Office Supplies		1,501	
Data Processing Equipment		3,704	
Total Register of Deeds			692,323

Planning

County Official/Administrative Officer	\$	84,438	
Assistant(s)		201,956	
Supervisor/Director		87,387	
Secretary(ies)		110,311	
Longevity Pay		1,675	
Board and Committee Members Fees		25,700	
In-service Training		4,195	
Social Security		30,741	
Pensions		57,792	
Employee and Dependent Insurance		82,776	
Disability Insurance		885	
Employer Medicare		7,189	
Communication		2,012	
Dues and Memberships		11,361	

(Continued)

Exhibit L-9

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

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

Legal Notices, Recording, and Court Costs	\$	3,263	
Maintenance Agreements		5,160	
Postal Charges		1,608	
Printing, Stationery, and Forms		60	
Data Processing Supplies		2,997	
Gasoline		4,005	
Office Supplies		5,681	
Periodicals		1,266	
Other Supplies and Materials		592	
Data Processing Equipment		23,392	
Total Planning			\$ 756,442

Codes Compliance

Communication	\$	387	
Total Codes Compliance			387

Geographical Information Systems

Data Processing Personnel	\$	235,452	
Part-time Personnel		27,813	
Longevity Pay		1,600	
Overtime Pay		3,740	
Social Security		16,029	
Pensions		28,708	
Employee and Dependent Insurance		38,558	
Disability Insurance		432	
Employer Medicare		3,749	
Data Processing Services		11,104	
Dues and Memberships		184	
Maintenance Agreements		385,008	
Postal Charges		1	
Travel		5,958	
Data Processing Supplies		8,035	
Data Processing Equipment		14,368	
Other Capital Outlay		402,120	
Total Geographical Information Systems			1,182,859

County Buildings

Assistant(s)	\$	50,036	
Supervisor/Director		72,113	
Clerical Personnel		33,534	
Custodial Personnel		97,636	
Maintenance Personnel		161,270	
Part-time Personnel		203,868	
Longevity Pay		2,975	
Overtime Pay		3,065	
Social Security		37,416	
Pensions		50,122	

(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.)

Employee and Dependent Insurance	\$	126,189	
Disability Insurance		968	
Employer Medicare		8,751	
Communication		47,122	
Contracts with Government Agencies		73,325	
Maintenance and Repair Services - Buildings		25,125	
Travel		4,725	
Other Contracted Services		80,796	
Custodial Supplies		42,448	
Gasoline		9,868	
Utilities		525,235	
Other Supplies and Materials		104,823	
Building Improvements		124,319	
Maintenance Equipment		5,853	
Total County Buildings			\$ 1,891,582

Other General Administration

Supervisor/Director	\$	77,090	
Teachers		100,958	
Salary Supplements		3,500	
Part-time Personnel		32,723	
Longevity Pay		1,300	
Social Security		11,112	
Pensions		21,807	
Employee and Dependent Insurance		17,851	
Disability Insurance		327	
Employer Medicare		3,073	
Communication		2	
Maintenance Agreements		829	
Riprap		3,020	
Other Supplies and Materials		1,623	
Total Other General Administration			275,215

Preservation of Records

County Official/Administrative Officer	\$	51,971	
Part-time Personnel		5,952	
Longevity Pay		200	
Social Security		3,386	
Pensions		6,221	
Employee and Dependent Insurance		16,100	
Disability Insurance		96	
Employer Medicare		792	
Communication		725	
Contracts with Government Agencies		2,500	
Dues and Memberships		550	
Maintenance Agreements		320	
Postal Charges		176	

(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.)

Office Supplies	\$	1,187	
Other Supplies and Materials		1,436	
Other Charges		28,029	
Total Preservation of Records			\$ 119,641

Risk Management

Supervisor/Director	\$	89,578	
Clerical Personnel		184,053	
Part-time Personnel		18,381	
Longevity Pay		1,825	
Other Salaries and Wages		95,025	
Board and Committee Members Fees		3,100	
Social Security		23,063	
Pensions		43,435	
Employee and Dependent Insurance		67,419	
Disability Insurance		663	
Employer Medicare		5,405	
Communication		1,053	
Maintenance Agreements		1,295	
Postal Charges		2,565	
Travel		2,160	
Other Contracted Services		17,000	
Gasoline		94	
Office Supplies		8,090	
Building and Contents Insurance		118,049	
Liability Insurance		413,869	
Other Charges		21,308	
Total Risk Management			1,117,430

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	120,770	
Accountants/Bookkeepers		559,274	
Salary Supplements		4,500	
Clerical Personnel		16,118	
Part-time Personnel		36,527	
Longevity Pay		5,050	
Overtime Pay		1,628	
Social Security		44,547	
Pensions		84,150	
Employee and Dependent Insurance		115,493	
Disability Insurance		1,250	
Employer Medicare		10,433	
Audit Services		78,781	
Communication		205	
Dues and Memberships		2,069	
Maintenance Agreements		1,560	

(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.)

Postal Charges	\$	11,515	
Travel		4,791	
Other Contracted Services		1,050	
Gasoline		212	
Office Supplies		13,988	
Office Equipment		4,149	
Total Accounting and Budgeting			\$ 1,118,060

Property Assessor's Office

County Official/Administrative Officer	\$	102,933	
Deputy(ies)		579,003	
Salary Supplements		5,000	
Part-time Personnel		3,003	
Longevity Pay		4,150	
In-service Training		4,153	
Social Security		40,911	
Pensions		81,174	
Employee and Dependent Insurance		148,983	
Disability Insurance		1,241	
Employer Medicare		9,612	
Communication		998	
Dues and Memberships		2,600	
Maintenance Agreements		26,602	
Postal Charges		12,347	
Travel		711	
Other Contracted Services		45,750	
Data Processing Supplies		300	
Office Supplies		8,804	
Other Supplies and Materials		1,955	
Data Processing Equipment		5,238	
Total Property Assessor's Office			1,085,468

Reappraisal Program

Deputy(ies)	\$	543,377	
Longevity Pay		3,175	
Social Security		32,364	
Pensions		65,171	
Employee and Dependent Insurance		141,774	
Disability Insurance		995	
Employer Medicare		7,569	
Communication		9,117	
Data Processing Services		127,441	
Maintenance and Repair Services - Equipment		269	
Postal Charges		9,813	
Data Processing Supplies		1,310	
Gasoline		5,553	
Other Supplies and Materials		4,253	
Data Processing Equipment		1,967	
Total Reappraisal Program			954,148

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

Communication	\$	480	
Data Processing Services		6,600	
Legal Notices, Recording, and Court Costs		315	
Maintenance Agreements		696	
Postal Charges		37,547	
Office Supplies		5,512	
Other Supplies and Materials		345	
Tax Relief Program		622,729	
Data Processing Equipment		4,966	
Total County Trustee's Office			\$ 679,190

County Clerk's Office

County Official/Administrative Officer	\$	52,252	
Deputy(ies)		713,095	
Part-time Personnel		5,238	
Longevity Pay		12,975	
Social Security		92,248	
Pensions		183,093	
Employee and Dependent Insurance		292,825	
Disability Insurance		2,817	
Employer Medicare		21,600	
Communication		10,919	
Data Processing Services		17,137	
Maintenance Agreements		3,833	
Maintenance and Repair Services - Equipment		1,016	
Postal Charges		65,202	
Travel		1,887	
Other Contracted Services		482	
Data Processing Supplies		14,934	
Gasoline		668	
Office Supplies		28,531	
Other Supplies and Materials		2,651	
Data Processing Equipment		61,802	
Office Equipment		4,486	
Total County Clerk's Office			1,589,691

Data Processing

County Official/Administrative Officer	\$	115,861
Data Processing Personnel		775,283
Part-time Personnel		25,030
Longevity Pay		2,625
Overtime Pay		4,861
Social Security		55,322
Pensions		107,117
Employee and Dependent Insurance		131,631
Disability Insurance		1,605
Employer Medicare		12,938

(Continued)

Exhibit L-9

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

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

Communication	\$	195,503	
Data Processing Services		170,954	
Dues and Memberships		2,422	
Maintenance Agreements		218,768	
Postal Charges		437	
Travel		7,777	
Data Processing Supplies		42,523	
Gasoline		595	
Data Processing Equipment		272,604	
Other Equipment		29,924	
Total Data Processing			\$ 2,173,780

Administration of JusticeCircuit Court

Jury and Witness Expense	\$	55,594	
Unemployment Compensation		2,870	
Communication		3,408	
Data Processing Services		89,309	
Legal Services		29,947	
Maintenance Agreements		19,243	
Maintenance and Repair Services - Office Equipment		455	
Postal Charges		31,155	
Office Supplies		46,719	
Other Charges		122,895	
Furniture and Fixtures		2,296	
Office Equipment		1,361	
Total Circuit Court			405,252

Circuit Court Judge

Assistant(s)	\$	53,507	
Deputy(ies)		136,005	
Longevity Pay		325	
Social Security		11,545	
Pensions		22,599	
Employee and Dependent Insurance		29,704	
Disability Insurance		356	
Employer Medicare		2,700	
Postal Charges		200	
Other Supplies and Materials		359	
Total Circuit Court Judge			257,300

General Sessions Court

Judge(s)	\$	483,524	
Assistant(s)		54,050	
Deputy(ies)		119,400	
Part-time Personnel		40,772	
Longevity Pay		3,125	

(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.)

Overtime Pay	\$	4,995	
Other Salaries and Wages		393,616	
Social Security		58,337	
Pensions		126,186	
Employee and Dependent Insurance		148,601	
Disability Insurance		1,648	
Unemployment Compensation		783	
Employer Medicare		15,516	
Communication		2,765	
Data Processing Services		16,800	
Dues and Memberships		3,905	
Evaluation and Testing		9,000	
Maintenance Agreements		2,181	
Postal Charges		69	
Travel		2,299	
Library Books/Media		2,062	
Office Supplies		10,026	
Uniforms		675	
Total General Sessions Court			\$ 1,500,335

Drug Court

Assistant(s)	\$	41,339	
Supervisor/Director		60,859	
Secretary(ies)		23,936	
Part-time Personnel		25,590	
Longevity Pay		500	
Other Salaries and Wages		179,801	
Social Security		19,675	
Pensions		36,521	
Employee and Dependent Insurance		77,076	
Disability Insurance		542	
Unemployment Compensation		1,345	
Employer Medicare		4,602	
Communication		2,915	
Dues and Memberships		75	
Licenses		1,010	
Maintenance Agreements		1,072	
Postal Charges		279	
Travel		317	
Gasoline		231	
Office Supplies		3,243	
Other Supplies and Materials		28,029	
In Service/Staff Development		3,046	
Total Drug Court			512,003

Chancery Court

County Official/Administrative Officer	\$	102,933	
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(Continued)

Exhibit L-9

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

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

Deputy(ies)	\$	462,163	
Attendants		33,927	
Part-time Personnel		29,292	
Longevity Pay		4,450	
Overtime Pay		2,050	
Jury and Witness Expense		759	
Social Security		38,250	
Pensions		72,078	
Employee and Dependent Insurance		109,124	
Disability Insurance		1,106	
Employer Medicare		8,946	
Communication		3,147	
Data Processing Services		19,607	
Dues and Memberships		1,005	
Maintenance Agreements		6,599	
Maintenance and Repair Services - Equipment		468	
Postal Charges		19,316	
Travel		650	
Other Contracted Services		894	
Office Supplies		19,038	
Other Supplies and Materials		299	
Data Processing Equipment		3,077	
Total Chancery Court			\$ 939,178

Juvenile Court

Judge(s)	\$	161,175	
Deputy(ies)		33,927	
Secretary(ies)		38,868	
Part-time Personnel		38,033	
Longevity Pay		150	
Other Salaries and Wages		91,792	
Social Security		19,797	
Pensions		38,978	
Employee and Dependent Insurance		22,527	
Disability Insurance		503	
Employer Medicare		5,211	
Communication		780	
Data Processing Services		4,315	
Dues and Memberships		3,014	
Maintenance Agreements		495	
Postal Charges		27	
Travel		1,639	
Other Contracted Services		51,730	
Library Books/Media		3,078	
Office Supplies		3,482	
Uniforms		103	
Other Supplies and Materials		3,098	
Data Processing Equipment		1,361	
Total Juvenile Court			524,083

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General

Assistant(s)	\$	66,651	
Longevity Pay		275	
Social Security		4,046	
Pensions		7,981	
Employee and Dependent Insurance		10,683	
Disability Insurance		122	
Employer Medicare		946	
Data Processing Services		4,315	
Dues and Memberships		400	
Total District Attorney General			\$ 95,419

Office of Public Defender

Assistant(s)	\$	54,628	
Social Security		3,294	
Pensions		6,514	
Employee and Dependent Insurance		5,872	
Disability Insurance		100	
Employer Medicare		770	
Dues and Memberships		400	
Postal Charges		410	
Total Office of Public Defender			71,988

Other Administration of Justice

Probation Officer(s)	\$	149,431	
Social Security		8,957	
Pensions		17,467	
Employee and Dependent Insurance		23,711	
Disability Insurance		255	
Employer Medicare		2,095	
Communication		576	
Contracts with Private Agencies		51,828	
Data Processing Services		1,079	
Maintenance Agreements		8,400	
Postal Charges		74	
Rentals		25,500	
Other Contracted Services		14,900	
Office Supplies		3,139	
Utilities		3,868	
Other Supplies and Materials		16,246	
Total Other Administration of Justice			327,526

Probation Services

County Official/Administrative Officer	\$	68,491	
Assistant(s)		51,321	
Youth Service Officer(s)		190,101	
Secretary(ies)		32,131	
Longevity Pay		1,975	

(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.)

In-service Training	\$	976	
Social Security		20,390	
Pensions		41,017	
Employee and Dependent Insurance		67,681	
Disability Insurance		628	
Employer Medicare		4,769	
Communication		1,257	
Contracts with Private Agencies		458,935	
Data Processing Services		9,115	
Maintenance Agreements		743	
Postal Charges		50	
Travel		3,861	
Office Supplies		1,254	
Other Supplies and Materials		860	
Total Probation Services			\$ 955,555

Victim Assistance Programs

Assistant(s)	\$	58,102	
Part-time Personnel		18,698	
Longevity Pay		75	
Other Salaries and Wages		76,268	
In-service Training		1,412	
Social Security		9,423	
Pensions		16,033	
Employee and Dependent Insurance		10,654	
Disability Insurance		247	
Employer Medicare		2,204	
Communication		679	
Dues and Memberships		410	
Maintenance Agreements		1,195	
Other Contracted Services		4,315	
Office Supplies		1,631	
Total Victim Assistance Programs			201,346

Public SafetySheriff's Department

County Official/Administrative Officer	\$	124,549	
Assistant(s)		515,757	
Deputy(ies)		44,434	
Detective(s)		1,129,786	
Captain(s)		269,753	
Lieutenant(s)		955,898	
Youth Service Officer(s)		2,047,070	
Sergeant(s)		1,822,052	
Accountants/Bookkeepers		264,754	
Data Processing Personnel		252,586	
Salary Supplements		126,600	

(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.)

Dispatchers/Radio Operators	\$	763,899	
Clerical Personnel		547,052	
Part-time Personnel		458,314	
Longevity Pay		65,575	
Overtime Pay		1,047,390	
Other Salaries and Wages		3,275,506	
In-service Training		163,447	
Social Security		818,728	
Pensions		1,575,322	
Employee and Dependent Insurance		2,623,382	
Disability Insurance		21,944	
Unemployment Compensation		473	
Employer Medicare		191,168	
Communication		289,210	
Contracts with Private Agencies		38,556	
Data Processing Services		192,505	
Dues and Memberships		9,389	
Maintenance Agreements		82,753	
Maintenance and Repair Services - Equipment		44,816	
Maintenance and Repair Services - Vehicles		99,463	
Postal Charges		10,103	
Printing, Stationery, and Forms		4,733	
Rentals		3,125	
Veterinary Services		4,533	
Other Contracted Services		9,309	
Animal Food and Supplies		11,476	
Data Processing Supplies		20,270	
Gasoline		453,315	
Instructional Supplies and Materials		13,089	
Law Enforcement Supplies		62,920	
Office Supplies		38,945	
Periodicals		7,078	
Uniforms		126,030	
Vehicle Parts		147,134	
Other Supplies and Materials		43,398	
Judgments		11,917	
Other Charges		5,204	
Communication Equipment		155,694	
Data Processing Equipment		139,983	
Law Enforcement Equipment		261,515	
Motor Vehicles		1,035,832	
Office Equipment		10,378	
Total Sheriff's Department			\$ 22,438,112
<u>Special Patrols</u>			
Nightwatchmen	\$	31,380	
Social Security		1,871	

(Continued)

Exhibit L-9

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

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

Pensions	\$	3,656	
Employer Medicare		438	
Total Special Patrols			\$ 37,345

Traffic Control

Utilities	\$	11,247	
Total Traffic Control			11,247

Administration of the Sexual Offender Registry

Longevity Pay	\$	400	
Overtime Pay		5,213	
Other Salaries and Wages		44,062	
Social Security		2,994	
Pensions		5,844	
Employee and Dependent Insurance		8,132	
Disability Insurance		77	
Employer Medicare		700	
Office Supplies		1,939	
Other Charges		2,450	
Total Administration of the Sexual Offender Registry			71,811

Jail

Assistant(s)	\$	70,917	
Captain(s)		122,031	
Lieutenant(s)		273,141	
Sergeant(s)		448,857	
Guards		3,972,000	
Clerical Personnel		43,827	
Maintenance Personnel		141,151	
Part-time Personnel		39,522	
Longevity Pay		22,475	
Overtime Pay		416,000	
Other Salaries and Wages		516,804	
In-service Training		16,170	
Social Security		355,484	
Pensions		716,104	
Employee and Dependent Insurance		1,341,807	
Disability Insurance		10,088	
Unemployment Compensation		866	
Employer Medicare		83,404	
Dues and Memberships		182	
Maintenance Agreements		52,930	
Maintenance and Repair Services - Buildings		175,409	
Maintenance and Repair Services - Equipment		33,953	
Printing, Stationery, and Forms		6,060	
Transportation - Other than Students		48,426	
Other Contracted Services		4,132,253	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Custodial Supplies	\$	109,845	
Data Processing Supplies		18,033	
Food Preparation Supplies		141,804	
Food Supplies		1,494,305	
Law Enforcement Supplies		10,126	
Office Supplies		11,752	
Prisoners Clothing		115,422	
Uniforms		53,951	
Utilities		609,985	
Other Supplies and Materials		6,785	
Building Improvements		398,653	
Communication Equipment		9,745	
Data Processing Equipment		132,362	
Maintenance Equipment		7,600	
Office Equipment		7,500	
Building Purchases		17,299	
Other Equipment		9,652	
Total Jail			\$ 16,194,680

Workhouse

County Official/Administrative Officer	\$	73,017
Captain(s)		67,087
Lieutenant(s)		50,636
Sergeant(s)		286,796
Guards		1,102,421
Secretary(ies)		32,372
Clerical Personnel		187,116
Part-time Personnel		12,988
Longevity Pay		5,675
Overtime Pay		98,593
Board and Committee Members Fees		4,000
In-service Training		18,609
Social Security		114,747
Pensions		226,118
Employee and Dependent Insurance		384,676
Disability Insurance		3,292
Unemployment Compensation		1,118
Employer Medicare		26,852
Communication		6,793
Contracts with Private Agencies		98,398
Dues and Memberships		629
Evaluation and Testing		303
Operating Lease Payments		780
Maintenance Agreements		22,600
Maintenance and Repair Services - Buildings		39,844
Maintenance and Repair Services - Equipment		17,183
Maintenance and Repair Services - Vehicles		7,982

(Continued)

Exhibit L-9

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

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

Medical and Dental Services	\$	1,149	
Postal Charges		1,853	
Travel		5,658	
Other Contracted Services		739,871	
Custodial Supplies		28,941	
Data Processing Supplies		4,033	
Drugs and Medical Supplies		747	
Equipment and Machinery Parts		1,811	
Gasoline		6,383	
Law Enforcement Supplies		4,923	
Office Supplies		6,156	
Prisoners Clothing		13,166	
Uniforms		8,235	
Utilities		233,879	
Other Supplies and Materials		19,916	
Total Workhouse			\$ 3,967,346

Juvenile Services

County Official/Administrative Officer	\$	75,580
Captain(s)		61,558
Lieutenant(s)		49,640
Sergeant(s)		238,548
Guards		233,722
Secretary(ies)		72,710
Attendants		502,841
Part-time Personnel		53,290
Longevity Pay		3,950
Overtime Pay		81,191
Other Salaries and Wages		41,608
In-service Training		5,475
Social Security		84,994
Pensions		159,990
Employee and Dependent Insurance		254,973
Disability Insurance		2,216
Unemployment Compensation		10,079
Employer Medicare		19,877
Communication		2,628
Data Processing Services		12,180
Dues and Memberships		335
Maintenance Agreements		7,145
Maintenance and Repair Services - Equipment		3,478
Maintenance and Repair Services - Vehicles		404
Medical and Dental Services		75,000
Postal Charges		344
Printing, Stationery, and Forms		1,372
Travel		2,511
Other Contracted Services		77,327

(Continued)

Exhibit L-9

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

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

Gasoline	\$	162	
Instructional Supplies and Materials		2,171	
Office Supplies		1,762	
Uniforms		2,958	
Other Supplies and Materials		33,367	
Other Charges		584	
Other Equipment		2,020	
Total Juvenile Services			\$ 2,177,990

Rural Fire Protection

County Official/Administrative Officer	\$	74,655
Salary Supplements		8,400
Educational Assistants		36,488
Longevity Pay		175
Overtime Pay		41,612
Other Salaries and Wages		571,494
Social Security		43,873
Pensions		87,108
Employee and Dependent Insurance		138,044
Disability Insurance		1,227
Employer Medicare		10,261
Communication		29,610
Contributions		2,000
Dues and Memberships		958
Evaluation and Testing		19,984
Maintenance Agreements		18,734
Maintenance and Repair Services - Buildings		22,722
Maintenance and Repair Services - Equipment		4,957
Maintenance and Repair Services - Vehicles		87,651
Pest Control		1,855
Postal Charges		77
Travel		4,541
Disposal Fees		62
Other Contracted Services		275,000
Custodial Supplies		3,609
Diesel Fuel		32,594
Drugs and Medical Supplies		4,432
Gasoline		6,745
Instructional Supplies and Materials		1,967
Office Supplies		4,253
Uniforms		22,107
Utilities		43,661
Other Supplies and Materials		37,519
Other Charges		17,500
Administration Equipment		50,271
Communication Equipment		2,418
Data Processing Equipment		772

(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.)

Furniture and Fixtures	\$	3,902	
Motor Vehicles		1,139,201	
Building Purchases		53,257	
Other Equipment		123,625	
Total Rural Fire Protection			\$ 3,029,321

Disaster Relief

County Official/Administrative Officer	\$	79,014	
Assistant(s)		62,987	
Supervisor/Director		48,824	
Secretary(ies)		42,347	
Part-time Personnel		3,592	
Longevity Pay		750	
In-service Training		495	
Social Security		13,794	
Pensions		27,538	
Employee and Dependent Insurance		47,473	
Disability Insurance		421	
Employer Medicare		3,278	
Communication		14,684	
Dues and Memberships		866	
Maintenance Agreements		44,480	
Maintenance and Repair Services - Buildings		7,070	
Maintenance and Repair Services - Equipment		2,809	
Maintenance and Repair Services - Vehicles		2,333	
Postal Charges		33	
Printing, Stationery, and Forms		175	
Rentals		10,950	
Travel		608	
Other Contracted Services		3,450	
Data Processing Supplies		425	
Diesel Fuel		116	
Electricity		15,491	
Gasoline		3,500	
Instructional Supplies and Materials		949	
Office Supplies		1,416	
Uniforms		3,610	
Other Supplies and Materials		6,186	
Building Improvements		42,336	
Communication Equipment		139,779	
Data Processing Equipment		12,524	
Furniture and Fixtures		370	
Motor Vehicles		34,255	
Other Equipment		22,759	
Total Disaster Relief			701,687

(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

County Official/Administrative Officer	\$	81,357	
Deputy(ies)		394,669	
Salary Supplements		5,000	
Clerical Personnel		117,585	
Longevity Pay		5,000	
Social Security		36,035	
Pensions		71,962	
Employee and Dependent Insurance		114,311	
Disability Insurance		1,096	
Employer Medicare		8,428	
Communication		6,966	
Dues and Memberships		1,470	
Maintenance Agreements		843	
Postal Charges		718	
Printing, Stationery, and Forms		925	
Travel		2,108	
Other Contracted Services		660	
Gasoline		7,505	
Office Supplies		5,850	
Uniforms		322	
Other Supplies and Materials		1,201	
In Service/Staff Development		2,738	
Data Processing Equipment		9,427	
Total Inspection and Regulation			\$ 876,176

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,150	
Other Salaries and Wages		222,185	
Social Security		13,208	
Pensions		26,607	
Employee and Dependent Insurance		66,552	
Disability Insurance		414	
Employer Medicare		3,089	
Communication		17,837	
Contracts with Government Agencies		125,623	
Contributions		39,187	
Maintenance and Repair Services - Buildings		8,545	
Maintenance and Repair Services - Equipment		2,495	
Travel		2,370	
Other Contracted Services		51,507	
Drugs and Medical Supplies		11,188	
Utilities		66,024	
Other Supplies and Materials		9,597	
Total Local Health Center			667,578

(Continued)

Exhibit L-9

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

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

County Official/Administrative Officer	\$	68,163	
Supervisor/Director		75,629	
Attendants		434,437	
Part-time Personnel		104,949	
Longevity Pay		1,200	
Overtime Pay		26,999	
Other Salaries and Wages		69,668	
Social Security		47,094	
Pensions		80,601	
Employee and Dependent Insurance		154,611	
Disability Insurance		1,190	
Unemployment Compensation		157	
Employer Medicare		11,014	
Advertising		8,180	
Communication		15,172	
Dues and Memberships		1,600	
Maintenance Agreements		15,581	
Maintenance and Repair Services - Buildings		13,185	
Maintenance and Repair Services - Vehicles		12,829	
Postal Charges		176	
Travel		7,045	
Veterinary Services		6,178	
Other Contracted Services		75,000	
Animal Food and Supplies		16,246	
Custodial Supplies		15,610	
Drugs and Medical Supplies		75,909	
Gasoline		22,802	
Office Supplies		9,748	
Uniforms		3,486	
Utilities		45,952	
Other Supplies and Materials		12,337	
Refunds		410	
Data Processing Equipment		31,239	
Motor Vehicles		23,329	
Building Purchases		3,200	
Other Equipment		23,190	
Total Rabies and Animal Control			\$ 1,514,116

Dental Health Program

Dues and Memberships	\$	400	
Medical and Dental Services		10,717	
Total Dental Health Program			11,117

Alcohol and Drug Programs

Contracts with Other Public Agencies	\$	13,294	
Travel		779	
Other Supplies and Materials		6,574	
Other Charges		84,712	
Total Alcohol and Drug Programs			105,359

(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

Medical Personnel	\$ 1,327,884	
Longevity Pay	6,525	
Social Security	78,568	
Pensions	152,732	
Employee and Dependent Insurance	294,377	
Disability Insurance	2,379	
Employer Medicare	18,375	
Travel	15,841	
Total Other Local Health Services		\$ 1,896,681

General Welfare Assistance

Contributions	\$ 53,550	
Total General Welfare Assistance		53,550

Sanitation Management

Contracts with Private Agencies	\$ 34,384	
Total Sanitation Management		34,384

Other Public Health and Welfare

Medical and Dental Services	\$ 15,600	
Other Contracted Services	289,200	
Total Other Public Health and Welfare		304,800

Social, Cultural, and Recreational ServicesAdult Activities

Contributions	\$ 36,000	
Total Adult Activities		36,000

Senior Citizens Assistance

Contributions	\$ 1,575	
Total Senior Citizens Assistance		1,575

Libraries

Contributions	\$ 1,600,000	
Total Libraries		1,600,000

Parks and Fair Boards

Supervisor/Director	\$ 33,200	
Other Salaries and Wages	177,539	
Board and Committee Members Fees	2,550	
Social Security	11,166	
Employer Medicare	3,094	
Contributions	206,133	
Matching Share	16,329	
Postal Charges	118	
Travel	2,300	
Other Contracted Services	48,500	

(Continued)

Exhibit L-9

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

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

Equipment and Machinery Parts	\$	17,578	
Office Supplies		245	
Other Supplies and Materials		1,509	
Total Parks and Fair Boards			\$ 520,261

Other Social, Cultural, and Recreational

Contributions	\$	529,642	
Total Other Social, Cultural, and Recreational			529,642

Agriculture and Natural ResourcesAgricultural Extension Service

Teachers	\$	48,581	
Part-time Personnel		58,381	
Longevity Pay		450	
Other Salaries and Wages		33,960	
Board and Committee Members Fees		1,100	
Social Security		8,607	
Pensions		9,898	
Employee and Dependent Insurance		12,925	
Disability Insurance		148	
Employer Medicare		2,015	
Advertising		3,860	
Communication		2,716	
Contracts with Government Agencies		403,209	
Data Processing Services		264	
Maintenance and Repair Services - Buildings		19,817	
Postal Charges		2,739	
Fertilizer, Lime, and Seed		1,163	
Gasoline		2,303	
Office Supplies		3,314	
Utilities		108,347	
Other Supplies and Materials		10,965	
Total Agricultural Extension Service			734,762

Soil Conservation

Assistant(s)	\$	25,647	
Part-time Personnel		26,040	
Social Security		3,148	
Pensions		3,058	
Employee and Dependent Insurance		2,813	
Disability Insurance		47	
Employer Medicare		736	
Contributions		15,000	
Total Soil Conservation			76,489

Storm Water Management

Assistant(s)	\$	52,183	
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(Continued)

Exhibit L-9

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

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

Part-time Personnel	\$	25,617	
Longevity Pay		75	
Other Salaries and Wages		39,526	
In-service Training		2,929	
Social Security		7,004	
Pensions		10,945	
Employee and Dependent Insurance		23,148	
Disability Insurance		168	
Employer Medicare		1,638	
Communication		2,592	
Contracts with Private Agencies		3,460	
Dues and Memberships		1,840	
Postal Charges		248	
Data Processing Supplies		418	
Gasoline		2,371	
Office Supplies		2,323	
Uniforms		294	
Other Supplies and Materials		9,962	
Data Processing Equipment		1,296	
Total Storm Water Management			\$ 188,037

Other OperationsTourism

Contributions	\$	670,399	
Total Tourism			670,399

Industrial Development

Contracts with Other Public Agencies	\$	130,000	
Total Industrial Development			130,000

Other Economic and Community Development

Contracts with Other Public Agencies	\$	1,980	
Total Other Economic and Community Development			1,980

Other Charges

Mechanic(s)	\$	53,119	
Laborers		76,229	
Longevity Pay		950	
Overtime Pay		545	
Social Security		8,060	
Pensions		15,602	
Employee and Dependent Insurance		19,042	
Disability Insurance		238	
Employer Medicare		1,885	
Communication		1,126	
Evaluation and Testing		1,312	
Maintenance Agreements		2,547	

(Continued)

Exhibit L-9

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

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

Equipment and Machinery Parts	\$	1,980	
Gasoline		2,656	
Utilities		17,278	
Vehicle Parts		26,097	
Other Supplies and Materials		7,538	
Total Other Charges			\$ 236,204

Employee Benefits

Other Fringe Benefits	\$	356,799	
Workers' Compensation Insurance		276,500	
Total Employee Benefits			633,299

Payments to Cities

Contracts with Government Agencies	\$	1,996,524	
Total Payments to Cities			1,996,524

Miscellaneous

Judgments	\$	1,200,000	
Trustee's Commission		1,140,361	
Total Miscellaneous			2,340,361

Principal on DebtGeneral Government

Principal on Capital Leases	\$	113,658	
Total General Government			113,658

Total General Fund \$ 85,561,601

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$	28,936	
Part-time Personnel		16,413	
Longevity Pay		325	
Overtime Pay		425	
Other Salaries and Wages		44,577	
Social Security		5,370	
Pensions		8,842	
Employee and Dependent Insurance		18,576	
Disability Insurance		168	
Employer Medicare		1,256	
Travel		249	
Gasoline		7,215	
Instructional Supplies and Materials		1,906	
Other Supplies and Materials		8,254	
Total Sanitation Education/Information			\$ 142,512

(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

Supervisor/Director	\$	76,882	
Foremen		44,835	
Truck Drivers		436,319	
Laborers		412,406	
Clerical Personnel		68,298	
Maintenance Personnel		42,285	
Longevity Pay		2,725	
Overtime Pay		20,503	
Social Security		66,220	
Pensions		82,571	
Employee and Dependent Insurance		164,584	
Disability Insurance		1,214	
Unemployment Compensation		130	
Employer Medicare		15,519	
Advertising		20,339	
Communication		20,921	
Contracts with Private Agencies		16,765	
Engineering Services		6,283	
Evaluation and Testing		40	
Maintenance and Repair Services - Buildings		6,064	
Maintenance and Repair Services - Equipment		50,439	
Maintenance and Repair Services - Vehicles		54,900	
Postal Charges		27	
Rentals		9,000	
Towing Services		801	
Travel		1,300	
Asphalt		19,139	
Crushed Stone		2,986	
Diesel Fuel		120,815	
Equipment and Machinery Parts		45,957	
Gasoline		2,956	
Lubricants		3,989	
Office Supplies		423	
Tires and Tubes		62,346	
Uniforms		5,349	
Utilities		18,578	
Fencing		1,323	
Other Supplies and Materials		11,441	
Communication Equipment		508	
Motor Vehicles		136,796	
Site Development		4,029	
Solid Waste Equipment		3,878	
Total Convenience Centers			\$ 2,061,883

Other Waste Collection

Laborers	\$	27,664
Part-time Personnel		37,646

(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.)

Overtime Pay	\$	741	
Social Security		4,049	
Pensions		3,343	
Employee and Dependent Insurance		6,743	
Disability Insurance		51	
Unemployment Compensation		195	
Employer Medicare		947	
Communication		364	
Contracts with Private Agencies		78,099	
Maintenance and Repair Services - Equipment		2,405	
Other Contracted Services		7,394	
Other Supplies and Materials		1,206	
Total Other Waste Collection			\$ 170,847

Landfill Operation and Maintenance

Mechanic(s)	\$	42,644	
Clerical Personnel		28,173	
Longevity Pay		350	
Overtime Pay		2,478	
Social Security		4,511	
Pensions		8,762	
Employee and Dependent Insurance		7,188	
Disability Insurance		129	
Employer Medicare		1,055	
Communication		2,892	
Contracts with Private Agencies		267,259	
Engineering Services		25,059	
Maintenance and Repair Services - Equipment		11,127	
Maintenance and Repair Services - Vehicles		298	
Postal Charges		4	
Rentals		1,457	
Travel		3,820	
Disposal Fees		242,270	
Crushed Stone		5,985	
Data Processing Supplies		2,205	
Diesel Fuel		4,247	
Equipment and Machinery Parts		10,555	
Fertilizer, Lime, and Seed		382	
Lubricants		1,397	
Small Tools		599	
Tires and Tubes		488	
Uniforms		2,372	
Utilities		4,170	
Other Supplies and Materials		2,302	
Total Landfill Operation and Maintenance			684,178

(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

Contracts with Private Agencies	\$	145,605	
Engineering Services		30,169	
Contracts for Postclosure Care Costs		78,775	
Testing		7,873	
Other Supplies and Materials		760	
Total Postclosure Care Costs			\$ 263,182

Other OperationsEmployee Benefits

Workers' Compensation Insurance	\$	25,000	
Total Employee Benefits			25,000

Miscellaneous

Building and Contents Insurance	\$	3,230	
Judgments		11,000	
Liability Insurance		8,043	
Trustee's Commission		42,477	
Total Miscellaneous			64,750

Total Solid Waste/Sanitation Fund \$ 3,412,352

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

County Official/Administrative Officer	\$	98,317	
Supervisor/Director		1,330,544	
Accountants/Bookkeepers		209,638	
Paraprofessionals		4,063,910	
Dispatchers/Radio Operators		434,054	
Maintenance Personnel		32,372	
Part-time Personnel		390,488	
Longevity Pay		33,125	
Overtime Pay		279,140	
In-service Training		35,224	
Social Security		410,821	
Pensions		769,181	
Employee and Dependent Insurance		1,210,881	
Disability Insurance		8,498	
Employer Medicare		96,079	
Communication		109,081	
Contracts with Private Agencies		70,786	
Evaluation and Testing		502	
Maintenance and Repair Services - Buildings		22,200	
Maintenance and Repair Services - Vehicles		121,739	
Medical and Dental Services		13,100	
Pest Control		5,712	
Postal Charges		754	

(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.)

Printing, Stationery, and Forms	\$	1,925	
Travel		6,005	
Other Contracted Services		410,678	
Custodial Supplies		10,623	
Data Processing Supplies		8,055	
Drugs and Medical Supplies		310,675	
Gasoline		137,006	
Instructional Supplies and Materials		7,374	
Office Supplies		8,286	
Uniforms		45,142	
Utilities		97,681	
Other Supplies and Materials		49,934	
Refunds		54,383	
Trustee's Commission		162,713	
In Service/Staff Development		24,466	
Other Charges		70,963	
Building Improvements		2,900	
Communication Equipment		5,904	
Data Processing Equipment		51,697	
Motor Vehicles		400,024	
Health Equipment		58,672	
Other Equipment		7,070	
Total Ambulance/Emergency Medical Services			\$ 11,678,322

Total Ambulance Service Fund \$ 11,678,322

Industrial/Economic Development FundOther OperationsIndustrial Development

Contributions	\$	96,500	
Trustee's Commission		876	
Total Industrial Development			\$ 97,376

Payments to Cities

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

Total Industrial/Economic Development Fund 114,406

Special Purpose FundPublic SafetySheriff's Department

Confidential Drug Enforcement Payments	\$	35,000	
Other Supplies and Materials		540	
Data Processing Equipment		300	
Law Enforcement Equipment		7,992	
Total Sheriff's Department			\$ 43,832

Total Special Purpose Fund 43,832

(Continued)

Exhibit L-9

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

Drug Control FundPublic SafetyDrug Enforcement

In-service Training	\$	18,272	
Confidential Drug Enforcement Payments		150,000	
Maintenance and Repair Services - Vehicles		18,379	
Law Enforcement Supplies		188	
Uniforms		1,999	
Other Supplies and Materials		14,437	
Trustee's Commission		5,036	
Building Construction		23,523	
Data Processing Equipment		12,707	
Law Enforcement Equipment		57,031	
Motor Vehicles		78,090	
Total Drug Enforcement			\$ 379,662

Total Drug Control Fund \$ 379,662

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$	338,699	
Total Register of Deeds			\$ 338,699

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	586,674	
Total County Trustee's Office			586,674

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	712,796	
Total County Clerk's Office			712,796

Administration of JusticeCircuit Court

Constitutional Officers' Operating Expenses	\$	2,439,446	
Total Circuit Court			2,439,446

Total Constitutional Officers - Fees Fund 4,077,615

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	124,549	
Assistant(s)		62,181	
Secretary(ies)		97,164	
Longevity Pay		2,000	
Board and Committee Members Fees		24,600	
Social Security		18,451	
Pensions		34,166	

(Continued)

Exhibit L-9

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

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

Employee and Dependent Insurance	\$	52,165	
Disability Insurance		490	
Employer Medicare		4,373	
Communication		6,105	
Dues and Memberships		8,390	
Janitorial Services		6,812	
Legal Notices, Recording, and Court Costs		1,127	
Maintenance and Repair Services - Office Equipment		438	
Postal Charges		780	
Printing, Stationery, and Forms		1,197	
Travel		173	
Drugs and Medical Supplies		243	
Electricity		20,694	
Natural Gas		5,749	
Office Supplies		1,264	
Water and Sewer		8,668	
Building and Contents Insurance		7,352	
Liability Insurance		244,530	
Trustee's Commission		102,067	
Other Charges		11,852	
Office Equipment		580	
Total Administration			\$ 848,160

Highway and Bridge Maintenance

Foremen	\$	278,454	
Equipment Operators		943,097	
Truck Drivers		197,315	
Longevity Pay		11,150	
Overtime Pay		8,969	
Social Security		83,898	
Pensions		171,874	
Employee and Dependent Insurance		416,984	
Disability Insurance		2,595	
Employer Medicare		19,621	
Other Contracted Services		115,684	
Asphalt		2,758,410	
Crushed Stone		41,440	
General Construction Materials		1,688	
Pipe - Metal		23,702	
Road Signs		19,329	
Salt		60,000	
Uniforms		17,894	
Total Highway and Bridge Maintenance			5,172,104

Operation and Maintenance of Equipment

Foremen	\$	54,686	
Mechanic(s)		214,494	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Laborers	\$	73,739	
Longevity Pay		3,025	
Overtime Pay		6,162	
Social Security		20,927	
Pensions		41,366	
Employee and Dependent Insurance		77,064	
Disability Insurance		610	
Employer Medicare		4,894	
Maintenance and Repair Services - Equipment		59,751	
Other Contracted Services		22,554	
Diesel Fuel		96,976	
Equipment and Machinery Parts		113,915	
Garage Supplies		7,302	
Gasoline		37,493	
Lubricants		6,977	
Tires and Tubes		59,591	
Other Supplies and Materials		10,544	
Total Operation and Maintenance of Equipment			\$ 912,070

Other Charges

Assistant(s)	\$	52,674
Salary Supplements		10,000
Foremen		49,958
Equipment Operators		99,646
Secretary(ies)		45,249
Longevity Pay		1,250
Overtime Pay		648
In-service Training		3,987
Social Security		14,898
Pensions		30,992
Employee and Dependent Insurance		78,594
Disability Insurance		453
Employer Medicare		3,484
Communication		1,322
Legal Notices, Recording, and Court Costs		48
Maintenance and Repair Services - Equipment		1,029
Printing, Stationery, and Forms		500
Travel		3,981
Other Contracted Services		1,939
Data Processing Supplies		657
Diesel Fuel		10,721
Equipment and Machinery Parts		3,366
Gasoline		5,747
General Construction Materials		137
Lubricants		222
Office Supplies		52
Tires and Tubes		3,562

(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.)

Other Supplies and Materials	\$ 1,245	
Other Equipment	30,023	
Total Other Charges		\$ 456,384

Employee Benefits

Other Fringe Benefits	\$ 129,215	
Workers' Compensation Insurance	58,085	
Total Employee Benefits		187,300

Capital Outlay

Bridge Construction	\$ 40,476	
Building Improvements	4,449	
Highway Equipment	33,342	
State Aid Projects	30,000	
Total Capital Outlay		108,267

Total Highway/Public Works Fund \$ 7,684,285

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$ 806,746	
Other Debt Service	6,838	
Total Other General Administration		\$ 813,584

Principal on DebtGeneral Government

Principal on Bonds	\$ 4,331,420	
Total General Government		4,331,420

Education

Principal on Bonds	\$ 24,098,580	
Principal on Notes	267,998	
Principal on Capital Leases	205,005	
Total Education		24,571,583

Interest on DebtGeneral Government

Interest on Bonds	\$ 1,978,379	
Total General Government		1,978,379

Education

Interest on Bonds	\$ 11,723,620	
Interest on Notes	2,715	
Interest on Capital Leases	34,555	
Total Education		11,760,890

Total General Debt Service Fund 43,455,856

(Continued)

Exhibit L-9

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

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 62,996	
Total General Administration Projects		\$ 62,996

Administration of Justice Projects

Architects	\$ 1,967,151	
Consultants	228,258	
Contracts with Government Agencies	161,901	
Engineering Services	803	
Legal Services	14,402	
Permits	1,150	
Other Contracted Services	264,220	
Building Construction	4,911,866	
Site Development	215,843	
Total Administration of Justice Projects		7,765,594

Public Safety Projects

Communication Equipment	\$ 29,987	
Data Processing Equipment	99,917	
Site Development	1,098	
Total Public Safety Projects		131,002

Public Health and Welfare Projects

Engineering Services	\$ 16,671	
Land	1,283,329	
Total Public Health and Welfare Projects		1,300,000

Highway and Street Capital Projects

Contracts with Government Agencies	\$ 97,941	
Total Highway and Street Capital Projects		97,941

Total General Capital Projects Fund		\$ 9,357,533
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Total Governmental Funds - Primary Government		\$ 165,765,464
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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, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 111,303,796	
Career Ladder Program	344,691	
Educational Assistants	3,865,870	
Other Salaries and Wages	1,161,086	
Social Security	6,964,363	
Pensions	10,614,756	
Life Insurance	103,996	
Medical Insurance	20,968,904	
Unemployment Compensation	27,599	
Employer Medicare	1,638,329	
Other Fringe Benefits	215,180	
Maintenance and Repair Services - Equipment	1,076	
Contracts for Substitute Teachers - Certified	463,280	
Contracts for Substitute Teachers - Non-certified	1,333,019	
Other Contracted Services	183,660	
Instructional Supplies and Materials	2,311,612	
Textbooks	6,297,537	
Other Supplies and Materials	281,762	
Fee Waivers	63,994	
Other Charges	240,861	
Regular Instruction Equipment	3,343,631	
Total Regular Instruction Program		\$ 171,729,002

Alternative Instruction Program

Teachers	\$ 1,298,903	
Career Ladder Program	4,675	
Educational Assistants	101,229	
Social Security	82,361	
Pensions	126,759	
Life Insurance	1,270	
Medical Insurance	252,352	
Employer Medicare	19,768	
Other Fringe Benefits	2,533	
Contracts for Substitute Teachers - Certified	5,979	
Contracts for Substitute Teachers - Non-certified	7,230	
Other Contracted Services	4,189	
Instructional Supplies and Materials	20,555	
Other Supplies and Materials	256	
Other Equipment	1,246	
Total Alternative Instruction Program		1,929,305

Special Education Program

Teachers	\$ 10,807,027	
Career Ladder Program	48,718	
Educational Assistants	4,061,980	
Speech Pathologist	1,459,497	

(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 (Cont.)

Other Salaries and Wages	\$	163,340	
Social Security		977,868	
Pensions		1,610,255	
Life Insurance		20,229	
Medical Insurance		3,821,296	
Unemployment Compensation		14,181	
Employer Medicare		229,350	
Other Fringe Benefits		31,777	
Contracts for Substitute Teachers - Certified		37,546	
Contracts for Substitute Teachers - Non-certified		226,901	
Other Contracted Services		1,253,365	
Instructional Supplies and Materials		90,738	
Textbooks		53,298	
Other Supplies and Materials		26,858	
Other Charges		3,033	
Special Education Equipment		17,671	
Total Special Education Program			\$ 24,954,928

Vocational Education Program

Teachers	\$	7,897,334	
Career Ladder Program		13,332	
Clerical Personnel		189,703	
Social Security		482,159	
Pensions		737,024	
Life Insurance		6,843	
Medical Insurance		1,501,779	
Unemployment Compensation		9,561	
Employer Medicare		113,095	
Other Fringe Benefits		14,891	
Maintenance and Repair Services - Equipment		40,928	
Contracts for Substitute Teachers - Certified		34,793	
Contracts for Substitute Teachers - Non-certified		152,820	
Other Contracted Services		67,811	
Instructional Supplies and Materials		233,324	
T&I Construction Materials		9,956	
Textbooks		93,338	
Other Supplies and Materials		58,646	
Vocational Instruction Equipment		81,827	
Total Vocational Education Program			11,739,164

Adult Education Program

Teachers	\$	260,059	
Other Salaries and Wages		17,608	
Social Security		16,913	
Pensions		13,936	
Life Insurance		99	

(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.)Adult Education Program (Cont.)

Medical Insurance	\$	12,768	
Employer Medicare		3,956	
Other Fringe Benefits		274	
Other Contracted Services		3,853	
Instructional Supplies and Materials		15,147	
Other Supplies and Materials		15,459	
Total Adult Education Program			\$ 360,072

Support ServicesAttendance

Supervisor/Director	\$	89,873	
Career Ladder Program		4,100	
Social Workers		253,680	
Clerical Personnel		83,497	
Other Salaries and Wages		58,795	
Social Security		26,465	
Pensions		43,618	
Life Insurance		291	
Medical Insurance		59,308	
Employer Medicare		6,966	
Other Fringe Benefits		788	
Travel		3,686	
Other Contracted Services		86,758	
Other Supplies and Materials		10,860	
In Service/Staff Development		4,392	
Attendance Equipment		1,460	
Total Attendance			734,537

Health Services

Supervisor/Director	\$	122,636	
Medical Personnel		2,372,055	
Other Salaries and Wages		386,323	
Social Security		173,371	
Pensions		315,447	
Life Insurance		2,312	
Medical Insurance		423,029	
Employer Medicare		40,547	
Other Fringe Benefits		4,981	
Travel		12,489	
Other Contracted Services		2,365	
Drugs and Medical Supplies		12,222	
Other Supplies and Materials		32,196	
In Service/Staff Development		5,616	
Health Equipment		116,366	
Total Health Services			4,021,955

(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

Career Ladder Program	\$	22,500	
Guidance Personnel		4,622,904	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		234,745	
Other Salaries and Wages		528,673	
Social Security		320,705	
Pensions		489,976	
Life Insurance		4,452	
Medical Insurance		881,298	
Employer Medicare		75,716	
Other Fringe Benefits		9,870	
Contracts with Government Agencies		296,848	
Evaluation and Testing		138,540	
Travel		7,158	
Contracts for Substitute Teachers - Certified		10,480	
Contracts for Substitute Teachers - Non-certified		25,697	
Other Contracted Services		161,727	
Other Supplies and Materials		8,227	
In Service/Staff Development		7,919	
Other Equipment		9,675	
Total Other Student Support			\$ 7,859,110

Regular Instruction Program

Supervisor/Director	\$	711,876	
Career Ladder Program		44,031	
Career Ladder Extended Contracts		2,000	
Librarians		2,879,164	
Materials Supervisor		44,119	
Instructional Computer Personnel		1,876,743	
Secretary(ies)		78,835	
Clerical Personnel		78,632	
Educational Assistants		607,085	
Other Salaries and Wages		973,981	
Social Security		439,042	
Pensions		675,083	
Life Insurance		5,947	
Medical Insurance		1,235,120	
Employer Medicare		102,765	
Other Fringe Benefits		13,396	
Travel		49,309	
Contracts for Substitute Teachers - Certified		7,946	
Contracts for Substitute Teachers - Non-certified		20,207	
Other Contracted Services		180,058	
Library Books/Media		146,741	
Other Supplies and Materials		49,431	
In Service/Staff Development		180,923	
Other Equipment		7,885	
Total Regular Instruction Program			10,410,319

(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

Supervisor/Director	\$	177,001	
Career Ladder Program		7,500	
Guidance Personnel		116,231	
Career Ladder Extended Contracts		2,000	
Librarians		51,809	
Clerical Personnel		54,680	
Other Salaries and Wages		189,309	
Social Security		36,083	
Pensions		57,312	
Life Insurance		458	
Medical Insurance		83,458	
Employer Medicare		8,439	
Other Fringe Benefits		1,082	
Contracts for Substitute Teachers - Certified		502	
Other Contracted Services		251	
Library Books/Media		2,314	
Other Supplies and Materials		2,273	
In Service/Staff Development		1,248	
Other Equipment		3,292	
Total Alternative Instruction Program			\$ 795,242

Special Education Program

Supervisor/Director	\$	94,749	
Career Ladder Program		12,944	
Psychological Personnel		507,806	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		75,490	
Other Salaries and Wages		149,637	
In-service Training		750	
Social Security		50,915	
Pensions		77,890	
Life Insurance		576	
Medical Insurance		113,930	
Employer Medicare		11,907	
Other Fringe Benefits		1,549	
Travel		55,097	
Contracts for Substitute Teachers - Certified		88	
Other Contracted Services		6,078	
Other Supplies and Materials		108,349	
In Service/Staff Development		3,474	
Other Charges		9,194	
Other Equipment		5,058	
Total Special Education Program			1,287,481

Vocational Education Program

Supervisor/Director	\$	85,448	
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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.)Vocational Education Program (Cont.)

Other Salaries and Wages	\$	73,007	
Social Security		9,445	
Pensions		14,324	
Life Insurance		83	
Medical Insurance		29,902	
Employer Medicare		2,209	
Other Fringe Benefits		293	
Travel		9,193	
Other Supplies and Materials		3,562	
In Service/Staff Development		16,656	
Other Charges		213	
Other Equipment		2,761	
Total Vocational Education Program			\$ 247,096

Adult Programs

Supervisor/Director	\$	8,794	
Clerical Personnel		61,843	
Social Security		3,696	
Pensions		6,990	
Life Insurance		67	
Medical Insurance		8,370	
Employer Medicare		1,006	
Other Fringe Benefits		109	
Travel		489	
Other Contracted Services		31	
Other Supplies and Materials		435	
In Service/Staff Development		4,169	
Total Adult Programs			95,999

Board of Education

Secretary to Board	\$	129,700	
Board and Committee Members Fees		70,089	
Social Security		12,154	
Pensions		15,469	
Life Insurance		46	
Medical Insurance		2,288,909	
Unemployment Compensation		94	
Employer Medicare		2,842	
Other Fringe Benefits		220	
Audit Services		47,164	
Dues and Memberships		9,375	
Legal Services		496,018	
Other Contracted Services		5,250	
Liability Insurance		608,046	
Premiums on Corporate Surety Bonds		1,040	
Trustee's Commission		2,340,258	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Workers' Compensation Insurance	\$	526,381	
In Service/Staff Development		28,145	
Criminal Investigation of Applicants - TBI		35,727	
Total Board of Education			\$ 6,616,927

Director of Schools

County Official/Administrative Officer	\$	147,629	
Other Salaries and Wages		201,165	
Social Security		19,489	
Pensions		37,425	
Life Insurance		166	
Medical Insurance		44,487	
Employer Medicare		4,920	
Other Fringe Benefits		571	
Communication		122,363	
Dues and Memberships		9,687	
Postal Charges		24,561	
Travel		1,091	
Other Contracted Services		41,453	
In Service/Staff Development		10,864	
Other Charges		46,045	
Administration Equipment		8,374	
Total Director of Schools			720,290

Office of the Principal

Principals	\$	3,895,063	
Career Ladder Program		63,143	
Accountants/Bookkeepers		844,974	
Career Ladder Extended Contracts		18,000	
Assistant Principals		5,000,143	
Secretary(ies)		1,171,507	
Clerical Personnel		1,462,103	
Social Security		745,182	
Pensions		1,212,570	
Life Insurance		10,249	
Medical Insurance		2,257,857	
Unemployment Compensation		1,904	
Employer Medicare		174,975	
Other Fringe Benefits		22,284	
Communication		329,439	
Dues and Memberships		49,865	
Contracts for Substitute Teachers - Certified		2,840	
Contracts for Substitute Teachers - Non-certified		13,799	
Other Contracted Services		126,753	
Office Supplies		12,856	
Other Supplies and Materials		99	

(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.)

In Service/Staff Development	\$	5,600	
Other Charges		141,342	
Administration Equipment		61,956	
Total Office of the Principal			\$ 17,624,503

Fiscal Services

Supervisor/Director	\$	233,900	
Accountants/Bookkeepers		316,547	
Purchasing Personnel		99,410	
Social Security		39,452	
Pensions		77,788	
Life Insurance		537	
Medical Insurance		113,184	
Employer Medicare		9,227	
Other Fringe Benefits		1,183	
Travel		1,135	
Other Contracted Services		1,811	
Office Supplies		18,711	
Other Supplies and Materials		1,277	
In Service/Staff Development		5,909	
Administration Equipment		505	
Total Fiscal Services			920,576

Human Services/Personnel

Supervisor/Director	\$	107,601	
Clerical Personnel		112,234	
Other Salaries and Wages		117,620	
Social Security		20,105	
Pensions		35,185	
Life Insurance		251	
Medical Insurance		71,510	
Employer Medicare		4,702	
Other Fringe Benefits		615	
Travel		1,076	
Other Contracted Services		71,239	
Other Supplies and Materials		5,085	
In Service/Staff Development		1,890	
Administration Equipment		4,980	
Total Human Services/Personnel			554,093

Operation of Plant

Custodial Personnel	\$	6,317,589	
Other Salaries and Wages		44,899	
Social Security		377,253	
Pensions		707,882	
Life Insurance		9,118	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Operation of Plant (Cont.)

Medical Insurance	\$ 1,626,541	
Unemployment Compensation	8,427	
Employer Medicare	88,531	
Other Fringe Benefits	10,855	
Maintenance and Repair Services - Equipment	7,190	
Other Contracted Services	492,796	
Custodial Supplies	765,363	
Electricity	8,891,326	
Natural Gas	880,329	
Water and Sewer	1,247,519	
Other Supplies and Materials	51,861	
Building and Contents Insurance	343,500	
Other Charges	41,506	
Plant Operation Equipment	37,804	
Total Operation of Plant		\$ 21,950,289

Maintenance of Plant

Supervisor/Director	\$ 440,262	
Secretary(ies)	120,887	
Maintenance Personnel	2,244,177	
Social Security	167,194	
Pensions	334,424	
Life Insurance	2,571	
Medical Insurance	627,219	
Employer Medicare	39,102	
Other Fringe Benefits	5,100	
Laundry Service	19,379	
Maintenance and Repair Services - Buildings	661,873	
Maintenance and Repair Services - Equipment	776,405	
Other Contracted Services	391,547	
Other Supplies and Materials	825,623	
Vehicle and Equipment Insurance	68,000	
In Service/Staff Development	11,651	
Other Charges	5,460	
Maintenance Equipment	96,523	
Total Maintenance of Plant		6,837,397

Transportation

Supervisor/Director	\$ 76,296	
Clerical Personnel	140,000	
Attendants	386,074	
Other Salaries and Wages	42,071	
Social Security	37,197	
Pensions	64,774	
Life Insurance	890	
Medical Insurance	154,704	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Unemployment Compensation	\$	636	
Employer Medicare		8,900	
Other Fringe Benefits		1,089	
Contracts with Private Agencies		432,000	
Contracts with Vehicle Owners		14,439,635	
Travel		37	
Other Contracted Services		12,520	
Other Supplies and Materials		10,766	
Vehicle and Equipment Insurance		64,699	
In Service/Staff Development		5,205	
Other Charges		23,398	
Administration Equipment		2,687	
Transportation Equipment		56,960	
Total Transportation			\$ 15,960,538

Central and Other

Supervisor/Director	\$	88,692	
Computer Programmer(s)		1,102,368	
Clerical Personnel		36,598	
Other Salaries and Wages		143,143	
Social Security		83,254	
Pensions		164,085	
Life Insurance		1,031	
Medical Insurance		191,117	
Employer Medicare		19,471	
Other Fringe Benefits		2,557	
Data Processing Services		35,565	
Maintenance and Repair Services - Equipment		9,862	
Travel		8,995	
Other Contracted Services		10,439	
Data Processing Supplies		316,660	
Other Supplies and Materials		135,755	
Data Processing Equipment		2,167	
Other Equipment		99,075	
Total Central and Other			2,450,834

Operation of Non-Instructional ServicesCommunity Services

Other Charges	\$	36,201	
Total Community Services			36,201

Early Childhood Education

Teachers	\$	1,186,712	
Career Ladder Program		6,995	
Educational Assistants		481,014	
Social Security		100,304	

(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.)

Pensions	\$	164,311	
Life Insurance		2,100	
Medical Insurance		338,646	
Employer Medicare		23,458	
Other Fringe Benefits		3,238	
Travel		294	
Contracts for Substitute Teachers - Certified		5,670	
Contracts for Substitute Teachers - Non-certified		28,899	
Other Contracted Services		2,080	
Food Supplies		4,291	
Instructional Supplies and Materials		7,832	
Other Supplies and Materials		1,912	
In Service/Staff Development		5,862	
Total Early Childhood Education			\$ 2,363,618

Capital OutlayRegular Capital Outlay

Other Contracted Services	\$	3,500	
Other Capital Outlay		46,276	
Total Regular Capital Outlay			49,776

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	510,273	
Total Education			510,273

Total General Purpose School Fund

\$ 312,759,525

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	2,011,377	
Educational Assistants		542,913	
Social Security		151,910	
Pensions		244,216	
Life Insurance		2,781	
Medical Insurance		553,934	
Unemployment Compensation		39	
Employer Medicare		35,527	
Other Fringe Benefits		4,893	
Contracts for Substitute Teachers - Certified		16,795	
Contracts for Substitute Teachers - Non-certified		67,780	
Other Contracted Services		7,600	
Instructional Supplies and Materials		69,321	
Other Supplies and Materials		232,034	
Regular Instruction Equipment		173,535	
Total Regular Instruction Program			\$ 4,114,655

(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.)Alternative Instruction Program

Other Contracted Services	\$	4,900	
Total Alternative Instruction Program			\$ 4,900

Special Education Program

Teachers	\$	1,055,243	
Educational Assistants		1,256,331	
Speech Pathologist		102,094	
Other Salaries and Wages		91,178	
Social Security		146,292	
Pensions		264,300	
Life Insurance		3,975	
Medical Insurance		775,464	
Employer Medicare		34,213	
Other Fringe Benefits		5,094	
Contracts for Substitute Teachers - Certified		4,535	
Contracts for Substitute Teachers - Non-certified		33,758	
Other Contracted Services		302,310	
Instructional Supplies and Materials		6,782	
Other Supplies and Materials		6,301	
Special Education Equipment		8,382	
Total Special Education Program			4,096,252

Vocational Education Program

Instructional Supplies and Materials	\$	24,073	
Other Supplies and Materials		45,697	
Vocational Instruction Equipment		514,914	
Total Vocational Education Program			584,684

Support ServicesHealth Services

Other Salaries and Wages	\$	183,926	
Social Security		11,083	
Pensions		21,815	
Life Insurance		125	
Medical Insurance		30,922	
Employer Medicare		2,592	
Other Fringe Benefits		341	
Total Health Services			250,804

Other Student Support

Social Workers	\$	469,990	
Other Salaries and Wages		69,403	
Social Security		32,320	
Pensions		47,941	
Life Insurance		413	
Medical Insurance		95,707	

(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.)

Employer Medicare	\$	7,559	
Other Fringe Benefits		977	
Travel		32,973	
Other Contracted Services		20,225	
Other Supplies and Materials		90,098	
In Service/Staff Development		24,574	
Other Charges		75,200	
Total Other Student Support			\$ 967,380

Regular Instruction Program

Supervisor/Director	\$	92,280	
Secretary(ies)		45,539	
Other Salaries and Wages		257,162	
In-service Training		43,200	
Social Security		25,497	
Pensions		37,835	
Life Insurance		255	
Medical Insurance		61,391	
Employer Medicare		6,156	
Other Fringe Benefits		702	
Travel		4,077	
Other Supplies and Materials		2,890	
In Service/Staff Development		686,461	
Other Equipment		7,400	
Total Regular Instruction Program			1,270,845

Special Education Program

Psychological Personnel	\$	654,692	
Other Salaries and Wages		569,661	
Social Security		73,476	
Pensions		110,665	
Life Insurance		814	
Medical Insurance		159,423	
Employer Medicare		17,184	
Other Fringe Benefits		2,259	
Other Contracted Services		2,163	
Other Supplies and Materials		32,531	
In Service/Staff Development		97,744	
Other Charges		1,000	
Total Special Education Program			1,721,612

Vocational Education Program

Travel	\$	498	
In Service/Staff Development		2,373	
Other Equipment		4,782	
Total Vocational Education Program			7,653

(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

Other Salaries and Wages	\$	195,741	
Social Security		11,481	
Pensions		22,254	
Life Insurance		391	
Medical Insurance		62,506	
Employer Medicare		2,685	
Other Fringe Benefits		368	
Contracts with Parents		978	
Contracts with Vehicle Owners		4,418	
Maintenance and Repair Services - Vehicles		2,116	
Gasoline		3,426	
Total Transportation			\$ 306,364

Total School Federal Projects Fund \$ 13,325,149

Central Cafeteria FundSupport ServicesBoard of Education

Audit Services	\$	11,729	
Workers' Compensation Insurance		54,300	
Total Board of Education			\$ 66,029

Operation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	191,547	
Accountants/Bookkeepers		84,351	
Cafeteria Personnel		5,994,799	
Other Salaries and Wages		35,854	
Social Security		377,637	
Pensions		349,312	
Life Insurance		5,716	
Medical Insurance		1,099,766	
Unemployment Compensation		5,988	
Employer Medicare		88,617	
Other Fringe Benefits		6,190	
Maintenance and Repair Services - Equipment		63,844	
Transportation - Other than Students		73,608	
Travel		13,181	
Other Contracted Services		309,947	
Food Preparation Supplies		698,185	
Food Supplies		6,819,372	
Office Supplies		27,183	
Uniforms		7,183	
USDA - Commodities		345,886	
Other Supplies and Materials		158,312	
In Service/Staff Development		26,448	

(Continued)

Exhibit L-10

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

<u>Central Cafeteria Fund (Cont.)</u>			
<u>Operation of Non-Instructional Services (Cont.)</u>			
<u>Food Service (Cont.)</u>			
Other Charges	\$	603	
Food Service Equipment		<u>143,323</u>	
Total Food Service			<u>\$ 16,926,852</u>
Total Central Cafeteria Fund			\$ 16,992,881
<u>Education Capital Projects Fund</u>			
<u>Support Services</u>			
<u>Board of Education</u>			
Trustee's Commission	\$	<u>67,507</u>	
Total Board of Education			\$ 67,507
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Maintenance and Repair Services - Buildings	\$	<u>2,968,737</u>	
Total Education Capital Projects			<u>2,968,737</u>
Total Education Capital Projects Fund			3,036,244
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	1,462,268	
Engineering Services		118,242	
Building Construction		13,801,509	
Building Improvements		665,376	
Furniture and Fixtures		130,605	
Land		3,222,092	
Regular Instruction Equipment		315,606	
Site Development		937,513	
Other Equipment		<u>12,644</u>	
Total Education Capital Projects			<u>\$ 20,665,855</u>
Total Other Capital Projects Fund			<u>20,665,855</u>
Total Governmental Funds - Rutherford County School Department			<u>\$ 366,779,654</u>

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, 2016

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 13,054,019	\$ 13,054,019
Trustee's Collections - Prior Years	0	183,286	183,286
Circuit/Clerk and Master Collections - Prior Years	0	126,672	126,672
Interest and Penalty	0	39,646	39,646
Pick-up Taxes	0	37,603	37,603
Payments in-Lieu-of Taxes - T.V.A.	0	1,139	1,139
Payments in-Lieu-of Taxes - Local Utilities	0	204,611	204,611
Local Option Sales Tax	59,891,258	9,600,774	69,492,032
Wheel Tax	0	667,416	667,416
Business Tax	0	387,200	387,200
Interstate Telecommunications Tax	0	3,470	3,470
Marriage Licenses	0	2,186	2,186
Total Cash Receipts	<u>\$ 59,891,258</u>	<u>\$ 24,308,022</u>	<u>\$ 84,199,280</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 59,292,345	\$ 23,708,687	\$ 83,001,032
Trustee's Commission	598,913	374,859	973,772
Total Cash Disbursements	<u>\$ 59,891,258</u>	<u>\$ 24,083,546</u>	<u>\$ 83,974,804</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 224,476	\$ 224,476
Cash Balance, July 1, 2015	0	0	0
Cash Balance, June 30, 2016	<u>\$ 0</u>	<u>\$ 224,476</u>	<u>\$ 224,476</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	281-292
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	293-297
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	298-299
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	300-301
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	302-304

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 Position by Component
Primary Government and Discretely Presented Component Unit
Last Ten Fiscal Years (in thousands) (Note 3)
(accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental activities										
Net investment in capital assets	\$ 165,997	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	\$ 210,959	\$ 212,340	\$ 215,139	\$ 222,753
Restricted for:										
Capital Projects	17,761	7,674	2,071	403	3,650	3,251	1,858	2,568	1,064	2,630
Debt Service	31,703	30,879	32,067	34,939	-	-	-	2,909	2,895	2,861
General	-	-	-	-	-	588	407	379	426	490
Finance	-	-	-	-	-	22	22	36	71	97
Admin. of Justice	-	-	-	-	-	951	860	1,052	1,034	1,013
Public Safety	-	-	-	-	1,576	1,092	1,013	951	1,230	1,112
Public Health & Welfare	-	-	-	-	-	99	54	126	241	71
Ambulance Service	-	-	-	5,216	-	-	-	-	-	-
Highways/Public Works	6,725	6,924	6,823	6,579	1,351	-	-	-	-	-
Solid Waste/Sanitation	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	5,925	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	475	1,187	46	112	61	-	-	-	5,239	5,717
Unrestricted (2)	(250,973)	(267,988)	(325,800)	(300,698)	(225,824)	(255,927)	(230,810)	(228,754)	(235,427)	(204,313)
Total Governmental Activities Net Position	\$ (14,424)	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)	\$ (42,468)	\$ (15,637)	\$ (8,393)	\$ (8,088)	\$ 32,431
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental activities										
Net investment in capital assets	\$ 331,320	\$ 361,986	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	\$ 430,779	\$ 432,042	\$ 430,627	\$ 438,406
Restricted for:										
Capital Projects	15,927	14,976	46,795	10,924	1,482	30,143	4,288	13,720	34,697	15,110
Education	-	-	-	-	292	-	-	-	-	8,981
Textbooks	-	-	-	-	-	-	-	-	-	-
Advances to Other	1,002	1,569	-	-	-	-	-	-	-	-
School Federal Projects	1,569	384	394	828	86	289	2	2	-	-
Central Cafeteria	-	3,160	4,198	4,902	5,151	5,059	4,851	4,087	4,271	-
Career Ladder	-	-	-	335	-	-	-	-	-	-
Driver Education	-	-	260	-	-	256	116	-	-	-
Other Purposes	268	244	25	-	-	10	117	240	7,453	-
Unrestricted	19,856	14,475	(226)	(2,383)	(8,963)	(13,787)	(22,095)	(30,149)	(73,349)	(48,641)
Total Governmental Activities Net Position	\$ 369,942	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565	\$ 436,528	\$ 418,058	\$ 419,942	\$ 403,699	\$ 413,856

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Rutherford County Board of Education is not part of the Primary Government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (3) GASB Statement No. 54 was implemented for the fiscal year ended June 30, 2011 which affects the comparability of restricted net position in prior periods.
- (4) GASB Statement No. 67 and 68 were implemented for the fiscal year ended June 30, 2015, which affects the comparability of restricted net position in prior periods.

Table 2

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ 2,469	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038	\$ 16,706	\$ 18,668	\$ 17,083	\$ 17,666
Finance	5,874	5,889	6,989	7,366	7,748	8,387	8,450	8,960	8,314	8,193
Administration of Justice	6,265	4,760	6,496	6,844	6,659	6,854	7,668	7,571	7,491	8,108
Public Safety	34,122	32,701	39,703	38,545	39,080	41,151	43,798	46,244	45,705	48,198
Public Health & Welfare	17,313	16,622	17,927	17,768	18,458	19,369	19,958	20,089	19,704	19,650
Social, Cultural & Rec. Services	1,350	1,380	2,458	2,786	1,838	2,112	2,264	2,267	2,307	2,687
Agriculture & Natural Resources	918	724	864	1,036	1,085	1,141	1,092	1,167	1,388	1,171
Other Operations (Note 2)	6,899	6,876	13,523	-	-	-	-	-	-	-
Highways/Public Works	11,855	14,437	14,529	16,925	9,264	11,206	10,474	12,246	12,038	8,885
Education (Pynts to Comp. Unit)	23,940	62,793	99,547	33,085	35,351	89,448	42,373	67,262	84,906	52,801
Interest on Long-Term Debt	16,617	16,447	16,221	17,064	13,850	15,177	14,840	13,998	14,203	13,124
Other Debt Service	-	154	-	-	-	-	323	-	-	-
Total Governmental activities expenses	\$ 127,622	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883	\$ 167,946	\$ 198,472	\$ 213,139	\$ 180,483
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 4,757	\$ 4,206	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699	\$ 4,185	\$ 4,146	\$ 4,215	\$ 4,546
Finance	6,819	6,483	6,695	6,759	7,158	7,454	7,727	8,032	8,505	9,431
Administration of Justice	5,879	6,243	5,723	6,145	5,803	6,400	6,584	6,397	5,861	6,422
Public Safety	3,904	3,473	5,222	3,621	2,643	4,910	5,961	4,218	4,489	7,208
Public Health & Welfare	7,647	6,866	7,900	8,024	8,335	10,091	9,173	10,144	10,489	11,892
Social, Cultural & Rec. Services	1	1	58	-	1	1	1	-	-	-
Agriculture & Natural Resources	113	-	19	-	23	41	38	80	99	265
Other Operations	-	-	82	-	-	-	-	-	-	-
Highways/Public Works	-	128	104	76	-	69	47	45	-	155
Education	28,930	34,080	34,122	37,070	40,077	38,887	41,164	50,718	52,276	48,584
Operating Grants and Contributions	7,002	7,158	6,950	8,161	9,591	8,591	7,822	7,628	9,705	8,505
Capital grants and Contributions	5,041	5,050	13,745	14,707	1,936	1,770	2,732	4,274	3,053	3,900
Total Governmental activities program revenues	\$ 70,093	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913	\$ 85,434	\$ 95,682	\$ 98,692	\$ 100,908

Table 2

<u>Rutherford County, Tennessee</u> <u>Changes in Net Position (Cont.)</u> <u>Last Ten Fiscal Years (in thousands)</u> <u>(accrual basis of accounting)</u>										
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (expense)/Revenue Governmental Activities	\$ (57,529)	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)	\$ (128,970)	\$ (82,512)	\$ (102,790)	\$ (114,447)	\$ (79,575)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 21,929	\$ 24,852	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132	\$ 41,259	\$ 45,676	\$ 46,711	\$ 47,850
Property tax levied for debt services	30,523	33,151	38,072	39,729	37,780	36,077	36,121	36,193	36,958	37,883
Payments in Lieu of Taxes	-	6,188	6,526	5,535	7,084	6,751	14,346	8,356	7,778	8,380
Local Option Sales Tax	4,812	4,767	2,037	2,035	1,671	1,583	2,189	2,454	3,463	4,141
Hotel/Motel Tax	-	986	932	951	1,067	1,216	1,400	1,550	1,708	2,061
Wheel Tax	-	5,707	5,701	5,696	5,729	5,860	5,999	6,180	6,449	6,684
Business Tax	-	1,385	1,269	1,424	1,709	1,824	2,189	2,155	2,454	2,455
Mixed Drink Tax	-	-	-	-	-	-	-	-	17	17
Litigation Tax	-	1,062	1,863	2,242	2,232	2,423	2,449	2,424	2,080	2,092
Development Tax	-	3,960	2,579	1,395	865	2,051	3,210	3,719	3,353	5,189
Mineral Severance Tax	-	-	359	232	220	257	249	328	346	433
Bank Excise Tax	-	-	-	-	77	68	86	136	152	283
Wholesale Beer Tax	-	-	861	837	811	825	832	883	969	1,064
Interstate Telecommunications Tax	-	-	2	1	1	5	7	8	8	7
Other Local Taxes	22,115	1,492	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	1,054	1,073	892	655	618	1,351	648	1,903	820	863
Investment earnings	8,500	5,671	2,603	1,218	654	407	311	197	319	609
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	424	130	264	119	63	140	241	190	96	82
Total Governmental activities	\$ 89,357	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774	\$ 101,970	\$ 111,536	\$ 112,352	\$ 113,681	\$ 120,093
Change in Net Position	\$ 31,828	\$ (8,122)	\$ (50,916)	\$ 31,774	\$ 27,404	\$ (27,000)	\$ 29,024	\$ 9,562	\$ (766)	\$ 40,518

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 Position - Rutherford County Board of Education
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
EXPENSES (Note 1)										
Governmental activities:										
Education	\$ 225,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction	-	155,377	177,210	177,407	195,749	192,333	201,313	215,249	203,109	214,997
Support Services	-	94,371	107,541	95,279	106,283	104,722	108,466	109,528	115,090	115,179
Operation of Non-instructional Services	-	14,510	13,763	15,857	17,093	19,011	18,593	19,573	18,330	19,263
Interest on Long-term Debt	-	120	100	79	65	68	62	-	-	-
Total Governmental activities expenses	\$ 225,407	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134	\$ 328,434	\$ 344,350	\$ 336,529	\$ 349,439
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$ 215	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760	\$ 6,684	\$ 6,967	\$ 6,514	\$ 6,769
Operating Grants and Contributions	18,018	21,131	20,249	29,948	31,830	28,696	24,158	26,724	22,834	23,459
Capital grants and Contributions	-	36,322	71,724	-	803	48,267	-	277	97	605
Total Governmental activities program revenues	\$ 18,233	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723	\$ 30,842	\$ 33,968	\$ 29,445	\$ 30,833
Net (expense)/Revenue Governmental Activities	\$ (207,174)	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)	\$ (297,592)	\$ (310,382)	\$ (307,084)	\$ (318,606)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 49,366	\$ 50,464	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080	\$ 61,721	\$ 65,551	\$ 66,830	\$ 79,584
Payments in-Lieu-of Taxes	-	650	734	828	841	871	890	-	941	987
Local Option Sales Tax	34,922	37,195	36,185	35,408	37,871	40,662	43,798	46,243	50,348	54,870
Wheel Tax	-	3,202	3,215	3,214	3,255	3,320	3,430	3,538	3,654	3,787
Business Tax	-	1,227	1,077	1,120	1,360	1,442	1,750	1,726	1,960	2,272
Mixed Drink Tax	-	-	-	-	-	-	-	1,048	492	403
Interstate Telecommunications Tax	-	20	19	13	10	14	19	23	22	19
Other local taxes	4,804	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	110,660	132,260	139,098	140,711	154,124	157,772	167,392	195,538	212,588	186,632
Investment earnings	1,624	1,396	731	327	185	108	89	63	73	157
Gain on disposal of capital assets	-	514	-	-	-	-	-	-	-	-
Pension Income	-	-	-	-	-	-	-	-	231	-
Miscellaneous	359	360	143	197	145	105	45	46	30	51
Total Governmental activities	\$ 201,735	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374	\$ 279,134	\$ 313,776	\$ 337,169	\$ 328,762
Change in Net Position	\$ (5,439)	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963	\$ (18,458)	\$ 3,394	\$ 30,085	\$ 10,156

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	Mixed Drink Tax	Litigation Tax	Develop. Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecom. Tax	Other Local Tax - Primary Govt.	Total
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
2013	41,259	36,121	14,346	2,189	1,400	5,999	2,189	-	2,449	3,210	249	832	86	7	-	110,336
2014	45,676	36,193	8,356	2,454	1,551	6,180	2,155	-	2,424	3,719	328	883	136	8	-	110,063
2015	46,711	36,958	7,778	3,463	1,708	6,449	2,454	17	2,080	3,353	346	969	152	8	-	112,446
2016	47,850	37,883	8,380	4,141	2,061	6,684	2,455	17	2,092	5,188	433	1,064	283	7	-	118,538

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	Mixed Drink Tax	Interstate Telecom. Tax	Other Local Tax - Ruth. Co. Schools	Total
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
2013	61,721	890	43,798	3,430	1,750	-	19	-	111,608
2014	65,551	949	46,244	3,538	1,726	1,048	22	-	119,078
2015	66,830	941	50,348	3,654	1,960	492	22	-	124,247
2016	79,583	987	54,870	3,787	2,272	403	19	-	141,921

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

Table 4

	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ 43	\$ 46	\$ 34	\$ 24	\$ 41	\$ 29
Reserved	3,794	2,700	2,983	4,013	-	-	-	-	-	-
Restricted										
General Government	-	-	-	-	589	588	407	379	426	490
Finance	-	-	-	-	11	22	21	36	71	97
Admin of Justice	-	-	-	-	419	636	861	1,052	1,034	1,013
Public Safety	-	-	-	-	1,629	428	116	72	246	11
Public Health & Welfare	-	-	-	-	-	99	46	126	212	71
Other Operations	-	-	-	-	32	-	-	-	-	-
Capital Projects	-	-	-	-	2,980	1,742	1,858	2,030	1,636	2,630
Committed										
General Government	-	-	-	-	155	471	132	183	105	422
Finance	-	-	-	-	51	129	102	255	233	454
Admin of Justice	-	-	-	-	5	-	1	3	5	252
Public Safety	-	-	-	-	524	315	401	341	381	969
Public Health & Welfare	-	-	-	-	291	94	81	96	102	132
Agriculture & Natural Resources	-	-	-	-	229	208	211	248	231	292
Other Operations	-	-	-	-	20	7	2	-	-	4
Assigned for Other Purposes	-	-	-	-	2,210	3,838	3,443	1,471	6,351	6,159
Unassigned	-	-	-	-	14,524	14,687	16,332	19,532	20,017	23,625
Unreserved	19,931	17,025	12,794	18,694	-	-	-	-	-	-
Total General Fund	<u>\$ 23,725</u>	<u>\$ 19,725</u>	<u>\$ 15,777</u>	<u>\$ 22,707</u>	<u>\$ 23,712</u>	<u>\$ 23,310</u>	<u>\$ 24,048</u>	<u>\$ 25,848</u>	<u>\$ 31,091</u>	<u>\$ 36,650</u>
All Other Governmental Funds										
Reserved	\$ 836	\$ 1,220	\$ 2,944	\$ 2,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Admin of Justice	-	-	-	-	286	314	-	-	-	-
Public Safety	-	-	-	-	709	664	897	878	984	1,101
Public Health & Welfare	-	-	-	-	669	-	8	-	29	-
Highways/Public Works	-	-	-	-	1,351	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	2,909	2,895	2,861
Capital Projects	-	-	-	-	-	5,750	3,149	7,026	5,975	-
Committed										
Public Health & Welfare	-	-	-	-	29	20	-	-	-	-
Highways/Public Works	-	-	-	-	-	1,780	1,640	1,831	1,992	2,125
Capital Projects	-	-	-	-	741	-	-	-	-	-
Debt Service	-	-	-	-	-	1,821	1,821	1,821	1,821	1,821
Assigned										
General Government	-	-	-	-	-	-	-	-	-	256
Finance	-	-	-	-	110	110	110	110	125	672
Admin of Justice	-	-	-	-	173	246	72	230	81	125
Public Health & Welfare	-	-	-	-	7,402	8,681	10,325	8,800	9,068	10,650
Other Operations	-	-	-	-	715	1,268	1,049	479	275	201
Highways/Public Works	-	-	-	-	5,507	5,532	6,680	7,391	8,441	10,301
Debt Service	-	-	-	-	35,734	33,994	33,329	33,979	33,646	33,903
Unassigned	-	-	-	-	-	-	-	-	-	(3,332)
Unreserved, reported in:										
Special revenue funds	19,540	17,753	17,581	14,376	-	-	-	-	-	-
Debt Service	30,928	30,705	32,182	33,214	-	-	-	-	-	-
Capital projects funds	17,719	9,084	1,020	196	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 69,023</u>	<u>\$ 58,762</u>	<u>\$ 53,727</u>	<u>\$ 50,414</u>	<u>\$ 53,426</u>	<u>\$ 60,180</u>	<u>\$ 59,080</u>	<u>\$ 65,454</u>	<u>\$ 65,332</u>	<u>\$ 60,684</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 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)

	2007	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 5,799	\$ 1,732	\$ 1,216	\$ 3,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable: Prepaid Items	-	-	-	-	-	-	16	4	5	6
Restricted	-	-	-	-	797	266	233	240	352	-
For Education	-	-	-	-	-	-	-	-	-	414
For Capital Projects	-	-	-	-	-	-	-	-	-	120
Committed	-	-	-	-	11	-	-	-	-	-
Assigned	-	-	-	-	6,873	9,253	11,996	12,275	12,183	7,868
Unassigned	-	-	-	-	12,641	14,890	15,266	15,189	17,330	33,493
Unreserved	12,832	11,396	10,948	16,318	-	-	-	-	-	-
Total General Purpose School Fund	<u>\$ 18,631</u>	<u>\$ 13,128</u>	<u>\$ 12,164</u>	<u>\$ 19,441</u>	<u>\$ 20,322</u>	<u>\$ 24,409</u>	<u>\$ 27,511</u>	<u>\$ 27,708</u>	<u>\$ 29,870</u>	<u>\$ 41,901</u>
All other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ -	\$ 249	\$ 200	\$ 233	\$ 294	\$ 193	\$ 180
Reserved	15,802	23,167	37,366	8,409	-	-	-	-	-	-
Restricted										
Education	-	-	-	-	4,989	5,348	4,853	4,089	4,271	4,339
Capital projects	-	-	-	-	1,482	30,144	4,287	13,719	34,697	14,990
Committed										
Education	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Capital projects	-	-	-	-	571	-	-	-	-	-
Unreserved, reported in:										
Debt Service	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	3,141	3,972	4,695	-	-	-	-	-	-
Capital projects funds	1,127	(7,787)	10,049	3,549	-	-	-	-	-	-
Total all other School Funds	<u>\$ 16,929</u>	<u>\$ 18,521</u>	<u>\$ 51,387</u>	<u>\$ 16,653</u>	<u>\$ 8,291</u>	<u>\$ 36,692</u>	<u>\$ 10,373</u>	<u>\$ 19,102</u>	<u>\$ 40,161</u>	<u>\$ 20,509</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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 79,885	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,352	\$ 112,660	\$ 118,102
Licenses & Permits	1,830	1,688	1,263	1,295	1,276	1,421	1,643	1,702	1,923	2,224
Fines & Forfeitures	2,479	2,875	2,724	2,490	2,479	2,531	3,051	2,723	2,691	2,743
Charges for Service	12,004	12,283	11,998	12,511	10,856	11,750	11,564	12,410	12,852	15,658
Other Local Revenue	9,566	7,069	3,588	2,667	1,880	3,215	1,680	1,842	2,073	2,309
Fees from Co. Officials	7,730	7,147	6,559	6,621	9,407 (1)	10,232 (1)	10,904 (1)	10,254 (1)	10,603 (1)	9,938 (1)
State Revenues	11,187	11,382	10,518	9,162	9,856	11,259	11,529	10,160	11,566	12,441
Federal Revenues	1,533	432	602	1,297	1,817	2,080	1,836	1,657	1,823	1,556
Other Govt/Citizens	804	508	3,559	2,299	1,045	887	2,157	2,669	2,171	1,084
Total revenues	<u>\$ 127,018</u>	<u>\$ 127,043</u>	<u>\$ 128,899</u>	<u>\$ 136,396</u>	<u>\$ 137,470</u>	<u>\$ 143,567</u>	<u>\$ 147,018</u>	<u>\$ 153,769</u>	<u>\$ 158,362</u>	<u>\$ 166,055</u>
Expenditures										
General Government	\$ 7,033	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)	\$ 8,757 (1)	\$ 9,754 (1)	\$ 9,446 (1)	\$ 9,270 (1)	\$ 9,421 (1)
Finance	6,417	6,876	6,968	7,065	7,437 (1)	7,993 (1)	8,439 (1)	8,987 (1)	9,335 (1)	8,900 (1)
Admin. Of Justice	6,073	6,206	6,311	6,487	6,700	6,803	7,674	7,906	7,808	8,229
Public Safety	32,044	34,455	35,961	35,072	37,477	41,091	42,411	46,708	47,955	49,929
Public Health/Welfare	16,018	16,656	15,843	15,867	16,639	17,387	17,460	19,579	18,928	19,589
Social, Cultural/Rec.	1,350	1,381	1,418	1,422	1,476	2,112	2,264	2,267	2,307	2,687
Agriculture & Natural	735	772	755	780	874	964	908	980	1,030	999
Other Operations	6,878	6,913	7,088	8,535	7,540	5,288	5,439	7,071	5,621	6,213
Highway & Bridge	8,254	8,928	7,688	7,811	7,395	8,659	7,850	7,690	8,622	7,684
Debt Service:										
Principal	24,539	24,515	22,670	22,375	31,935	23,115	30,177	44,430	27,906	29,017
Interest	16,897	16,341	16,441	17,815	14,277	15,339	14,587	14,119	13,693	13,739
Other charges	-	349	432	-	858	504	7,662	317	9,282	-
Capital Projects	13,632	54,019	85,202	4,709	1,062	52,130	4,853	22,181	39,639	9,358
	<u>\$ 139,870</u>	<u>\$ 184,903</u>	<u>\$ 214,110</u>	<u>\$ 135,028</u>	<u>\$ 141,613</u>	<u>\$ 190,142</u>	<u>\$ 159,478</u>	<u>\$ 191,681</u>	<u>\$ 201,396</u>	<u>\$ 165,765</u>
Excess of revenues over (under) expenditures	<u>\$ (12,852)</u>	<u>\$ (57,860)</u>	<u>\$ (85,211)</u>	<u>\$ 1,368</u>	<u>\$ (4,143)</u>	<u>\$ (46,575)</u>	<u>\$ (12,460)</u>	<u>\$ (37,912)</u>	<u>\$ (43,034)</u>	<u>\$ 290</u>

(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.

(2) Effective January 1, 2016, Offices of Register of Deeds and County Clerk became excess fee offices, and the salaries for their operations are NOT 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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses)										
Transfers in	\$ 7,287	\$ 6,509	\$ 3,238	\$ 6,413	\$ 1,873	\$ 3,749	\$ 1,209	\$ 1,132	\$ 1,304	\$ 1,064
Transfers out	(6,971)	(6,130)	(2,843)	(5,997)	(1,389)	(3,254)	(678)	(566)	(748)	(514)
Insurance Recovery	113	-	100	12	49	14	253	43	48	71
Capital Lease Issued	-	-	-	-	-	-	947	-	341	-
Bond proceeds	-	42,700	41,325	-	-	49,259	-	24,270	33,864	-
Note proceeds	-	-	31,000	-	-	-	-	-	-	-
Refunding Debt Issued	-	-	-	-	-	20,021	65,700	18,600	30,526	-
Proceeds on refunded bonds	-	-	-	-	140,275	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	(153,003)	(21,420)	(60,420)	-	(25,730)	-
Premiums on Debt Issued	-	473	3,408	-	20,355	4,557	5,402	2,608	8,549	-
Sale of Capital Assets	-	47	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 429	\$ 43,599	\$ 76,228	\$ 428	\$ 8,160	\$ 52,926	\$ 12,413	\$ 46,087	\$ 48,154	\$ 621
Net change in fund balances	<u>\$ (12,423)</u>	<u>\$ (14,261)</u>	<u>\$ (8,983)</u>	<u>\$ 1,796</u>	<u>\$ 4,017</u>	<u>\$ 6,351</u>	<u>\$ (47)</u>	<u>\$ 8,175</u>	<u>\$ 5,120</u>	<u>\$ 911</u>
Debt Service as a percentage of noncapital expenditures	34.2%	25.1%	19.2%	30.9%	33.2%	21.1%	29.0%	31.6%	21.3%	28.1%
Capital Expenditures	\$ 18,652	\$ 22,426	\$ 10,514	\$ 4,924	\$ 2,299	\$ 7,583	\$ 5,048	\$ 6,314	\$ 6,268	\$ 13,551

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Property Tax & PILOT	\$ 58,442	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212	\$ 84,076	\$ 90,540	\$ 91,753	\$ 93,712
Sales Tax	4,770	4,762	2,296	2,016	1,814	1,452	2,157	2,428	3,370	4,106
Hotel/Motel Tax	843	986	932	951	1,067	1,216	1,400	1,551	1,709	2,061
Wheel Tax	5,370	5,707	5,701	5,695	5,729	5,860	5,999	6,180	6,449	6,684
Litigation Tax	975	1,062	1,863	2,242	2,231	2,422	2,449	2,424	2,080	2,092
Business Tax	1,236	1,385	1,269	1,424	1,709	1,824	2,189	2,155	2,454	2,455
Mixed Drink Tax	-	-	-	-	-	-	-	-	17	17
Mineral Severance	690	642	359	232	221	257	249	328	346	433
Development Tax	6,229	3,960	2,579	1,395	866	2,051	3,210	3,719	3,353	5,188
Bank Excise Tax	501	307	342	219	77	68	86	135	152	283
Wholesale Beer Tax	800	845	861	837	811	825	832	883	969	1,064
Other Statutory Tax	29	54	14	8	1	5	7	8	8	7
	<u>\$ 79,885</u>	<u>\$ 83,659</u>	<u>\$ 88,088</u>	<u>\$ 98,054</u>	<u>\$ 98,854</u>	<u>\$ 100,192</u>	<u>\$ 102,654</u>	<u>\$ 110,351</u>	<u>\$ 112,660</u>	<u>\$ 118,102</u>

Table 5a

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 89,099	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961	\$ 123,915	\$ 141,531
Licenses & Permits	16	15	11	11	12	12	11	12	13	12
Charges for Service	186	6,428	7,111	6,594	6,591	6,702	6,595	6,844	6,466	6,661
Other Local Revenue	3,577	6,584	1,255	743	518	432	317	407	326	607
State Revenues	112,189	133,203	140,433	144,467	153,732	156,628	165,852	177,327	175,350	184,802
Federal Revenues	15,826	15,593	17,784	24,958	32,939	29,669	25,586	26,193	24,265	25,541
Other Govt/Citizens	-	35,322	71,724	-	-	48,257	947	17,755	35,625	-
Total revenues	<u>\$ 220,893</u>	<u>\$ 289,621</u>	<u>\$ 334,962</u>	<u>\$ 276,680</u>	<u>\$ 298,198</u>	<u>\$ 348,883</u>	<u>\$ 311,036</u>	<u>\$ 347,499</u>	<u>\$ 365,960</u>	<u>\$ 359,154</u>
Expenditures										
Education										
Instruction	\$ 140,849	\$ 155,364	\$ 161,908	\$ 167,761	\$ 186,041	\$ 183,565	\$ 192,389	\$ 206,228	\$ 206,071	\$ 219,513
Support Services	67,680	76,848	82,531	82,355	89,164	90,621	92,795	99,697	100,128	103,746
Operational Services	6,298	13,970	14,089	15,070	17,602	18,696	18,745	20,152	18,418	19,327
Capital Outlay	150	666	38	124	2	-	35	74	41	49
Debt Service										
Principal	541	561	581	601	673	933	-	-	-	-
Interest	148	129	109	89	73	75	-	-	-	-
Other Debt Service	-	-	-	-	13	-	1,124	550	550	510
Capital Projects	40,975	46,557	43,803	38,137	13,724	23,020	29,265	11,900	17,531	23,635
	<u>\$ 256,641</u>	<u>\$ 294,095</u>	<u>\$ 303,059</u>	<u>\$ 304,137</u>	<u>\$ 307,292</u>	<u>\$ 316,910</u>	<u>\$ 334,353</u>	<u>\$ 338,601</u>	<u>\$ 342,739</u>	<u>\$ 366,780</u>
Excess of revenues over (under) expenditures	<u>\$ (35,748)</u>	<u>\$ (4,474)</u>	<u>\$ 31,903</u>	<u>\$ (27,457)</u>	<u>\$ (9,094)</u>	<u>\$ 31,973</u>	<u>\$ (23,317)</u>	<u>\$ 8,898</u>	<u>\$ 23,221</u>	<u>\$ (7,626)</u>
Other financing sources (uses)										
Transfers in	\$ 3,942	\$ 7,433	\$ 1,836	\$ 724	\$ 907	\$ 244	\$ 278	\$ 847	\$ 223	\$ 148
Transfers out	(3,942)	(7,433)	(1,836)	(724)	(907)	(244)	(278)	(847)	(223)	(148)
Insurance Recovery	-	1	-	-	4	-	100	29	-	3
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Note proceeds	500	-	-	-	1,609	-	-	-	-	-
Capital Leases Issued	-	-	-	-	-	514	-	-	-	-
Premiums on Bonds sold	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	562	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	<u>\$ 500</u>	<u>\$ 563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,613</u>	<u>\$ 514</u>	<u>\$ 100</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 3</u>
Net change in fund balances	<u>\$ (35,248)</u>	<u>\$ (3,911)</u>	<u>\$ 31,903</u>	<u>\$ (27,457)</u>	<u>\$ (7,481)</u>	<u>\$ 32,487</u>	<u>\$ (23,217)</u>	<u>\$ 8,927</u>	<u>\$ 23,221</u>	<u>\$ (7,623)</u>
Debt Service as a percentage of noncapital expenditures	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.2%	0.2%	0.1%
Capital expenditures	\$ 68,239	\$ 38,735	\$ 30,257	\$ 30,607	\$ 8,243	\$ 21,028	\$ 26,066	\$ 14,800	\$ 14,800	\$ 21,388

Table 5a

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>
Property Tax & PILOT	\$ 49,903	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093	\$ 62,966	\$ 66,656	\$ 67,812	\$ 80,435
Sales Tax	35,001	37,056	36,381	35,359	37,676	40,313	43,563	45,970	49,976	54,616
Wheel Tax	3,006	3,202	3,215	3,214	3,255	3,321	3,430	3,538	3,654	3,787
Business Tax	1,164	1,227	1,077	1,120	1,360	1,442	1,750	1,726	1,960	2,272
Mixed Drink Tax	-	-	-	-	-	-	-	1,048	492	402
Other Statutory Tax	25	20	19	13	11	14	19	23	22	19
	<u>\$ 89,099</u>	<u>\$ 92,476</u>	<u>\$ 96,644</u>	<u>\$ 99,907</u>	<u>\$ 104,406</u>	<u>\$ 107,183</u>	<u>\$ 111,728</u>	<u>\$ 118,961</u>	<u>\$ 123,916</u>	<u>\$ 141,531</u>

Table 6

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

Fiscal Year Ending June 30	Tax Year	Tax Rate	<u>Real Property</u>		<u>Personal Property</u>		<u>Public Utilities</u>		Equalization Ratio	<u>Total</u>		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
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%
2013	2012	2.4652	20,974,337,000	5,555,708,640	1,296,736,046	389,047,357	319,269,575	175,598,266	100.00%	22,590,342,621	6,120,354,263	27.09%
2014	2013	2.5652	21,149,775,795	5,556,719,200	1,380,529,310	414,179,684	317,885,769	174,885,573	100.00%	22,848,190,874	6,145,784,457	26.90%
2015	2014	2.4867	21,958,803,500	5,835,198,655	1,454,341,773	436,351,047	343,768,392	189,072,616	100.00%	23,756,913,665	6,460,622,318	27.19%
2016	2015	2.4867	22,388,256,768	5,965,452,501	1,439,914,594	432,002,439	372,429,031	204,835,967	100.00%	24,200,600,393	6,602,290,907	27.28%

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					(1) Average Daily Attendance Factor	(2) Net County Rate	Percent of Direct Tax Rate Collected for Benefit of the City of Murfreesboro	Overlapping Rate				Total Direct & Overlapping Rate (3)
		County Operating	Education	Debt Service	Total County Rate	City of Murfreesboro				Town of Smyrna	City of LaVergne	City of Eagleville		
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	
2013	2012	0.6809	1.1881	0.5962	2.4652	0.1430	2.2953	6.89%	1.2703	0.7595	1.0000	0.7512	6.2462	
2014	2013	0.7409	1.2381	0.5862	2.5652	0.1424	2.3889	6.87%	1.2703	0.9095	1.0000	0.7512	6.4962	
2015	2014	0.7182	1.2002	0.5683	2.4867	0.1494	2.3139	6.95%	1.2066	0.8840	1.0000	0.7282	6.3055	
2016	2015	0.7182	1.3935	0.5683	2.6800	0.1501	2.4783	7.53%	1.2066	0.8840	0.9750	0.7282	6.4738	

Source: Rutherford County Trustee, Rutherford County Assessor and City/Town Records.

(1) Average daily attendance factor is the weighted full time equivalent determined by the Tennessee Department of Education and is based on the number of students attending county and city school systems. By law, Rutherford County must share locally generated revenue directed to the school's general operating fund 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 operating 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 owners (e.g., the rates 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, 2016

Taxpayer	Type of Business	2015			Percentage of Total Taxes Levied (2)	2006			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2015 Tax Liability		Rank	Assessed Valuation	2006 Tax Liability	
Nissan Motor Mfg. Co.		1	\$ 608,907,071	\$ 5,345,196	3.01%	1	\$ 310,628,135	\$ 4,213,654	(1) 3.78%
Automobile Maker									
Middle Tennessee Electric		2	71,614,031	1,919,256	1.08%	4	43,834,564	1,069,564	0.96%
Public Utility-Electric Company									
Pillsbury Co./General Mills		3	67,603,094	1,654,195	0.93%	2	56,989,619	1,390,547	1.25%
Bakery Goods									
Heins Global Reit		4	56,482,440	1,513,729	0.85%				
Retail Mall (The Avenues)									
Prologis		5	47,808,120	1,281,258	0.72%				
Real Estate Develoment									
Bridgestone		6	44,596,580	1,200,549	0.68%	3	44,047,120	1,074,749	0.96%
Tire Maker									
Swanson Development		7	30,945,246	832,209	0.47%				
Commerical Properties									
HCA Health Services		8	26,073,906	698,781	0.39%	7	21,259,554	518,734	0.47%
Stone Crest Medical Center									
Transwestern Stones River						9	17,735,440	432,745	0.39%
Shopping Mall (Stones River Mall)									
Atmos		9	21,103,171	565,565	0.32%				
Public Utility									
CH Realty (formerly Southpark, Nashville, LLC)						5	26,734,160	652,313	0.59%
Warehousing									
BellSouth		10	19,605,352	525,424	0.30%	6	23,533,549	547,218	0.52%
Public Utility-Telephone Co.									
Rich-Healy						10	14,608,280	356,442	0.32%
Bakery Goods									
Ozburn Hessey Storage Co.						8	18,099,560	441,629	0.40%
Warehousing									
					8.76%				
									9.64%

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

- (1) The taxes represent \$1,263,299 (2005 tax year) and \$835,889 (2014 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amounts of \$3,175,417 (2005) and \$4,594,942 (2014) represent net tax payments collected through payment in-lieu of tax agreements.
- (2) This information is presented instead of the percent of assessed value, since Nissan's payment is principally based on a payment in-lieu-of a tax agreement that is not assessment driven.

Table 9

Rutherford County, Tennessee
Property Tax Levies and Collections-By Tax Year
Last Ten Fiscal Years
As of June 30, 2016

Tax Year	Total Tax Levy	Fiscal Year Tax Collections	Percent of Fiscal Year Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2006 (2)	\$ 111,419,529	\$ 108,059,865	96.98%	\$ 3,280,910	\$ 111,340,775	99.93%	\$ 78,754	0.07%
2007	119,023,978	113,890,715	95.69%	5,015,206	118,905,921	99.90%	118,057	0.10%
2008	131,273,518	125,819,556	95.85%	5,315,109	125,819,556	95.85%	138,853	0.11%
2009	147,086,182	140,414,404	95.46%	6,379,338	140,414,404	95.46%	292,440	0.20%
2010	149,180,338	142,559,175	95.56%	6,373,439	142,559,175	95.56%	247,724	0.17%
2011	149,526,088	143,397,179	95.90%	5,914,449	143,397,179	95.90%	214,460	0.14%
2012	149,938,381	145,139,838	96.80%	4,559,073	145,139,838	96.80%	239,470	0.16%
2013	157,643,335	153,702,248	97.50%	3,576,796	153,702,248	97.50%	364,291	0.23%
2014	160,554,547	157,029,432	97.80%	2,829,852	157,029,432	97.80%	695,263	0.43%
2015	177,329,882	173,966,599	98.10%	(1)	173,966,599	98.10%	3,359,304	1.89%

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	
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	1,476,530,477	519,267,644		4,784,111
2012	2011	1,465,228,011	515,936,044		4,624,731
2013	2012	1,505,018,217	530,373,686		4,901,701
2014	2013	2,153,933,838	735,080,954		6,351,606
2015	2014	2,104,185,762	722,166,495		6,055,327
2016	2015	2,015,195,277	691,418,633		6,051,274

Source: In lieu of tax agreements

NOTE: Property subject to in-lieu-of tax payment is included in the agreement with each company. The county had PILOT agreements with 12 companies in 2015-2016. Nissan represents approximately 84.57% of the total estimated assessed values of properties under PILOTs and paid 77.63% of the total PILOTs. 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. Smyrna's portion of the payment has not been reflected in this table.

(1) Information unavailable for prior periods

Table 11

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

Fiscal Year	(3)		Net Bonded Debt (3)	Assessed Value	% of Net Bonded Debt to Assessed Value		(1) Population	% of Bonded Debt to Total Personal Income (2)		% of Net Bonded Debt to Total Personal Income (2)	
	General Bonded Debt	Less: Amounts Available in Debt Service Funds						Bonded Debt per Capita	Net Bonded Debt per Capita		
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	0	354,180,000	6,034,170,347	5.87%	262,604	1,349	4.30%	1,349	4.30%	
2012	379,345,000	0	379,345,000	6,097,873,015	6.22%	268,921	1,411	4.34%	1,411	4.34%	
2013	356,489,102	0	356,489,102	6,120,354,263	5.82%	274,454	1,299	3.93%	1,299	3.93%	
2014	356,302,259	0	356,302,259	6,145,784,457	5.80%	281,029	1,268	3.80%	1,268	3.80%	
2015	361,267,344	0	361,267,344	6,460,622,318	5.59%	288,906	1,250	3.56%	1,250	3.56%	
2016	332,250,683	0	332,250,683	6,602,290,907	5.03%	298,612	1,113	3.18%	1,113	3.18%	

Source: Table 6, Tennessee Dept. of Economic & 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 2011 through 2016, amounts available in Debt Service funds show \$0 because the funds that are available are not restricted by an outside party.

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, 2016

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 331,340,000		
County School District of Rutherford (Notes)	130,976		
County School District of Rutherford (Cap. Lease)	779,707		
Less: General Debt Service Funds (2)	<u>(33,902,689)</u>		
Total Direct Debt	\$ 298,347,994	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 204,836,560	45.13%	47.23%
Town of Smyrna	17,040,933	17.85%	16.55%
City of LaVergne	15,197,258	11.07%	12.17%
City of Eagleville	<u>308,700</u>	0.29%	0.25%
Total Overlapping Debt	<u>237,383,451</u>		
Total Direct and Overlapping Debt	<u>\$ 535,731,445</u>		

Source: City Recorders, 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
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%
2013	274,454	33,050	9,070,704,700	32.1	39,671	6.3%
2014	281,029	33,350	9,372,317,150	32.1	40,861	5.8%
2015	288,906	35,113	10,144,356,378	32.1	41,376	5.1%
2016	298,612	36,194	10,456,560,000	32.8	42,556	3.9%

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

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

(2) The Census Bureau determines the median age for local areas each decade.;
TNECD information used for 2016.

Table 14

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

Employer	2016			2007		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	8,000	1	5.18%	8,100	1	5.72%
Rutherford County Government & Board of Education	6,028	2	3.90%	4,223	2	3.60%
Middle Tennessee State University	2,205	3	1.43%	2,006	3	1.71%
National Health Corp	2,071	4	1.34%			
Ingram Book Company	2,048	5	1.33%	1,658	4	1.42%
Bridgestone/Firestone, Inc.				1,850	5	1.58%
City of Murfreesboro & Board of Education	1,912	6	1.24%			
State Farm Insurance	1,650	7	1.07%	1,550	6	1.32%
Amazon	1,550	8	1.00%			
St. Thomas Rutherford	1,400	9	0.91%			
Alvin C. York Veterans Administration Medical Center	1,300	10	0.84%	1,150	7	0.98%
Middle Tennessee Medical Center				1,100	8	0.94%
Assurion				1,137	9	0.97%
Cinram				1,083	10	0.92%
Total			<u>18.23%</u>			<u>19.16%</u>

Source: Rutherford County Chamber of Commerce

Table 15

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

	Employees as of June 30,									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function:										
General Government	74	79	81	79	80	79	82	81	82	83
Finance	86	89	88	90	90	91	90	91	91	88
Justice	85	85	89	89	88	90	92	94	94	116
Public Safety	469	478	504	501	504	505	504	518	528	534
Health & Welfare	212	218	217	217	216	216	214	215	218	221
Agriculture	8	8	8	8	7	8	8	7	7	5
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	77	77	77	70	72	64	64	64	64	60
Total	1014	1037	1067	1057	1060	1056	1057	1073	1087	1110
COMPONENT UNIT:										
Education	3,098	3,987	4,129	4,332	4,555	4,609	4,681	4,841	4,912	4,981

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

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>General Government</u>										
Registered Voters	123,350	132,477	141,090	144,150	142,856	148,849	149,445	153,131	151,276	158,899
Building Permits Issued										
Single Family Homes	811	623	314	388	305	410	582	581	638	634
All other permits	2,471	2,235	1,646	1,549	1,445	1,620	1,837	1,868	2,016	2,189
<u>Public Safety</u>										
Number of warrants										
State - Issued	N/A	N/A	N/A	N/A	13,436	13,568	14,200	14,707	15,557	14,708
State - Served	11,177	12,140	12,215	12,012	12,722	12,484	12,755	13,469	13,626	11,513
Civil - Issued	N/A	N/A	N/A	N/A	19,394	19,902	19,576	19,750	19,804	19,526
Civil - Served	17,499	19,101	19,966	19,795	19,069	19,054	19,273	19,240	19,542	12,108
<u>Public Health</u>										
Ambulance- Call Volume	17,923	19,378	18,600	19,724	22,119	24,331	24,877	26,015	28,700	31,433
Response Time -avg. minutes	7.79	7.83	8.02	7.70	7.60	7.60	7.80	7.80	8.00	8.00
Animal Control										
Requests for service	14,332	16,415	16,824	16,539	14,328	15,920	16,430	18,628	18,707	18,681
Animals Impounded	8,615	9,193	9,220	8,616	8,208	8,403	7,982	7,740	6,876	6,949
Animals Adopted	2,359	2,457	2,009	2,010	1,658	1,471	1,701	1,754	1,939	2,516
<u>Road & Bridge</u>										
Street Resurfaced (miles)	58.9	62.3	54.4	57.4	55.9	56.2	37.9	52.3	35.1	36.5
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	103.9	110.9	105.7	106.3	103.8	104.1	100.3	123.0	113.1	120.8
Recyclables Collected	8.1	7.5	8.1	8.3	12.4	14.9	15.0	14.1	13.6	11.3
Tires Collected	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.8	13.7	9.8

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

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

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Highways and Streets										
Number of Streets in System	1,914	1,962	2,004	2,034	2,039	2,039	2,071	2,108	2,150	2,200
Number of Miles	951	956	959	964	965	963	967	976	971	973
Number of Bridges	163	163	163	164	165	165	166	166	166	166
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	1	1
Ambulance Stations	11	12	12	12	12	12	12	12	12	12
Number of ambulance units	22	24	24	25	25	25	25	27	29	28
Sanitation/Landfill										
Number of SW trucks	16	16	16	16	17	17	19	19	17	18
Health Department Facilities	2	2	2	2	2	2	2	2	2	2
<u>Facilities and Services Not Included in the Primary Government</u>										
Education:										
Form of Administration										
Number of Employees	3,487	3,988	4,129	4,332	4,555	4,609	4,681	4,841	4,912	4,981
Elementary Schools	22	23	23	24	24	24	24	24	24	24
Middle Schools	8	8	9	9	10	10	10	10	10	10
High Schools	7	7	7	7	7	7	7	8	8	8
K-12 School	1	1	1	1	1	1	1	1	1	1
Alternative School	2	2	2	2	2	2	2	2	2	2
Magnet School	-	-	-	-	1	1	1	1	1	1

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

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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**Independent Auditor's 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***

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2016, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements, and have issued our report thereon dated November 14, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Community Care of Rutherford County, Inc., and the Emergency Communications District, as described in our report on Rutherford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rutherford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Rutherford County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2016-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rutherford County's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

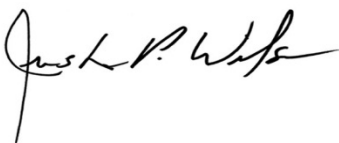
Rutherford County's Response to Findings

Rutherford County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Rutherford County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rutherford County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 14, 2016

JPW/yu



**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 on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Rutherford County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rutherford County's major federal programs for the year ended June 30, 2016. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rutherford County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Rutherford County's compliance.

Opinion on Each Major Federal Program

In our opinion, Rutherford County complied, in all material respects, with the types of compliance 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, 2016.

Report on Internal Control Over Compliance

Management of Rutherford County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rutherford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

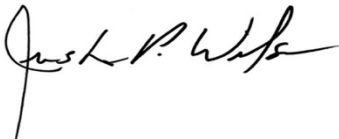
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2016, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated November 14, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 14, 2016

JPW/yu

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2016

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(3)	\$ 2,254,566
National School Lunch Program	10.555	(3)	7,805,601 (4)
State Administrative Expenses for Child Nutrition	10.560	(3)	20,700
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	345,886 (4)
Total U.S. Department of Agriculture			<u>\$ 10,426,753</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Housing Development:			
Home Investment Partnerships Program	14.239	HM-12-20	\$ 1,980
Total U.S. Department of Housing and Urban Development			<u>\$ 1,980</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 46,680
Passed-through Middle Tennessee State University:			
National Heritage Area Federal Financial Assistance	15.939	C15-1045	2,500
Total U.S. Department of the Interior			<u>\$ 49,180</u>
U.S. Department of Justice:			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 3,447
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	104,056
Equitable Sharing Program	16.922	N/A	90,714
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	(5)	89,313
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-1085	30,955
Total U.S. Department of Justice			<u>\$ 318,485</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-16-GHS303	\$ 19,205
Alcohol Open Container Requirements	20.607	(6)	29,635
National Priority Safety Programs	20.616	Z-15-GHS300-00	13,703
Total U.S. Department of Transportation			<u>\$ 62,543</u>
National Endowment for the Arts:			
Passed-through Tennessee Arts Commission:			
Promotion of the Arts - Partnership Agreements	45.025	(3)	\$ 9,100
Total National Endowment for the Arts			<u>\$ 9,100</u>

(Continued)

Rutherford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	(3)	\$ 246,917
Passed-through Tennessee Alliance for Children and Families:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	(3)	62,471
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	(3)	4,768,728
Special Education Cluster:			
Special Education - Grants to States	84.027	(3)	7,843,919
Special Education - Preschool Grants	84.173	(3)	101,251
Career and Technical Education - Basic Grants to States	84.048	(3)	650,095
Education for Homeless Children and Youth	84.196	(3)	188,536
English Language Acquisition Grants	84.365	(3)	236,609
Improving Teacher Quality State Grants	84.367	(3)	508,291
Total U.S. Department of Education			<u>\$ 14,606,817</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	34513-83814	\$ 27,107
Total U.S. Department of Health and Human Services			<u>\$ 27,107</u>
U.S. Department of Homeland Security:			
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	\$ 747,500
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-30715	75,061
Emergency Management Performance Grants	97.042	34101-17216	69,350
Homeland Security Grant Program	97.067	34101-21115	35,254
Total U.S. Department of Homeland Security			<u>\$ 927,165</u>
Total Expenditures of Federal Awards			<u>\$ 26,429,130</u>

(Continued)

Rutherford County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Court Prevention - State Department of Children Services	N/A	35910-20625	\$ 417,696
Rural Local Health Services - State Department of Health	N/A	GG-16-47123-00	1,837,996
Tennessee Certified Recovery Court Program - State Department of Finance and Administration	N/A	46,870	107,500
Clean Tennessee Energy Grant Program - State Department of Environment and Conservation	N/A	(7)	104,744
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29989	9,000
Community Early Intervention Services - State Department of Children Services	N/A	34910-20605	41,239
Law Enforcement Training - State Department of Public Safety	N/A	(3)	135,000
Low Cost Sterilization of Dogs and Cats - State Department of Health	N/A	34339-08313	4,000
Waste Tire Program - State Department of Environment and Conservation	N/A	Z-08-212965-02	291,884
Litter Grant - State Department of Transportation	N/A	Z-15-LIT075	95,100
Recycling Program - State Department of Environment and Conservation	N/A	(3)	15,759
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - State Department of Emergency Management	N/A	(3)	14,182
Early Childhood Education - State Department of Education	N/A	(3)	995,177
Adult Education - State Grant Program - State Department of Labor and Workforce Development	N/A	(3)	82,306
Student Ticket Subsidy (STS) Grant - Tennessee Arts Commission	N/A	(3)	14,701
Coordinated School Health - State Department of Education	N/A	(3)	180,000
Safe Schools - State Department of Education	N/A	(3)	200,035
Total State Grants			<u>\$ 4,546,319</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) Rutherford county elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Total for CFDA No. 10.555 is \$8,151,487

(5) 26694: \$45,492; 26707: \$43,821

(6) Z-15-GHS301-00: \$19,674; Z-16-GHS302-00: \$9,961

(7) 32701-101838: \$83,576; 44177: \$21,168

Rutherford County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	309	2015-001	Multiple Employees of the Building and Codes Department Operated from the Same Cash Drawer	N/A	Corrected
2015	309-310	2015-002	Some Building and Codes Department Funds were not Deposited Within Three Days of Collection	N/A	Corrected
2015	310-312	2015-003	The Office of Circuit, General Sessions, and Juvenile Courts Clerk had Deficiencies Noted in the Maintenance of Accounting Records	N/A	Corrected
2015	313	2015-004	The Office of Circuit, General Sessions, and Juvenile Courts had Accounting Software Deficiencies	N/A	Not Corrected - See Explanation on Corrective Action Plan
2015	314	2015-005	Discrepancies in Operations of the Rutherford County Sheriff's Department are Currently Being Investigated	N/A	Investigative Report Released Under Separate Cover

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

RUTHERFORD COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Rutherford County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster:
Special Education - Grants to States
Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$792,874**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit of the financial statements of Rutherford County, Tennessee, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. The circuit, general sessions, and juvenile courts clerk provided a corrective action plan, which is paraphrased in the Management's Corrective Action Plan section of this report.

Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2016-001

THE OFFICE HAD ACCOUNTING SOFTWARE DEFICIENCIES

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

Our examination noted the following accounting software deficiencies:

- A. 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.
- B. Users could receipt collections to a prior date. These collections would not appear on the current day's collection report but would instead create a skip in the receipt number sequence listed on the report. Because users could reset the receipt numbers, a skip in sequence would not be an effective means to account for backdated receipts. Since the vendor did not design the system with adequate controls, inappropriate system activity could occur. Sound business practices dictate that proper application controls be implemented.
- C. Users could generate receipts that did not flow through the accounting records. These receipts are referred to as outside direct payments because these funds are not deposited with the courts. A report detailing these receipts was not available. In order to ensure inappropriate activity does not occur, a report should be available for review by management.

These deficiencies are also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the application that would identify the user that performed each transaction and properly account for any backdated receipts. A report that details outside direct payment receipts should also be developed. These controls would help to ensure the reliability and integrity of the information maintained by the system.

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

I concur with the audit finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

**Rutherford County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2016**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented below:

Corrective Action - Financial Statement Findings

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2016-001 **THE OFFICE HAD ACCOUNTING SOFTWARE DEFICIENCIES**

Response and Corrective Action Plan Prepared by:	Melissa Harrell, Circuit, General Sessions, and Juvenile Courts Clerk, and Brian Robertson, Office of Information Technology Director
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Person Responsible for Implementing the Corrective Action:	Melissa Harrell, Circuit, General Sessions, and Juvenile Courts Clerk, and Brian Robertson, Office of Information Technology Director
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Anticipated Completion Date of Corrective Action:	June 2017
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Repeat Finding:	Yes
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Reason Why Corrective Action was Not Taken – PY: I have worked constantly since the first day of my time in office to correct the noted software deficiencies that were present prior to my election as Circuit Court Clerk. However, a large scale, successful software conversion for a court clerk office of this size takes adequate time and planning. I look forward to seeing this successful conversion take place during this current fiscal year and that these software deficiencies are corrected. It is my goal and priority that adequate internal controls are in place and functioning properly in this office to safeguard the funds of the citizens of Rutherford County.

Planned Corrective Action:

The court clerk office is in the process of implementing new accounting software that has been successfully utilized in the majority of the county circuit court clerk offices in the State of Tennessee for years. We believe with this long track record, this new software will ensure that the deficiencies noted in these audit findings will be corrected upon successful implementation.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

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

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.