

COMPREHENSIVE ANNUAL FINANCIAL REPORT

RUTHERFORD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

KENT WHITE, CPA, CGFM, CFE
Auditor 4

TERYN McNEAL, CPA
MICHAEL SMITH
BRITT WOOD, CPA, CFE,
CGFM, CISA, ACDA
State Auditors

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

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

RUTHERFORD COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		7
<u>INTRODUCTORY SECTION</u>		8
Letter of Transmittal		9-14
GFOA Certificate of Achievement for FY16 Report		15
Organization Chart		16
Rutherford County Officials		17-18
<u>FINANCIAL SECTION</u>		19
Independent Auditor's Report		20-23
Management's Discussion and Analysis		24-38
BASIC FINANCIAL STATEMENTS:		39
Government-wide Financial Statements:		
Statement of Net Position	A	40-41
Statement of Activities	B	42-43
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	44-46
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	47
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	48-49
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	50
Statement of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	51-54
Proprietary Funds:		
Statement of Net Position	D-1	55
Statement of Revenues, Expenses, and Changes in Net Position	D-2	56
Statement of Cash Flows	D-3	57
Fiduciary Funds:		
Statement of Fiduciary Net Position	E-1	58
Statement of Changes in Fiduciary Net Position	E-2	59
Index and Notes to the Financial Statements		60-148

	Exhibit	Page(s)
REQUIRED SUPPLEMENTARY INFORMATION:		149
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	150
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	151
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Rutherford County School Department	F-3	152
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Rutherford County School Department	F-4	153
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Pension Plan of TCRS – Discretely Presented Rutherford County School Department	F-5	154
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Rutherford County School Department	F-6	155
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Rutherford County School Department	F-7	156
Notes to the Required Supplementary Information		157
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		158
Nonmajor Governmental Funds:		159
Combining Balance Sheet	G-1	160-163
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	164-167
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	168
Ambulance Service Fund	G-4	169
Industrial/Economic Development Fund	G-5	170
Special Purpose Fund	G-6	171
Drug Control Fund	G-7	172
Highway/Public Works Fund	G-8	173
Major Governmental Fund:		174
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	175
Proprietary Funds:		176
Combining Statement of Net Position	I-1	177
Combining Statement of Revenues, Expenses, and Changes in Net Position	I-2	178
Combining Statement of Cash Flows	I-3	179
Fiduciary Funds:		180
Combining Statement of Fiduciary Assets and Liabilities	J-1	181
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	182-183

	Exhibit	Page(s)
Component Unit:		
Discretely Presented Rutherford County School Department:		184
Statement of Activities	K-1	185
Balance Sheet – Governmental Funds	K-2	186-187
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	K-3	188
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	189-190
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	191
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	192-193
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	194-195
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	196-198
School Federal Projects Fund	K-9	199
Central Cafeteria Fund	K-10	200
Education Capital Projects Fund	K-11	201
Statement of Fiduciary Net Position	K-12	202
Statement of Changes in Fiduciary Net Position	K-13	203
Miscellaneous Schedules:		204
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds	L-1	205-206
Schedule of Long-term Debt Requirements by Year	L-2	207-208
Schedule of Investments	L-3	209
Schedule of Notes Receivable	L-4	210
Schedule of Transfers – Primary Government and Discretely Presented Rutherford County School Department	L-5	211
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Rutherford County School Department	L-6	212
Schedule of Detailed Revenues – All Governmental Fund Types	L-7	213-228
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Rutherford County School Department	L-8	229-232
Schedule of Detailed Expenditures – All Governmental Fund Types	L-9	233-267
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Rutherford County School Department	L-10	268-282
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	L-11	283

	Table	Page(s)
<u>STATISTICAL SECTION</u>		284
Financial Trends:		
Net Position by Component	1	285
Changes in Net Position	2-2a	286-288
Governmental Activities Tax Revenue by Source	3-3a	289-290
Fund Balances of Governmental Funds	4-4a	291-292
Changes in Fund Balances of Governmental Funds	5-5a	293-296
Revenue Capacity:		
Assessed and Estimated Actual Value of Property	6	297
Property Tax Rates – Direct and Overlapping Governments	7	298
Principal Taxpayers	8	299
Property Tax Levies and Collections by Tax Year	9	300
Assessed and Estimated Actual Value of in-Lieu-of Tax Agreements and Tax Payments	10	301
Debt Capacity:		
Ratios of Net General Outstanding Bonded Debt	11	302
Direct and Overlapping Debt	12	303
Demographic and Economic Information:		
Demographic Statistics	13	304
Principal Employers	14	305
Operating Information:		
Full-time Employees by Function	15	306
Operating Indicators by Function	16	307
Capital Assets by Function	17	308
<u>SINGLE AUDIT SECTION</u>		309
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 <i>Government</i> <i>Auditing Standards</i>		310-311
Auditor's Report on Compliance for Every Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		312-314
Schedule of Expenditures of Federal Awards and State Grants		315-316
Summary Schedule of Prior-year Findings		317
Schedule of Findings and Questioned Costs		318-320
Management's Corrective Action Plan		321
Best Practice		322

Summary of Audit Findings

Comprehensive Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2017.

Results

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

Our audit resulted in no findings.

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, 2017

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, 2017, 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, 2017, 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, 2017, 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 308,251 per the 2016 Census estimate which is 17.4% above the 2010 Census and 69.3% 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 22,000, 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 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** had 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.

Additional business opportunities and expansions to current business investments occurred in FY 2017 as well, with **Federal Express** announcing they will build a one million square foot distribution facility in the City of Murfreesboro. Also in Murfreesboro, **Trustpoint Hospital** announced a 148-bed expansion. Trust Point provides acute physical medicine and rehabilitation services, behavioral health services for adults and seniors and acute medical psychiatry. This expansion represents a \$57 million investment in the community. This will support the hospital's growth and create close to 400 new jobs within the next five years. **NFI**, one of North America's largest logistic providers announced it will invest approximately \$7.2 million to establish a distribution facility in Smyrna, creating nearly 170 jobs over the next five

years. **VALEO North America, Inc.** announced plans to expand current operations in Smyrna by investing \$25 million, creating 80 new jobs for the community. **Franke Foodservice Systems** announced plans to expand operations in Smyrna as well, investing \$11.6 million, creating 67 new jobs. **Ebuys, Inc.**, a global online shoe retailer announced their plans to open a new distribution facility in the City of LaVergne with a \$38 million investment in building, land and personal property and is expected to create 160 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 2017, Rutherford County had a labor force of 167,540 with 161,830 employed resulting in a 3.4 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2017, Rutherford County's unemployment rate was below both the state's average of 4.2 percent and the national average of 4.5 percent. These rates are lower than the June 2016 rates, which were reported as 4.1 percent for the county, 5.0 percent for the state, and 5.1 percent for the country.

The improvement in the county's economy was reflected in the local option sales tax revenue for county schools during FY 2017 when this revenue component increased 7.92 percent over the prior year to a new high of \$59.03 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 17.13 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 build an annex to Oakland Middle School, renovate David Youree Elementary School, build an addition to Siegel High School and to build a new high school on the Rockvale school complex. Also requested was funding to design an annex to LaVergne Middle School and a second renovation to Roy Waldron Elementary School. The Board of Commissioners have approved these projects and funding is expected to be obtained in the 2017-2018 fiscal year. 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 two middle schools.

Besides the remarkable population growth the county is experiencing, another pressing challenge facing the County and Municipal Governments is our locally available disposal capacity for both solid waste and debris. In August, 2016 the County and City of Murfreesboro contracted with Gershman, Brickner & Bratton, Inc. (GBB) to prepare a solid waste strategic plan that will identify and evaluate available technologies to expand, create, supplement, or replace the existing infrastructure to manage the community's solid waste management needs into the next 20 to 40 years. The GBB Project Team will conduct a planning and public decision-making process that will review key factors such as: technology and management options for the future solid waste management system; who the solid waste management system should serve; how the system should be implemented; and, how the system will be administered. This will be a multi-step process and will engage stakeholders to set the vision for how the region manages its municipal solid waste going forward.

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 open for use in the fall of 2017 and the judicial building in the spring of 2018.

In March 2017, the county obtained the services of Gresham Smith, PLLC to provide a planning recommendation on how to best reuse the space in the old Judicial Building. The study includes the current Judicial Building and Annex, Goldstein Building, Historic Health Department, Historic Courthouse, 309 West Main and 319 N. Maple Street. The goal is to include the best and highest use of the property not needed for office space. In July 2017 Steve Johnson and Afton Mooney of Gresham Smith addressed the Property Management Committee advising their work was half done and the properties have been evaluated for quality and suitability for use. Occupancy demands have been created for current requirements with a five year forecast of needs. The next two steps will be to develop scenarios of office demands and then boil down to a single scenario or two with a report hopefully by the fall of 2017.

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, 2017, the County Commission agreed to use nearly \$8.1 million of the unassigned fund balance to fund the General Fund operations for the 2017-2018 fiscal year. After the assignment, as of June 30, 2017, the unassigned fund balance in the General Fund totaled \$24.27 million which was 26.54 percent of the 2016-2017 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, 2016. 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 22 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, Sharon Richards, Sheryl Sandefur, Susan Thompson, Jennifer Henson, Scott Magner, John Brandon III, and Lisa Boulanger. 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". The signature is fluid and cursive, with the first name "Lisa" being the most prominent part.

Lisa A. Nolen, CPA, CGFM
Finance Director



Government Finance Officers Association

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

Presented to

**Rutherford County
Tennessee**

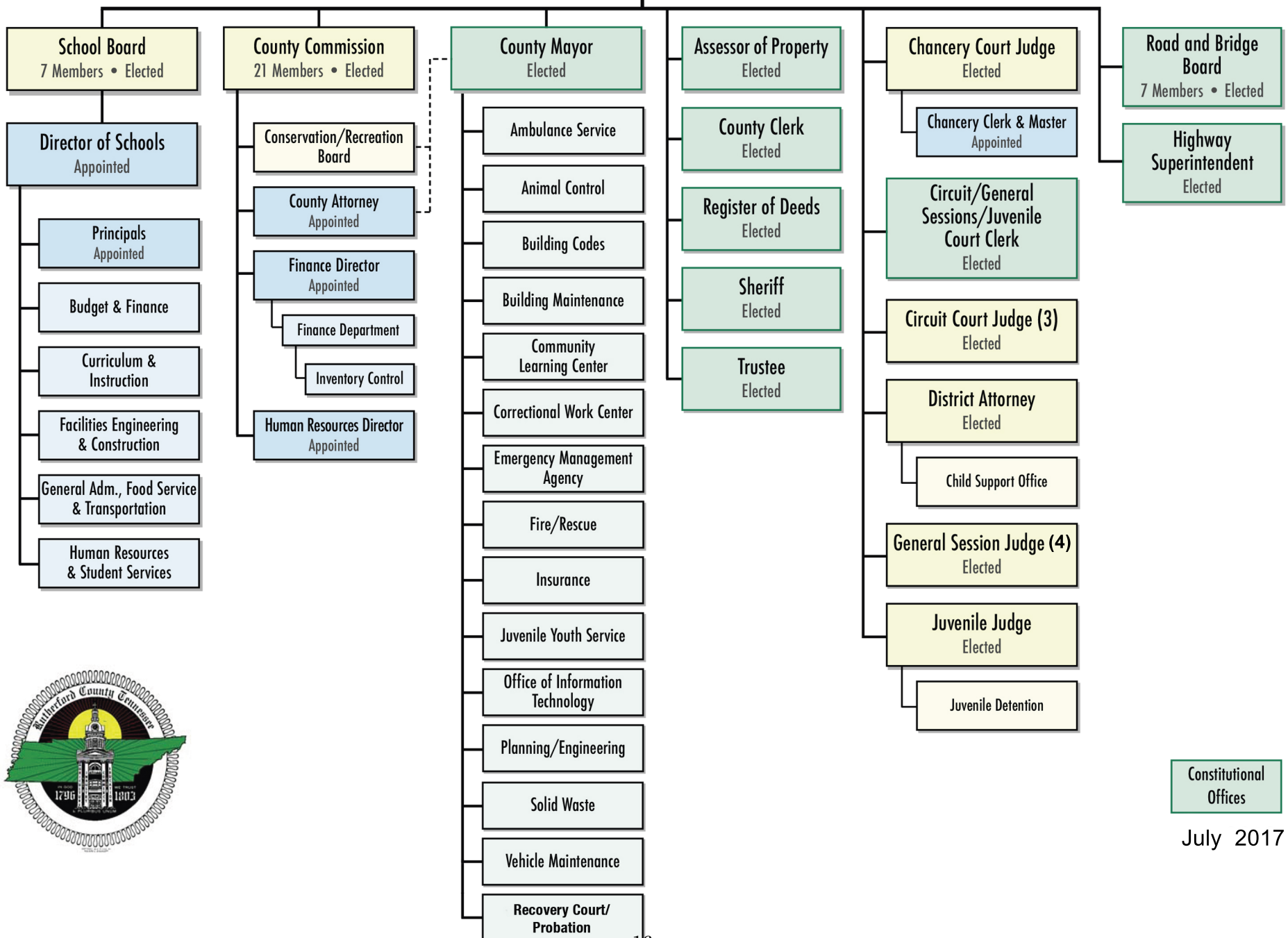
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

July 2017

Rutherford County Officials

June 30, 2017

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
Michael Fitzhugh, Interim Sheriff
Lisa Nolen, Director of Finance

Board of County Commissioners

Ernest G. Burgess, County Mayor, Chairman	Rhonda Allen
Doug Shafer	Robert Stevens
Steve Pearcy	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	Joyce Ealy
Joe Gourley	Trey Gooch
Brad Turner	Chantho Sourinho

Highway Commissioners

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

Rutherford County Officials (Cont.)

Board of Education

Jeff Jordan, Chairman
Jim Estes
Terry Hodge
Aaron Holladay

Wayne Blair
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, 2017, 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 2.3 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 .9 percent, 1.3 percent, and .4 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, 2017, 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.

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 24 through 38 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 150 through 157 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

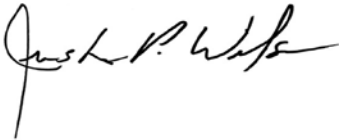
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards 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), miscellaneous schedules, and schedule of expenditures of federal awards 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, 2017, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rutherford County's 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 stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 14, 2017

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2017**

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, 2017. 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 \$30,235 (net position). Part of the liabilities (\$302,869) is long-term debt that is attributable to the Rutherford County Board of Education.
- From yearly activity, the government's total net position decreased by \$2,196.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$136,344, an increase of \$39,010 in comparison with the prior year. Part of the increase (\$27,653) was due to unspent bond proceeds received in the current year for capital projects. Of the combined fund balances, \$97,593 is available for spending at the government's discretion (assigned and unassigned fund balances).
- At the end of the current fiscal year, assigned fund balance totaled \$8,089 in the General Fund. This will be used to fund operations in the 2017-2018 fiscal year. Unassigned fund balance for the General Fund was \$24,267 or 26.5 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, increased by \$72,909 (21.9 percent) during the current fiscal year. In August 2016 the county issued \$25,640 of bonds to refund \$27,320 of existing general obligation debt. In September 2016 the county issued \$101,000 to finance capital projects for the county and Board of Education. During the fiscal year, bonded debt of \$28,180 was retired and \$394 in principal payments was paid for notes, other loans, and capital leases.

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 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, General Debt Service Fund, the General Capital Project Fund, and the Education Capital Projects 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 \$30,235 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, 2017, Rutherford County had outstanding debt totaling \$302,869 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	
	2016	2017
Assets:		
Current and other assets	\$ 243,002	\$ 282,093
Capital assets	271,285	313,918
Total assets	\$ 514,287	\$ 596,011
Deferred outflows of resources:		
Deferred charge on refunding	\$ 8,823	\$ 9,799
Pension related	10,220	10,861
Total deferred outflows of resources	\$ 19,043	\$ 20,660
Liabilities:		
Long-term liabilities outstanding	\$ 361,628	\$ 444,959
Other liabilities	45,417	49,036
Total liabilities	\$ 407,045	\$ 493,995
Deferred inflows of resources:		
Deferred current property taxes	\$ 86,633	\$ 91,132
Pension related	7,221	1,309
Total deferred inflows of resources	\$ 93,854	\$ 92,441
Net position:		
Net investment in capital assets	\$ 222,753	\$ 203,279
Restricted	13,991	33,843
Unrestricted	(204,313)	(206,887)
Total net position	\$ 32,431	\$ 30,235

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 \$203,279; 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 \$33,843 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 decreased Rutherford County Government's net position by \$2,196. Key elements of this decrease are displayed on the Changes in Net Position Table. The following table also presents 2016-2017 revenues and expenditures as a percentage of total revenues and expenditures.

CHANGES IN NET POSITION

	Governmental Activities		
	2016	2017	
Revenues:			
Program revenues:			
Charges for services	\$ 88,503	\$ 90,777	38%
Operating grants and contributions	8,505	9,277	4%
Capital grants and contributions	3,900	5,170	2%
General revenues:			
Property taxes	85,733	91,240	38%
Payment in-lieu-of taxes	8,380	8,399	4%
Local option sales taxes	4,141	4,252	2%
Hotel/Motel tax	2,061	4,248	2%
Wheel tax	6,684	6,988	3%
Business tax	2,455	2,739	1%
Mixed drink tax	17	10	0%
Litigation tax	2,092	3,191	1%
Development tax	5,189	6,196	3%
Mineral severance tax	433	478	0%
Bank excise tax	283	461	0%
Wholesale beer tax	1,064	1,089	0%
Interstate telecommunications tax	7	6	0%
Grants and contributions not restricted to specific programs	863	1,174	0%
Unrestricted investment income	609	1,712	1%
Other	83	124	0%
Total revenues	\$ 221,002	\$ 237,531	100%
Expenses:			
General government	\$ 17,666	\$ 20,668	9%
Finance	8,193	9,927	4%
Administration of justice	8,108	10,043	4%
Public safety	48,198	50,725	21%
Public health and welfare	19,650	21,775	9%
Social, cultural, and recreation services	2,687	2,802	1%
Agriculture and natural resources	1,171	1,268	1%
Highways	8,885	12,683	5%
Education	52,801	98,912	41%
Interest on long-term debt	13,124	10,924	5%
Total expenses	\$ 180,483	\$ 239,727	100%
Increase (Decrease) in net position	\$ 40,519	\$ (2,196)	
Net position, July 1	(8,088)	32,431	
Net position, June 30	\$ 32,431	\$ 30,235	

Governmental Program Expenses

The cost of all governmental activities was \$239,727. However, as shown on the previous page, 43.9 percent of these costs (\$105,224) was either paid by those who directly benefited from the programs (\$90,777), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$9,277) and capital grants and contributions (\$5,170). 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.

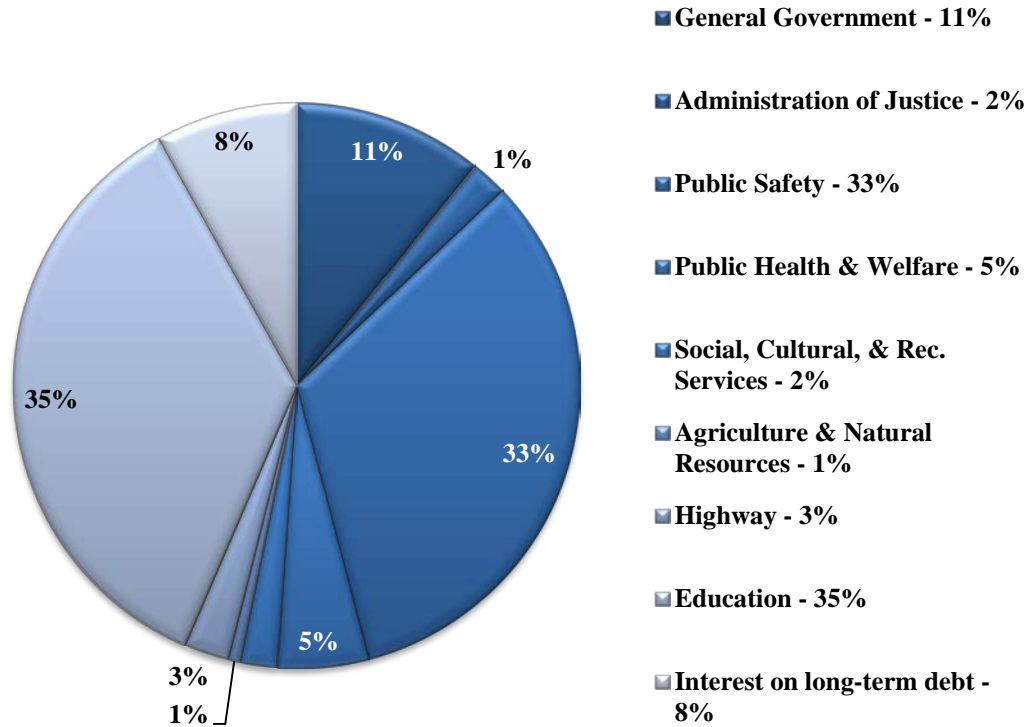
Education expenses of \$98,912, Public Safety expenses of \$50,725, and Public Health and Welfare expenses of \$21,775 comprise the largest categories of expenses of Rutherford County, which when combined (\$171,412) comprise 71.5 percent of total expenses. Of the \$171,412, \$68,862 was recovered by charges for services, \$3,264 from operating grants/contributions, and \$177 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 increase in Education expenses during FY 2017, compared to the prior year, was the result of such a borrowing in the current fiscal year. In September 2016 the county issued \$101,000 general obligation debt of which \$43,806 was 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.

Function	Program Revenue	Expense	Net (Expense) Revenue	Net Expense as % to Total Expense
General Government	\$ 6,051	\$ 20,668	\$ (14,617)	6.1%
Finance	10,093	9,927	166	-0.1%
Administration of Justice	7,251	10,043	(2,792)	1.2%
Public Safety	6,275	50,725	(44,450)	18.5%
Public Health & Welfare	14,810	21,775	(6,965)	2.9%
Social, Cultural, & Rec. Services	0	2,802	(2,802)	1.2%
Agriculture & Natural Resources	297	1,268	(971)	0.4%
Highway	9,229	12,683	(3,454)	1.4%
Education	51,218	98,912	(47,694)	19.9%
Interest on long-term debt	-	10,924	(10,924)	4.6%
Total Governmental Activities	<u>\$ 105,224</u>	<u>\$ 239,727</u>	<u>\$ (134,503)</u>	<u>56.1%</u>

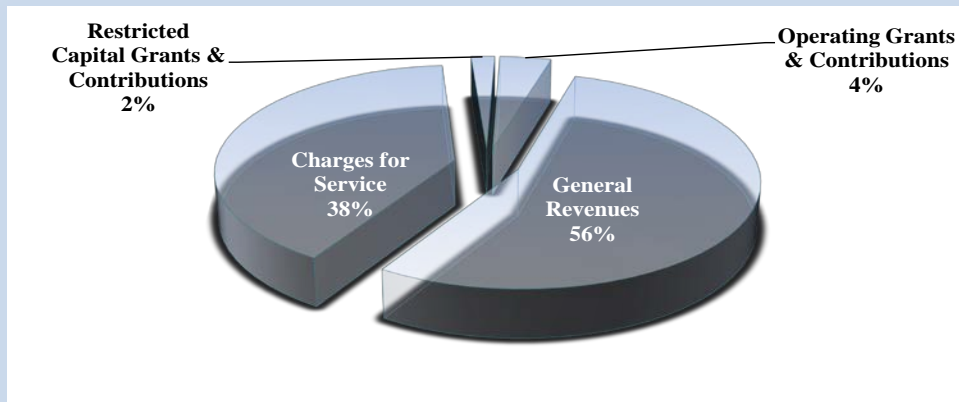
Unlike the preceding table, the next illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a percentage. For example, during the 2016-2017 fiscal year, 33 percent of the local citizen tax base was spent for Public Safety.

Allocation of the Citizen Tax Base to Governmental Activities



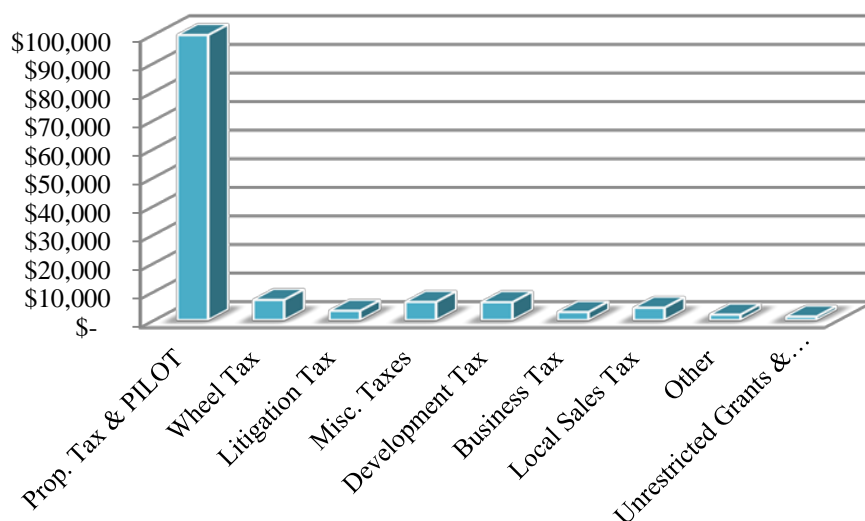
Revenues

Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 44 percent is received from program revenues and 56 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, as in prior years, 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, \$42 – 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, \$32,711 – 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, \$5,997 – 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, \$73,327 – 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, \$24,267 – 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

As of the end of the current fiscal year, Rutherford County Government's governmental funds reported combined ending fund balances of \$136,344, which was an increase of \$39,010 in comparison with the prior year. Most of the increase (70.9%) was due to debt issued for capital projects.

The General Fund is the chief operating fund of Rutherford County Government. On a budgetary basis, the net change to fund balance was an increase of \$8,130. Revenues exceed final estimates by \$1,752 (mostly from local taxes and fees received from county officials); unspent appropriations totaled \$6,425 (mostly from unspent salary, wages and related benefits); and other financing sources (primarily transfers from other funds) were \$48 less than expected.

On a GAAP basis, the unassigned fund balance was \$24,267 while total fund balance was \$38,718, which is an increase of \$2,068 over the prior fiscal year. Assigned fund balance was \$8,089, which has been assigned for the purpose to 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 26.5 percent of total General Fund expenditures, while total fund balance represents 42.3 percent of that same amount. It should be noted that when the original budget for 2016-2017 was adopted, the unassigned fund balance was estimated at \$23,625 by June 30, 2017. The General Fund's unassigned fund balance actually increased by \$641 over the estimate during the 2016-2017 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 \$41,009 while total fund balance was

\$42,829. Committed fund balance remained at \$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 86.6 percent of total expenditures for debt service.

In August 2016 the county issued \$25,640 of bonds to refund \$27,320 of existing general obligation debt. Savings of \$2,917 was achieved over the remaining life of the refunded bonds. In September 2016 the county issued \$101,000 to finance capital projects for the county (Judicial Center and Garage – 60.8%) and Board of Education (Schools – 39.2%). During the fiscal year, bonded debt of \$28,180 was retired and \$394 in principal payments was paid for notes and capital leases.

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

	2016	2017
General Government	\$ (176)	\$ 817
Finance	(892)	15
Administration of Justice	376	358
Public Safety	1,251	2,150
Public Health and Welfare	213	364
Social, Cultural, and Recreational Services	250	15
Agriculture and Natural Resources	31	141
Other Operations	584	1,510
Principal on Debt	113	0
Total Increase in Appropriations	\$ 1,750	\$ 5,370

There were several departments with significant changes to their original budget. For General Government, an increase of \$285 in the County Mayor's budget was for the purchase of land & building adjacent to other county property on Singer Road (\$205), paving a county owned parking lot in Lascassas (\$30) and for a space needs study (\$50). The Personnel Office required an additional \$17 for employee testing and evaluations. Payroll related costs of \$57 were added in the Planning Department due to a retirement and reinstating a position that had previously been cut. In the fiscal year 15-16 \$300 was budgeted in the Building Maintenance Department to replace the HVAC system in the Historic Courthouse. Because of delays the system was not put to bid prior to the end of FY 15-16. The County Commission decided to amend the department's 16-17 budget and add the project back. However once bid, the project cost was \$456 for the equipment, labor and engineering.

The largest amendment for Administration of Justice was for the Circuit Court Clerk. An increase of \$242 was added to purchase new software for the various courts (\$225) and for

jury and witness expense (\$17). The Drug Court was awarded \$70 from the State of Tennessee during the fiscal year to begin a Veteran's Treatment Court.

Because of the commissioners' lack of confidence in the previous sheriff, they were reluctant to add requested positions for the Sheriff and Jail Departments before the original budget for 16-17 was adopted. However, in August 2016, the Commission finally agreed to provide funding for seven patrol officers, 12 detention officers, related equipment, cars, training and uniforms for the positions by amending \$1,223 from unassigned fund balance for the estimated costs. Routinely, departments have carry-over grants from the prior year that were not in the original budget. The departments also received additional grant awards from State and Federal programs and contributions from the public. This added approximately \$471 to the Public Safety budget. The Rural Fire Department was amended by \$100 to contribute funds to match the \$100 raised by the Christiana Volunteer Fire Department (VFD) to improve their station. This piece of property was ultimately donated to Rutherford County. The Rural Fire and Sheriff's Department both sold surplus equipment for \$150, which was appropriated back to their departments to purchase other equipment and to cover some of their overtime costs. An increase in the Sheriff's overtime totaling \$118 was precipitated by the Board of Education requiring more security at their events. In addition, the narcotics division overspent their initial budget. The increases for these purposes were paid by other funds (General Purpose School Fund and Drug Fund).

One of the increases in Public Health and Welfare was due to the Health Department's smoking cessation program from new and carry-over grant funds totaling \$152. Grants were also received during the fiscal year totaling \$46 for the Pet Adoption and Welfare Services (PAWS) of which \$30 was awarded for a new vehicle. PAWS also used contributions of \$71 to improve their building. Lastly, the number of required autopsies by law enforcement continues to exceed the estimates. This budget was amended by \$95 near the end of the fiscal year.

An increase in the Agriculture and Natural Resources budget was approved to fund the installation of a HVAC system in the livestock barn at Lane-Agri Park (\$103) and to purchase playground equipment for the park (\$28).

For Other Operations, litigation arising from situations created during the term of the county's previous sheriff necessitated an increase to this budget for legal costs and judgements estimated at \$1,400.

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

	2016	2017
General Government	\$ 901	\$ 598
Finance	680	520
Administration of Justice	291	484
Public Safety	1,971	3,259
Public Health and Welfare	828	760
Social, Cultural, and Recreational Services	38	51
Agriculture and Natural Resources	72	95
Other Operations	622	658
Total Results	<u>\$ 5,403</u>	<u>\$ 6,425</u>

On a budgetary basis, at the close of the fiscal year, actual expenditures were \$6,425 less than budgetary estimates. Most of the unspent appropriations were in the personnel and benefit line items, totaling \$3,347. 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 are estimated at approximately \$1,800.

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2017, totaled \$313,918 (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 \$42,633, which represented a 15.7 percent increase over the prior year.

	Governmental Activities	
	2016	2017
Land	\$ 37,789	\$ 37,858
Intangibles (Right of Way)	46,595	46,834
Buildings and improvements	68,636	66,845
Infrastructure	96,338	97,260
Intangibles (other)	1,160	1,521
Other capital assets	9,392	12,676
Construction in progress	11,375	50,924
Total	<u>\$ 271,285</u>	<u>\$ 313,918</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 \$405,160. 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	
	2016	2017	2016	2017	2016	2017
Notes	\$ 131	\$ 2,113	\$ -	\$ -	\$ 131	\$ 2,113
Cap. Lease	780	567	-	-	780	567
Bonds	286,662	300,190	44,678	102,290	331,340	402,480
Total	<u>\$ 287,573</u>	<u>\$ 302,870</u>	<u>\$ 44,678</u>	<u>\$ 102,290</u>	<u>\$ 332,251</u>	<u>\$ 405,160</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 increased its long-term debt by \$72,909 (21.94 percent) during the 2016-2017 fiscal year by issuing \$126,640 in bonded debt, issuing \$2,163 in capital outlay notes, refunding \$27,320 bonded debt, retiring \$28,180 bonded debt, and retiring principal balances of \$394 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, 2018, on June 27, 2017. 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 2017 tax year which was the same rate as the 2015 and 2016 tax year, however the allocation has been changed. As displayed below, the County Commission moved one cent of the existing property tax to the General Debt Service Fund. Because of the planned debt issuance in the Fall, 2017, 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	2016 Adopted		Change	2017 Adopted	
	Rate	Ratio		Rate	Ratio
County General	\$ 0.6195	23.12%	\$ -	\$ 0.6195	23.12%
Ambulance	0.0661	2.47%	-	0.0661	2.47%
Highway/Roads	0.0126	0.47%	-	0.0126	0.47%
Education	1.2935	48.26%	(0.0100)	1.2835	47.89%
Ed. Capital Projects	0.0600	2.24%	-	0.0600	2.24%
General Debt Service	0.6283	23.44%	0.0100	0.6383	23.82%
All Funds	\$ 2.6800	100.00%	\$ -	\$ 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 \$8,089 for spending in the 2017-2018 fiscal year. This is reflected as the Assigned for Other Purposes in the Balance Sheet of the Governmental Funds as of June 30, 2017. Unassigned fund balance in the General Fund is projected at \$24,344 as of June 30, 2018, which is 25 percent of the original 2017-2018 General Fund appropriations.

Assigned fund balance in the General Debt Service Fund is estimated to increase by \$2,188 by the next fiscal year-end. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2018, is expected to be \$43,197, or 89.86 percent of budgeted debt service expenditures. In November 2017, Rutherford County issued \$81.5 million in general obligation bonds which will be used 100% for school construction, improvement and related architect and engineering fees. The original budget for the Debt Service Fund includes an additional \$1.5 million for anticipated debt service requirements 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, 2017

	Primary Government Governmental Activities	Rutherford County School Department	Component Units Community Care of Rutherford County, Inc.		Emergency Communications District
<u>ASSETS</u>					
Cash	\$ 3,766,597	\$ 1,310,236	\$ 2,466,735	\$	4,304,033
Equity in Pooled Cash and Investments	160,701,268	93,333,779	0		0
Inventories	0	223,352	25,243		0
Accounts Receivable	14,022,719	235,892	1,235,329		0
Allowance for Uncollectibles	(1,896,997)	0	(247,239)		0
Property Taxes Receivable	96,859,407	83,525,481	0		0
Allowance for Uncollectible Property Taxes	(4,814,111)	(4,157,183)	0		0
Accrued Interest Receivable	0	0	0		1,850
Due from Other Governments	4,865,589	17,705,871	0		0
Due from Component Units	2,782,216	0	0		0
Due from Fiduciary Funds	150,000	0	0		0
Prepaid Items	42,279	4,215	27,657		76,243
Notes Receivable - Long-term	4,482,558	0	0		0
Net Pension Asset - Agent Plan	1,131,886	771,622	100,185		0
Net Pension Asset - Teacher Retirement Plan	0	390,205	0		0
Capital Assets:					
Assets Not Depreciated:					
Land	37,857,517	17,634,620	0		17,500
Intangible Assets (Right-of-Ways)	46,834,157	0	0		0
Construction in Progress	50,924,299	39,435,869	0		0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	66,844,270	408,504,143	694,832		740,439
Infrastructure	97,260,228	0	0		0
Intangible Assets	1,521,199	74,479	0		0
Other Capital Assets	12,676,011	6,164,656	309,333		1,268,542
Total Assets	<u>\$ 596,011,092</u>	<u>\$ 665,157,237</u>	<u>\$ 4,612,075</u>	<u>\$</u>	<u>6,408,607</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Amount on Refunding	\$ 9,799,435	\$ 0	\$ 0	\$	0
Pension Changes in Experience	596,279	1,503,278	52,777		59,975
Pension Changes in Investment Earnings	4,544,580	31,257,583	402,246		22,176
Pension Contribution after Measurement Date	5,720,040	17,991,309	384,853		31,300
Pension Changes in Proportionate Share of NPL	0	2,727,973	0		0
Total Deferred Outflows of Resources	<u>\$ 20,660,334</u>	<u>\$ 53,480,143</u>	<u>\$ 839,876</u>	<u>\$</u>	<u>113,451</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 2,786,568	\$ 4,332,880	\$ 61,978	\$	0
Accrued Payroll	558,468	25,313,998	164,380		0
Accrued Interest Payable	2,674,149	0	0		0
Payroll Deductions Payable	3,349	5,567	36,701		0
Due to Primary Government	0	2,681,424	100,792		0
Other Current Liabilities	0	0	28,504		51,235
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	663,241	0	0		0
Noncurrent Liabilities:					
Due Within One Year	42,350,121	43,928	214,783		0
Due in More Than One Year	444,958,894	110,748,342	1,452,143		243,417
Total Liabilities	<u>\$ 493,994,790</u>	<u>\$ 143,126,139</u>	<u>\$ 2,059,281</u>	<u>\$</u>	<u>294,652</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 91,132,297	\$ 78,569,370	\$ 0	\$ 0
Pension Changes in Experience	1,309,118	31,402,314	115,872	0
Pension Changes in NPL	0	561	0	0
Total Deferred Inflows of Resources	<u>\$ 92,441,415</u>	<u>\$ 109,972,245</u>	<u>\$ 115,872</u>	<u>\$ 0</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 203,279,240	\$ 471,813,767	\$ 1,004,165	\$ 2,026,481
Restricted for:				
General Government	541,508	0	0	0
Finance	131,452	0	0	0
Administrative of Justice	658,415	0	0	0
Public Safety	1,386,246	0	0	0
Public Health and Welfare	122,771	0	0	0
Capital Projects	27,159,931	29,878,084	0	0
Debt Service	2,710,622	0	0	0
Education	0	5,002,076	0	0
Pensions	1,131,886	1,161,827	100,185	0
Unrestricted	<u>(206,886,850)</u>	<u>(42,316,758)</u>	<u>2,172,448</u>	<u>4,200,925</u>
Total Net Position	<u>\$ 30,235,221</u>	<u>\$ 465,538,996</u>	<u>\$ 3,276,798</u>	<u>\$ 6,227,406</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, 2017

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	\$ 20,667,749	\$ 4,884,392	\$ 1,166,250	\$ 0	\$ (14,617,107)	\$ 0	\$ 0	\$ 0
Finance	9,927,423	10,093,038	0	0	165,615	0	0	0
Administration of Justice	10,042,898	6,519,901	731,192	0	(2,791,805)	0	0	0
Public Safety	50,724,864	5,290,351	807,612	176,967	(44,449,934)	0	0	0
Public Health and Welfare	21,775,077	12,353,421	2,456,668	0	(6,964,988)	0	0	0
Social, Cultural, and Recreational Services	2,802,017	0	0	0	(2,802,017)	0	0	0
Agriculture and Natural Resources	1,267,633	297,072	0	0	(970,561)	0	0	0
Highways/Public Works	12,682,836	121,268	4,114,807	4,993,280	(3,453,481)	0	0	0
Education	98,912,385	51,218,028	0	0	(47,694,357)	0	0	0
Interest on Long-term Debt	10,923,824	0	0	0	(10,923,824)	0	0	0
Total Primary Government	\$ 239,726,706	\$ 90,777,471	\$ 9,276,529	\$ 5,170,247	\$ (134,502,459)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 372,236,058	\$ 7,273,800	\$ 25,072,372	\$ 0	\$ 0	\$ (339,889,886)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,509,251	9,794,439	8,104	0	0	0	293,292	0
Emergency Communications District	2,073,985	1,849,242	50,000	0	0	0	0	(174,743)
Total Component Units	\$ 383,819,294	\$ 18,917,481	\$ 25,130,476	\$ 0	\$ 0	\$ (339,889,886)	\$ 293,292	\$ (174,743)

(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	Component Units Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 48,000,149	\$ 79,768,609	\$ 0	\$ 0
Property Taxes Levied for Debt Service					43,240,098	0	0	0
Payments in-Lieu-of Tax					8,398,704	935,422	0	0
Local Option Sales Tax					4,252,300	59,369,970	0	0
Hotel/Motel Tax					4,248,111	0	0	0
Wheel Tax					6,988,282	3,964,981	0	0
Business Tax					2,738,820	2,395,488	0	0
Mixed Drink Tax					9,740	423,851	0	0
Litigation Tax					3,191,286	0	0	0
Adequate Facilities/Development Tax					6,196,150	0	0	0
Mineral Severance Tax					478,214	0	0	0
Bank Excise Tax					460,560	0	0	0
Wholesale Beer Tax					1,088,816	0	0	0
Interstate Telecommunications Tax					6,134	18,612	0	0
Grants and Contributions Not Restricted to Specific Programs					1,173,366	244,215,201	0	0
Unrestricted Investment Income					1,711,944	400,495	10,891	27,655
Miscellaneous					124,223	80,460	0	0
Gain on Disposal of Capital Asset					0	0	0	571
Total General Revenues					\$ 132,306,897	\$ 391,573,089	\$ 10,891	\$ 28,226
Change in Net Position					\$ (2,195,562)	\$ 51,683,203	\$ 304,183	\$ (146,517)
Net Position, July 1, 2016					32,430,783	413,855,793	2,972,615	6,373,923
Net Position, June 30, 2017					\$ 30,235,221	\$ 465,538,996	\$ 3,276,798	\$ 6,227,406

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, 2017

	Major Funds			Nonmajor Funds	
	General	Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 97,483	\$ 0	\$ 0	\$ 1,713,810	\$ 1,811,293
Equity in Pooled Cash and Investments	36,554,712	40,847,020	24,348,405	26,094,178	127,844,315
Accounts Receivable	8,812,236	71,646	650	5,043,649	13,928,181
Allowance for Uncollectibles	0	0	0	(1,896,997)	(1,896,997)
Due from Other Governments	2,134,904	31,268	0	2,685,942	4,852,114
Due from Other Funds	563,531	0	0	0	563,531
Due from Component Units	4,998	0	0	0	4,998
Property Taxes Receivable	44,901,679	46,253,511	0	5,704,217	96,859,407
Allowance for Uncollectible Property Taxes	(2,233,274)	(2,297,127)	0	(283,710)	(4,814,111)
Prepaid Items	42,279	0	0	0	42,279
Notes Receivable - Long-term	0	1,820,785	0	2,661,773	4,482,558
Total Assets	\$ 90,878,548	\$ 86,727,103	\$ 24,349,055	\$ 41,722,862	\$ 243,677,568
<u>LIABILITIES</u>					
Accounts Payable	\$ 189,235	\$ 0	\$ 27,988	\$ 2,263,474	\$ 2,480,697
Accrued Payroll	213,678	0	0	344,790	558,468
Payroll Deductions Payable	3,245	0	0	104	3,349
Due to Other Funds	0	0	0	563,531	563,531
Current Liabilities Payable From Restricted Assets	663,241	0	0	0	663,241
Total Liabilities	\$ 1,069,399	\$ 0	\$ 27,988	\$ 3,171,899	\$ 4,269,286
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 42,242,018	\$ 43,523,940	\$ 0	\$ 5,366,339	\$ 91,132,297

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 368,598	\$ 373,834	\$ 0	\$ 46,826	\$ 789,258
Other Deferred/Unavailable Revenue	8,480,326	0	0	2,662,418	11,142,744
Total Deferred Inflows of Resources	\$ 51,090,942	\$ 43,897,774	\$ 0	\$ 8,075,583	\$ 103,064,299
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 42,279	\$ 0	\$ 0	\$ 0	\$ 42,279
Restricted:					
Restricted for General Government	541,508	0	0	0	541,508
Restricted for Finance	131,452	0	0	0	131,452
Restricted for Administration of Justice	658,415	0	0	0	658,415
Restricted for Public Safety	84,963	0	0	1,301,283	1,386,246
Restricted for Public Health and Welfare	116,405	0	0	6,366	122,771
Restricted for Debt Service	0	0	0	2,710,622	2,710,622
Restricted for Capital Projects	2,838,864	0	24,321,067	0	27,159,931
Committed:					
Committed for General Government	661,537	0	0	0	661,537
Committed for Finance	237,062	0	0	0	237,062
Committed for Administration of Justice	21,494	0	0	0	21,494
Committed for Public Safety	478,525	0	0	0	478,525
Committed for Public Health and Welfare	136,310	0	0	0	136,310
Committed for Agriculture and Natural Resources	412,063	0	0	0	412,063
Committed for Other Operations	1,614	0	0	0	1,614
Committed for Highways/Public Works	0	0	0	2,227,883	2,227,883
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	Debt	General	Other	Total
	General	Service	Capital	Govern- mental	Governmental
			Projects	Funds	Funds
<u>FUND BALANCES (Cont.)</u>					
Assigned:					
Assigned for General Government	\$ 0	\$ 0	\$ 0	\$ 181,408	\$ 181,408
Assigned for Finance	0	0	0	650,000	650,000
Assigned for Administration of Justice	0	0	0	303,446	303,446
Assigned for Public Health and Welfare	0	0	0	11,635,441	11,635,441
Assigned for Other Operations	0	0	0	126,963	126,963
Assigned for Highways/Public Works	0	0	0	11,331,968	11,331,968
Assigned for Debt Service	0	41,008,544	0	0	41,008,544
Assigned for Other Purposes	8,089,004	0	0	0	8,089,004
Unassigned	24,266,712	0	0	0	24,266,712
Total Fund Balances	\$ 38,718,207	\$ 42,829,329	\$ 24,321,067	\$ 30,475,380	\$ 136,343,983
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 90,878,548	\$ 86,727,103	\$ 24,349,055	\$ 41,722,862	\$ 243,677,568

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, 2017

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)		\$ 136,343,983
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 37,857,517	
Add: intangible assets – right-of-ways	46,834,157	
Add: construction in progress	50,924,299	
Add: buildings and improvements net of accumulated depreciation	66,844,270	
Add: infrastructure net of accumulated depreciation	97,260,228	
Add: intangible assets net of accumulated depreciation	1,521,199	
Add: other capital assets net of accumulated depreciation	<u>12,676,011</u>	313,917,681
(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.		20,444,480
(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	\$ (59,552)	
Less: bonds payable	(402,480,000)	
Less: capital leases payable	(567,045)	
Less: other loans payable	(2,052,927)	
Add: deferred amount on refunding	9,799,435	
Add: debt to be contributed by the School Department	2,679,524	
Less: unamortized premium on debt	(42,074,760)	
Less: other postemployment benefits liability	(18,128,845)	
Less: landfill closure/postclosure care costs	(2,619,555)	
Less: compensated absences payable	(4,908,718)	
Less: accrued interest on bonds, notes & capital leases	<u>(2,674,149)</u>	(463,086,592)
(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	\$ 10,860,899	
Less: deferred inflows of resources related to pensions	<u>(1,309,118)</u>	9,551,781
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,131,886
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>11,932,002</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 30,235,221</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, 2017

	Major Funds				Nonmajor Funds	
	General	General Debt Service	General Capital Projects	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 66,430,755	\$ 49,948,391	\$ 0	\$ 0	\$ 13,045,552	\$ 129,424,698
Licenses and Permits	2,513,145	0	0	0	0	2,513,145
Fines, Forfeitures, and Penalties	1,755,075	0	0	0	640,128	2,395,203
Charges for Current Services	2,604,852	0	0	0	14,172,777	16,777,629
Other Local Revenues	1,854,259	832,967	20	0	711,661	3,398,907
Fees Received From County Officials	10,740,265	0	0	0	0	10,740,265
State of Tennessee	6,576,880	0	0	0	6,537,045	13,113,925
Federal Government	972,400	0	0	0	316,122	1,288,522
Other Governments and Citizens Groups	933,863	424,081	0	0	85,357	1,443,301
Total Revenues	\$ 94,381,494	\$ 51,205,439	\$ 20	\$ 0	\$ 35,508,642	\$ 181,095,595
<u>Expenditures</u>						
Current:						
General Government	\$ 8,813,957	\$ 946,804	\$ 0	\$ 0	\$ 692,048	\$ 10,452,809
Finance	7,781,963	0	0	0	2,110,127	9,892,090
Administration of Justice	8,278,873	0	0	0	1,928,851	10,207,724
Public Safety	50,842,068	0	0	0	490,086	51,332,154
Public Health and Welfare	4,696,647	0	0	0	16,712,337	21,408,984
Social, Cultural, and Recreational Services	2,802,017	0	0	0	0	2,802,017
Agriculture and Natural Resources	1,092,194	0	0	0	0	1,092,194
Other Operations	7,123,257	0	0	0	206,608	7,329,865
Highways	0	0	0	0	10,886,543	10,886,543
Debt Service:						
Principal on Debt	0	28,574,077	0	0	0	28,574,077
Interest on Debt	0	14,184,669	0	2,920	0	14,187,589
Other Debt Service	0	3,671,495	0	0	0	3,671,495

(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	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds	
<u>Expenditures (Cont.)</u>							
Capital Projects	\$ 0	\$ 0	\$ 41,988,270	\$ 45,965,998	\$ 0	\$ 87,954,268	
Total Expenditures	\$ 91,430,976	\$ 47,377,045	\$ 41,988,270	\$ 45,968,918	\$ 33,026,600	\$ 259,791,809	
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,950,518	\$ 3,828,394	\$ (41,988,250)	\$ (45,968,918)	\$ 2,482,042	\$ (78,696,214)	
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 565,495	\$ 68,000,856	\$ 32,433,649	\$ 0	\$ 101,000,000	
Refunding Debt Issued	0	25,640,000	0	0	0	25,640,000	
Premiums on Debt Sold	0	4,195,191	0	11,372,351	0	15,567,542	
Other Loans Issued	0	0	0	2,162,918	0	2,162,918	
Insurance Recovery	41,140	0	0	0	22,443	63,583	
Transfers In	717,109	196,775	1,640,500	0	0	2,554,384	
Transfers Out	(1,640,500)	0	0	0	(321,775)	(1,962,275)	
Payments to Refunded Debt Escrow Agent	0	(27,320,000)	0	0	0	(27,320,000)	
Total Other Financing Sources (Uses)	\$ (882,251)	\$ 3,277,461	\$ 69,641,356	\$ 45,968,918	\$ (299,332)	\$ 117,706,152	
Net Change in Fund Balances	\$ 2,068,267	\$ 7,105,855	\$ 27,653,106	\$ 0	\$ 2,182,710	\$ 39,009,938	
Fund Balance, July 1, 2016	36,649,940	35,723,474	(3,332,039)	0	28,292,670	97,334,045	
Fund Balance, June 30, 2017	\$ 38,718,207	\$ 42,829,329	\$ 24,321,067	\$ 0	\$ 30,475,380	\$ 136,343,983	

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

Exhibit C-4

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2017

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) \$ 39,009,938

- (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	\$ 46,623,223	
Less: current-year depreciation expense	<u>(6,908,223)</u>	39,715,000

- (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	\$ 2,977,460	
Less: book value of capital assets disposed	<u>(60,205)</u>	2,917,255

- (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, 2017	\$ 11,932,002	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(11,541,758)</u>	390,244

- (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	\$ 71,424	
Add: principal payments on other loans	109,992	
Add: principal payments on bonds	28,180,000	
Add: principal payments on capital leases	212,661	
Add: payment to refunding agent	27,320,000	
Less: bond proceeds	(101,000,000)	
Less: refunding bond proceeds	(25,640,000)	
Less: change in premium on debt issuances	(10,667,645)	
Less: loan proceeds	(2,162,919)	
Add: loan proceeds contributed to the School Department	2,162,919	
Less: contributions from the School Department for notes, lease, and loan	(394,077)	
Less: change in deferred amount on refunding debt	<u>976,839</u>	(80,830,806)

- (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	\$ 337,952	
Change in landfill closure/postclosure care costs	165,301	
Change in other postemployment benefits liability	(1,727,375)	
Change in compensated absences payable	(99,327)	
Change in net pension asset	(4,584,777)	
Change in deferred outflows of resources related to pensions	5,015,478	
Change in deferred inflows of resources related to pensions	<u>1,536,778</u>	644,030

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

(4,041,223)

Change in net position of governmental activities (Exhibit B)

\$ (2,195,562)

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 66,430,755	\$ 0	\$ 0	\$ 66,430,755	\$ 61,596,455	\$ 65,600,453	\$ 830,302
Licenses and Permits	2,513,145	0	0	2,513,145	2,013,450	2,473,300	39,845
Fines, Forfeitures, and Penalties	1,755,075	0	0	1,755,075	2,250,000	1,798,400	(43,325)
Charges for Current Services	2,604,852	0	0	2,604,852	2,817,806	2,638,330	(33,478)
Other Local Revenues	1,854,259	0	0	1,854,259	856,000	1,591,123	263,136
Fees Received From County Officials	10,740,265	0	0	10,740,265	7,770,000	9,612,800	1,127,465
State of Tennessee	6,576,880	0	0	6,576,880	6,446,908	6,848,235	(271,355)
Federal Government	972,400	0	0	972,400	930,239	1,392,530	(420,130)
Other Governments and Citizens Groups	933,863	0	0	933,863	664,500	674,225	259,638
Total Revenues	\$ 94,381,494	\$ 0	\$ 0	\$ 94,381,494	\$ 85,345,358	\$ 92,629,396	\$ 1,752,098
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 213,102	\$ 0	\$ 0	\$ 213,102	\$ 249,970	\$ 249,970	\$ 36,868
Board of Equalization	2,687	0	0	2,687	20,930	20,930	18,243
County Mayor/Executive	797,984	(13)	29,521	827,492	601,655	877,355	49,863
Personnel Office	345,024	(210)	0	344,814	353,768	371,018	26,204
County Attorney	261,982	0	0	261,982	262,651	263,861	1,879
Election Commission	913,013	(2,025)	65	911,053	960,872	968,288	57,235
Register of Deeds	348,745	(31)	0	348,714	364,891	365,891	17,177
Planning	783,334	(1,190)	1,012	783,156	762,762	820,367	37,211
Codes Compliance	402	0	0	402	600	600	198
Geographical Information Systems	1,251,555	(176,342)	89,162	1,164,375	1,236,923	1,237,073	72,698
County Buildings	2,342,657	(241,680)	541,587	2,642,564	2,303,376	2,759,726	117,162
Other General Administration	262,666	(148)	180	262,698	285,163	285,163	22,465
Preservation of Records	151,834	(101)	0	151,733	177,828	177,828	26,095
Risk Management	1,138,972	0	10	1,138,982	1,253,429	1,253,429	114,447
<u>Finance</u>							
Accounting and Budgeting	1,168,367	(2,536)	12,126	1,177,957	1,212,033	1,217,338	39,381
Property Assessor's Office	1,065,329	(1,000)	0	1,064,329	1,171,429	1,176,429	112,100

(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 7/1/2016	Add: Encumbrances 6/30/2017	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	\$ 953,116	\$ (2,000)	\$ 0	\$ 951,116	\$ 1,080,012	\$ 1,085,012	\$ 133,896
County Trustee's Office	808,102	(2,448)	0	805,654	884,820	884,820	79,166
County Clerk's Office	836,251	(9,344)	368	827,275	864,030	864,030	36,755
Data Processing	2,950,798	(436,752)	224,569	2,738,615	2,857,394	2,857,394	118,779
<u>Administration of Justice</u>							
Circuit Court	1,375,811	(190)	2,426	1,378,047	1,185,710	1,430,110	52,063
Circuit Court Judge	250,298	0	408	250,706	266,698	270,198	19,492
General Sessions Court	1,757,031	(500)	0	1,756,531	1,841,407	1,842,837	86,306
Drug Court	580,828	(300)	0	580,528	574,093	644,093	63,565
Chancery Court	945,986	(263)	0	945,723	999,540	999,540	53,817
Juvenile Court	546,275	0	270	546,545	601,096	601,096	54,551
District Attorney General	159,901	0	0	159,901	167,656	167,656	7,755
Office of Public Defender	120,994	0	0	120,994	144,478	144,478	23,484
Other Administration of Justice	1,356,571	(342)	1,000	1,357,229	1,436,668	1,444,763	87,534
Probation Services	976,051	0	0	976,051	968,596	996,376	20,325
Victim Assistance Programs	209,127	(13)	390	209,504	222,002	224,977	15,473
<u>Public Safety</u>							
Sheriff's Department	23,634,724	(710,028)	285,671	23,210,367	23,332,617	24,392,772	1,182,405
Special Patrols	40,511	0	0	40,511	41,010	41,010	499
Traffic Control	11,136	0	0	11,136	20,000	20,000	8,864
Administration of the Sexual Offender Registry	77,280	0	0	77,280	79,280	87,905	10,625
Jail	15,153,334	(199,829)	106,475	15,059,980	15,841,370	16,457,098	1,397,118
Workhouse	3,810,189	(1,649)	1,341	3,809,881	4,096,159	4,201,235	391,354
Juvenile Services	2,160,009	(10,893)	7,887	2,157,003	2,216,334	2,236,354	79,351
Rural Fire Protection	3,745,616	(46,055)	36,890	3,736,451	3,628,472	3,846,222	109,771
Disaster Relief	1,269,621	(6,741)	124,501	1,387,381	1,293,212	1,415,405	28,024
Inspection and Regulation	939,648	(747)	720	939,621	990,447	990,447	50,826
<u>Public Health and Welfare</u>							
Local Health Center	604,451	(7,866)	6,061	602,646	708,632	708,632	105,986

(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 7/1/2016	Add: Encumbrances 6/30/2017	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	\$ 1,658,958	\$ (7,448)	\$ 90,192	\$ 1,741,702	\$ 1,767,726	\$ 1,884,619	\$ 142,917
Dental Health Program	10,499	(571)	0	9,928	11,850	11,850	1,922
Alcohol and Drug Programs	94,554	0	3,000	97,554	0	152,169	54,615
Other Local Health Services	1,891,882	0	0	1,891,882	2,312,944	2,312,944	421,062
General Welfare Assistance	53,550	0	0	53,550	53,550	53,550	0
Sanitation Management	36,103	0	0	36,103	36,110	36,110	7
Other Public Health and Welfare	346,650	0	0	346,650	285,600	380,600	33,950
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	36,000	0	0	36,000	36,000	36,000	0
Senior Citizens Assistance	2,000	0	0	2,000	2,000	2,000	0
Libraries	1,700,000	0	0	1,700,000	1,700,000	1,700,000	0
Parks and Fair Boards	521,050	0	0	521,050	556,755	571,755	50,705
Other Social, Cultural, and Recreational	542,967	0	0	542,967	542,967	542,967	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	804,894	0	28,000	832,894	753,990	892,265	59,371
Soil Conservation	58,525	0	0	58,525	82,258	85,423	26,898
Storm Water Management	228,775	(362)	1,245	229,658	237,910	237,910	8,252
<u>Other Operations</u>							
Tourism	705,599	0	0	705,599	647,000	692,000	(13,599)
Industrial Development	135,000	0	0	135,000	135,000	135,000	0
Other Economic and Community Development	170,970	0	0	170,970	328,020	328,020	157,050
Other Charges	223,245	(3,764)	1,615	221,096	261,067	261,067	39,971
Contributions to Other Agencies	10,000	0	0	10,000	0	10,000	0
Employee Benefits	676,492	0	0	676,492	798,300	745,750	69,258
Payments to Cities	2,003,479	0	0	2,003,479	2,016,000	2,016,000	12,521
Miscellaneous	3,198,472	0	0	3,198,472	2,084,000	3,592,000	393,528
Total Expenditures	\$ 91,430,976	\$ (1,873,381)	\$ 1,596,692	\$ 91,154,287	\$ 92,209,060	\$ 97,579,725	\$ 6,425,438

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,950,518	\$ 1,873,381	\$ (1,596,692)	\$ 3,227,207	\$ (6,863,702)	\$ (4,950,329)	\$ 8,177,536
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 41,140	\$ 0	\$ 0	\$ 41,140	\$ 0	\$ 26,438	\$ 14,702
Transfers In	717,109	0	0	717,109	704,700	779,700	(62,591)
Transfers Out	(1,640,500)	0	0	(1,640,500)	0	(1,640,500)	0
Total Other Financing Sources	\$ (882,251)	\$ 0	\$ 0	\$ (882,251)	\$ 704,700	\$ (834,362)	\$ (47,889)
Net Change in Fund Balance	\$ 2,068,267	\$ 1,873,381	\$ (1,596,692)	\$ 2,344,956	\$ (6,159,002)	\$ (5,784,691)	\$ 8,129,647
Fund Balance, July 1, 2016	36,649,940	(1,873,381)	0	34,776,559	29,784,257	29,784,257	4,992,302
Fund Balance, June 30, 2017	\$ 38,718,207	\$ 0	\$ (1,596,692)	\$ 37,121,515	\$ 23,625,255	\$ 23,999,566	\$ 13,121,949

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, 2017

	Governmental Activities - Internal Service Funds
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,955,304
Equity in Pooled Cash and Investments	32,856,953
Accounts Receivable	94,539
Due from Other Governments	13,475
Due from Component Units	97,693
Due from Fiduciary Funds	150,000
Total Assets	<u>\$ 35,167,964</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 305,871
Claims and Judgments Payable	11,264,490
Total Current Liabilities	<u>\$ 11,570,361</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	\$ 3,153,123
Total Liabilities	<u>\$ 14,723,484</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 20,444,480</u>
Total Net Position	<u>\$ 20,444,480</u>

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

Exhibit D-2

Rutherford County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 59,723,755
Other Employee Benefits Charges/Contributions	1,817,135
Service Charges	1,300
Other Local Revenues:	
Retirees' Insurance Payments	5,004,657
Other Local Revenues	20,000
Cobra Insurance Payments	196,510
State of Tennessee:	
On-Behalf Contributions for OPEB	157,700
Total Operating Revenues	<u>\$ 66,921,057</u>
<u>Operating Expenses</u>	
Employee Benefits:	
Handling Charges and Administrative Costs	\$ 2,899,741
Disability Insurance	476,360
Bank Charges	2,000
Consultants	111,867
Contracts with Private Agencies	2,762,657
Medical Claims	60,246,034
Premiums on Corporate Surety Bonds	7,500
Liability Claims	2,896,408
Other Self-Insured Claims	989,096
Other Charges	28,679
Total Operating Expenses	<u>\$ 70,420,342</u>
Operating Income (Loss)	<u>\$ (3,499,285)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 44,171
Contributions	6,000
Total Nonoperating Revenues (Expenses)	<u>\$ 50,171</u>
Income (Loss) Before Transfers	\$ (3,449,114)
Transfers Out	<u>(592,109)</u>
Change in Net Position	\$ (4,041,223)
Net Position, July 1, 2016	<u>24,485,703</u>
Net Position, June 30, 2017	<u><u>\$ 20,444,480</u></u>

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

Exhibit D-3

Rutherford County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 67,046,313
Payments to Suppliers	(6,337,794)
Claims Paid	(62,621,940)
Insurance Recovery	44,171
Other Receipts (Payments)	6,000
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,863,250)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (592,109)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (592,109)</u>
Net Increase (Decrease) in Cash	\$ (2,455,359)
Cash, July 1, 2016	<u>37,267,616</u>
Cash, June 30, 2017	<u><u>\$ 34,812,257</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (3,499,285)
Insurance Recovery	44,171
Contributions	6,000
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	(7,294)
(Increase) Decrease in Due from Other Governments	(1,000)
(Increase) Decrease in Due From Other Funds	20,651
(Increase) Decrease in Due from Component Units	112,899
Increase (Decrease) in Accounts Payable	(48,990)
Increase (Decrease) in Claims and Judgments Payable	<u>1,509,598</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (1,863,250)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 1,955,304
Equity in Pooled Cash and Investments Per Net Position	<u>32,856,953</u>
Cash, June 30, 2017	<u><u>\$ 34,812,257</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, 2017

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 127,339	\$ 9,095,116
Equity in Pooled Cash and Investments	168,747	573,020
Cash with Paying Agents	57,779	0
Investments	0	7,350
Accounts Receivable	0	945
Due from Other Governments	0	12,744,366
Due from Component Units	1,683	0
Taxes Receivable	0	13,862,892
Allowance for Uncollectible Taxes	0	(690,002)
Total Assets	<u>\$ 355,548</u>	<u>\$ 35,593,687</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 14
Accrued Payroll	0	175
Due to Other Taxing Units	0	26,077,133
Due to Joint Ventures	0	10,959
Due to Litigants, Heirs, and Others	0	9,505,406
Due to Other Funds	150,000	0
Total Liabilities	<u>\$ 150,000</u>	<u>\$ 35,593,687</u>
<u>NET POSITION</u>		
Held in Trust for Other Employee Benefits	<u>\$ 205,548</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, 2017

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 1,353,502
Total Additions	<u>\$ 1,353,502</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 1,296,411
Total Deductions	<u>\$ 1,296,411</u>
Change in Net Position	\$ 57,091
Net Position, July 1, 2016	<u>148,457</u>
Net Position, June 30, 2017	<u><u>\$ 205,548</u></u>

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

RUTHERFORD COUNTY, TENNESSEE

Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	62
B. Government-wide and Fund Financial Statements	63
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	64
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	67
2. Receivables and Payables	68
3. Inventories and Prepaid Items	69
4. Capital Assets	70
5. Deferred Outflows/Inflows of Resources	70
6. Compensated Absences	71
7. Long-term Obligations	71
8. Net Position and Fund Balance	72
9. Minimum Fund Balance Policy	74
E. Pension Plans	74
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	75
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	75
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	75
B. Investigation	76
IV. Detailed Notes on All Funds	
A. Deposits and Investments	77
B. Notes Receivable	79
C. Capital Assets	79
D. Construction Commitments	82
E. Interfund Receivables, Payables, and Transfers	82
F. Capital Leases	84
G. Long-term Obligations	84
H. Short-term Debt	90
I. Donor Restricted Endowments	91
V. Other Information	
A. Risk Management	91
B. Accounting Changes	93
C. Subsequent Events	94
D. Contingent Liabilities	94
E. Change in Administration	94
F. Landfill Closure/Postclosure Care Costs	94
G. Joint Ventures	95
H. Retirement Commitments	97

RUTHERFORD COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

Note	Page(s)
V. Other Information (Cont.)	
I. Other Postemployment Benefits (OPEB)	114
J. Office of Central Accounting and Budgeting	118
K. Purchasing Laws	118
VI. Other Notes - Discretely Presented Community Care of Rutherford County, Inc.	119
VII. Other Notes - Discretely Presented Rutherford County Emergency Communications District	133

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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. Net debt issues totaling \$45,965,998 were contributed by the county to the School Department during the year ended June 30, 2017.

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.

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

Additionally, Rutherford County reports the following fund types:

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

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

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Rutherford County, the city school system's share of educational revenues, 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 funds:

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

Other Capital Projects Fund – This fund is used to account for the receipt of debt issued by Rutherford County and contributed to the School Department for building construction and renovations.

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

Special Revenue Funds – These funds account for 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 Fund – This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures 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 \$8,193,657 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 \$97,715, deposits in-lieu-of bonds for developments \$532,909, software license deposits \$9,125, agricultural facilities rentals \$22,267, and animal adoption fees \$1,225.

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 acquisition 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 \$33,842,831 of restricted net position for the primary government, of which \$2,838,864 is restricted by enabling legislation and \$1,131,886 is restricted for Pensions for the primary government.

As of June 30, 2017, Rutherford County had \$302,869,209 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, 2017, the most significant restriction of fund balance is for the construction of a criminal justice center and parking garage.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission has 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. At June 30, 2017, the most significant assignment of fund balance is \$41,008,544 for the retirement of debt.

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, 2017, Rutherford County and the Rutherford County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Fund:		
General	New HVAC for County Courthouse	\$ 460,000
School Department:		
Major Fund:		
General Purpose School	Technology Hardware	\$ 560,980

B. **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.

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

On January 18, 2017, Sheriff Arnold pled guilty in U.S. District Court to counts wire fraud, honest services fraud, and extortion.

On May 4, 2017, former Sheriff Arnold was sentenced in U.S. District Court to 50 months imprisonment for the above felony counts and is currently serving this sentence.

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, 2017, Rutherford County had the following investments carried at amortized cost using a Stable Net Asset Value. 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>
Nonpooled:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	3 to 80	N/A	<u>\$ 7,350</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, 2017, 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 \$235,523 and \$2,426,250 on June 30, 2017, 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, 2017, from financing projects for the City of Murfreesboro's Rockvale Utility District and is included in the committed fund balance account.

C. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 37,788,786	\$ 68,731	\$ 0	\$ 37,857,517
Intangible Assets (Right-of-Ways)	46,594,784	239,373	0	46,834,157
Construction in Progress	11,375,075	41,964,971	(2,415,747)	50,924,299
Total Capital Assets Not Depreciated	<u>\$ 95,758,645</u>	<u>\$ 42,273,075</u>	<u>\$ (2,415,747)</u>	<u>\$ 135,615,973</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 105,396,413	\$ 364,000	\$ 0	\$ 105,760,413
Infrastructure	140,601,333	2,847,460	0	143,448,793
Intangible Assets	3,683,594	593,768	0	4,277,362
Other Capital Assets	34,219,299	5,938,127	(1,375,471)	38,781,955
Total Capital Assets Depreciated	<u>\$ 283,900,639</u>	<u>\$ 9,743,355</u>	<u>\$ (1,375,471)</u>	<u>\$ 292,268,523</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 36,760,712	\$ 2,155,431	\$ 0	\$ 38,916,143
Infrastructure	44,263,491	1,925,074	0	46,188,565
Intangible Assets	2,522,802	233,361	0	2,756,163
Other Capital Assets	24,826,853	2,594,357	(1,315,266)	26,105,944
Total Accumulated Depreciation	<u>\$ 108,373,858</u>	<u>\$ 6,908,223</u>	<u>\$ (1,315,266)</u>	<u>\$ 113,966,815</u>
Total Capital Assets Depreciated, Net	<u>\$ 175,526,781</u>	<u>\$ 2,835,132</u>	<u>\$ (60,205)</u>	<u>\$ 178,301,708</u>
Governmental Activities Capital Assets, Net	<u>\$ 271,285,426</u>	<u>\$ 45,108,207</u>	<u>\$ (2,475,952)</u>	<u>\$ 313,917,681</u>

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

Governmental Activities:

General Government	\$ 632,478
Finance	500,903
Administration of Justice	13,932
Public Safety	2,271,973
Public Health and Welfare	1,152,664
Agriculture and Natural Resources	179,080
Highways	<u>2,157,193</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,908,223</u></u>

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

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 17,634,620	\$ 0	\$ 0	\$ 17,634,620
Construction in Progress	16,428,189	37,643,799	(14,636,119)	39,435,869
Total Capital Assets Not Depreciated	<u>\$ 34,062,809</u>	<u>\$ 37,643,799</u>	<u>\$ (14,636,119)</u>	<u>\$ 57,070,489</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 552,979,997	\$ 23,494,970	\$ 0	\$ 576,474,967
Intangible Assets	416,167	0	0	416,167
Other Capital Assets	19,534,198	678,344	(370,743)	19,841,799
Total Capital Assets Depreciated	<u>\$ 572,930,362</u>	<u>\$ 24,173,314</u>	<u>\$ (370,743)</u>	<u>\$ 596,732,933</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 155,419,188	\$ 12,551,636	\$ 0	\$ 167,970,824
Intangible Assets	326,323	15,365	0	341,688
Other Capital Assets	12,841,549	1,206,337	(370,743)	13,677,143
Total Accumulated Depreciation	<u>\$ 168,587,060</u>	<u>\$ 13,773,338</u>	<u>\$ (370,743)</u>	<u>\$ 181,989,655</u>
Total Capital Assets Depreciated, Net	<u>\$ 404,343,302</u>	<u>\$ 10,399,976</u>	<u>\$ 0</u>	<u>\$ 414,743,278</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 438,406,111</u></u>	<u><u>\$ 48,043,775</u></u>	<u><u>\$ (14,636,119)</u></u>	<u><u>\$ 471,813,767</u></u>

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

Governmental Activities:

Instruction	\$ 15,365
Support Services	13,374,741
Operation of Non-instructional Services	<u>383,232</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 13,773,338</u></u>

D. Construction Commitments

At June 30, 2017, the primary government had uncompleted construction contracts of approximately \$19,861,914 in the General Capital Projects Fund for the construction of the criminal justice center and parking garage. Funding has been received for these future expenditures.

At June 30, 2017, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$11,743,144 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, 2017, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 563,531
Internal Service:	Other Employee Benefit Trust:	
Employee Insurance - Health	Flexible Benefits	150,000

The balance between the General Debt Service and General Capital Projects funds resulted from the issuance of an interfund capital outlay note. The balance between the Employee Health Insurance Fund (internal service fund) and the Flexible Benefits Fund (other employee benefits trust fund) was for cash flow purposes.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	Community Care of Rutherford Co., Inc.	\$ 3,099
"	Rutherford County School Department	1,900
Internal Service Fund	Community Care of Rutherford Co., Inc.	97,693
Primary Government	Rutherford County School Department for Contributions for Debt Service	2,679,524

The \$2,679,524 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, 2017, 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	\$ 1,640,500
Nonmajor governmental funds	125,000	196,775	0
Internal Service Funds	592,109	0	0
Total	\$ 717,109	\$ 196,775	\$ 1,640,500

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Other Capital Projects Fund
Nonmajor governmental funds	\$ 168,677	\$ 0
General Purpose School Fund	0	19,138,185

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.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30	Governmental Funds
2018	\$ 239,561
2019	239,561
2020	<u>119,781</u>
Total Minimum Lease Payments	\$ 598,903
Less: Amount Representing Interest	<u>(31,858)</u>
Present Value of Minimum Lease Payments	<u>\$ 567,045</u>

G. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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 and other loans are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 20 years for bonds, up to eight years for notes, and up to six years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2017, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, other loans, and capital leases outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
Capital Outlay Note	0	% 4-1-18	\$ 500,000	\$ 59,552
General Obligation Bonds	2.4 to 4.2	4-1-36	292,185,981	197,812,100
General Obligation Bonds - Refunding	1.6 to 2.8	4-1-34	275,497,844	204,667,900
Other Loans	0.75 to 1.0	5-1-23	2,162,919	2,052,927
Capital Lease	3.7	7-15-19	1,461,013	567,045

The annual requirements to amortize all general obligation bonds, the note outstanding, and other loans as of June 30, 2017, including interest payments, are presented in the following tables:

Year Ending June 30	Note		
	Principal	Interest	Total
2018	59,552	0	59,552
Total	\$ 59,552	\$ 0	\$ 59,552

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2018	190,716	5,280	195,996
2019	463,736	22,132	485,868
2020	467,975	17,893	485,868
2021	358,901	13,875	372,776
2022	305,476	10,748	316,224
2023	266,123	6,847	272,970

Total	\$ 2,052,927	\$ 76,775	\$ 2,129,702
-------	--------------	-----------	--------------

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 29,985,000	\$ 15,489,947	\$ 45,474,947
2019	29,805,000	14,416,104	44,221,104
2020	30,520,000	13,202,202	43,722,202
2021	30,585,000	12,016,451	42,601,451
2022	28,000,000	10,721,089	38,721,089
2023-2027	123,290,000	35,477,486	158,767,486
2028-2032	90,765,000	14,274,761	105,039,761
2033-2036	39,530,000	2,819,786	42,349,786
Total	\$ 402,480,000	\$ 118,417,826	\$ 520,897,826

There is \$42,829,329 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,533, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, capital leases, and unamortized debt premiums, totaled \$1,703, 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.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-17</u>
<u>Contributions from the General Purpose School Fund</u>	
<u>Note Payable</u>	
Energy Efficient Note	\$ 59,552
<u>Other Loans</u>	
Energy Efficiency Loan	558,305
Energy Efficiency Loan	1,494,622
<u>Capital Lease Payable</u>	
Energy Efficient Water Upgrade	<u>567,045</u>
Total	<u>\$ 2,679,524</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Note</u>
Balance, July 1, 2016	\$ 331,340,000	\$ 130,976
Additions	126,640,000	0
Reductions	<u>(55,500,000)</u>	<u>(71,424)</u>
Balance, June 30, 2017	<u>\$ 402,480,000</u>	<u>\$ 59,552</u>
Balance Due Within One Year	<u>\$ 29,985,000</u>	<u>\$ 59,552</u>
	<u>Other Loans</u>	<u>Capital Lease</u>
Balance, July 1, 2016	\$ 0	\$ 779,706
Additions	2,162,919	0
Reductions	<u>(109,992)</u>	<u>(212,661)</u>
Balance, June 30, 2017	<u>\$ 2,052,927</u>	<u>\$ 567,045</u>
Balance Due Within One Year	<u>\$ 190,716</u>	<u>\$ 220,602</u>

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2016	\$ 4,809,391	\$ 2,784,856
Additions	6,100,859	33,617
Reductions	(6,001,532)	(198,918)
Balance, June 30, 2017	\$ 4,908,718	\$ 2,619,555
Balance Due Within One Year	\$ 147,261	\$ 482,500

	Claims and Judgments	Other Postemployment Benefits
Balance, July 1, 2016	\$ 12,908,015	\$ 16,401,470
Additions	64,131,538	2,247,668
Reductions	(62,621,940)	(520,293)
Balance, June 30, 2017	\$ 14,417,613	\$ 18,128,845
Balance Due Within One Year	\$ 11,264,490	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 445,234,255
Less: Due Within One Year	(42,350,121)
Add: Unamortized Premium on Debt	<u>42,074,760</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 444,958,894</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, \$14,417,613 of claims and judgments is included in the above amounts. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Advance Refunding

On September 15, 2016, Rutherford County advance refunded a general obligation bond issues with a separate general obligation bond issue. The

county issued \$25,640,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county’s long-term debt. As a result of the advance refunding, total debt service payments over the next 10 years will be reduced by \$2,917,136, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,825,555 was obtained.

Defeasance of Prior Debt

In prior years, Rutherford County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county’s financial statements. At June 30, 2017, 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, 2017, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 1,345,937	\$ 76,719,616
Additions	1,311,044	10,013,306
Reductions	<u>(1,192,710)</u>	<u>(2,568,605)</u>
Balance, June 30, 2017	<u>\$ 1,464,271</u>	<u>\$ 84,164,317</u>
Balance Due Within One Year	<u>\$ 43,928</u>	<u>\$ 0</u>

	Net Pension Liability - Legacy Plan
Balance, July 1, 2016	\$ 1,605,831
Additions	50,755,603
Reductions	<u>(27,197,752)</u>
Balance, June 30, 2017	<u>\$ 25,163,682</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 110,792,270
Less: Due Within One Year	<u>(43,928)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 110,748,342</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, 2017, was as follows:

	Balance 7-1-16	Issued	Paid	Balance 6-30-17
Interfund Capital Outlay Note	\$ 15,000,000	\$ 0	\$ (15,000,000)	\$ 0

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, 2017, interest earned and expended totaled \$127 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
2015-16	\$	1,617,428	\$	1,534,283	\$	(1,563,146)	\$	1,588,565
2016-17		1,588,565		2,896,408		(1,969,873)		2,515,100

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2015-16	\$	9,855,320	\$	58,869,222	\$	(58,526,092)	\$	10,198,450
2016-17		10,198,450		60,246,034		(59,913,971)		10,530,513

Workers' Compensation Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
--	--	--	--	---	--	----------	--	----------------------------------

Workers' Compensation Program

2015-16	\$	830,000	\$	203,718	\$	(92,718)	\$	941,000
2016-17		941,000		183,861		(36,861)		1,088,000

On-the-Job Injury Program

2015-16	\$	162,100	\$	498,466	\$	(480,566)	\$	180,000
2016-17		180,000		805,235		(701,235)		284,000

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, established reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

C. Subsequent Events

On November 8, 2017, Rutherford County issued \$81,530,000 in general obligation school bonds to finance the construction and renovation of schools.

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. Changes in Administration

On November 14, 2016, Robert Arnold left the Office of Sheriff and was succeeded on an interim basis by Michael Fitzhugh.

F. Landfill Closure/Postclosure Care Costs

Rutherford County has an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county has

provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Rutherford County closed its sanitary landfill in 2000. The \$2,619,555 reported as postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. 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 \$1,700,000 to the operations of the libraries during the year ended June 30, 2017.

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 \$96,500 to the operations of the board during the year ended June 30, 2017.

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

H. 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 56.49 percent, the non-certified employees of the discretely presented School Department comprised 38.51 percent, and employees of the discretely presented Community Care of Rutherford County, Inc., comprised 5.00 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, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	840
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,955
Active Employees	2,543
Total	<u>5,338</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, 2017, the employer contributions for Rutherford County were \$9,858,724 based on a rate of 10.66 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, 2016, 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, 2016, 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, 2016, 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 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, 2015	\$ 217,317,032	\$ 227,417,144	\$ (10,100,112)
Changes for the year:			
Service Cost	\$ 6,525,407	\$ 0	\$ 6,525,407
Interest	16,565,320	0	16,565,320
Differences Between Expected and Actual Experience	1,228,206	0	1,228,206
Contributions-Employer	0	10,314,945	(10,314,945)
Contributions-Employees	0	10,408	(10,408)
Net Investment Income	0	6,089,739	(6,089,739)
Benefit Payments, Including Refunds of Employee Contributions	(5,943,016)	(5,943,016)	0
Administrative Expense	0	(192,578)	192,578
Other Changes	0	0	0
Net Changes	\$ 18,375,917	\$ 10,279,498	\$ 8,096,419
Balance, June 30, 2016	\$ 235,692,949	\$ 237,696,642	\$ (2,003,693)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.49%	\$ 133,142,947	\$ 134,274,833	\$ (1,131,886)
Community Care	5.00%	11,784,647	11,884,832	(100,185)
School Department	38.51%	90,765,355	91,536,977	(771,622)
Total		\$ 235,692,949	\$ 237,696,642	\$ (2,003,693)

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 \$ 33,232,556 \$ (2,003,693) \$ (31,054,871)

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

Pension Expense. For the year ended June 30, 2017, Rutherford County recognized pension expense of \$6,603,735.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 1,055,548	\$ 2,317,433
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,044,929	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	9,858,724	N/A
Total	<u>\$ 18,959,201</u>	<u>\$ 2,317,433</u>

*The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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	\$ 10,860,900	\$ 1,309,118
Community Care	839,876	115,872
School Department	7,258,425	892,443
Total	<u>\$ 18,959,201</u>	<u>\$ 2,317,433</u>

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
2018	\$ 544,240
2019	544,240
2020	3,869,732
2021	1,937,405
2022	(288,028)
Thereafter	175,458

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 56.49 percent, the non-certified employees of the discretely presented School Department comprise 38.51 percent, and

employees of Community Care of Rutherford County, Inc., comprise 5.00 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, 2017, to the Teacher Retirement Plan were \$1,033,114, 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, 2017, the Rutherford County School Department reported an asset of \$390,205 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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, 2016, the Rutherford County School Department's proportion was 3.748250 percent. The revised proportion measured at June 30, 2015, was 3.728236 percent.

Pension Expense. For the year ended June 30, 2017, the Rutherford County School Department recognized pension expense of \$326,640.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 37,809	\$ 44,990
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	63,888	0
Changes in proportion of Net Pension Liability (Asset)	0	561
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	<u>1,033,114</u>	<u>N/A</u>
Total	<u>\$ 1,134,811</u>	<u>\$ 45,551</u>

The Rutherford County School Department's employer contributions of \$1,033,114, 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, 2018. 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
2018	\$ 15,748
2019	15,748
2020	15,748
2021	12,701
2022	(986)
Thereafter	(2,812)

Actuarial Assumptions. The total pension liability in the June 30, 2016, 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, 2016, 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	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 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%
---	------------------------	-------------------------------------	------------------------

Net Pension Liability	\$	184,261	\$	(390,205)	\$	(813,470)
-----------------------	----	---------	----	-----------	----	-----------

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, 2017, to the Teacher Legacy Pension Plan were \$13,204,364, 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, 2017, the Rutherford County School Department reported an asset of \$25,163,682 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Rutherford County School Department's proportion of the net pension liability (asset) 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, 2016, the Rutherford County School Department's proportion was 4.026546 percent. The proportion measured at June 30, 2015, was 3.920158 percent.

Pension Expense. For the year ended June 30, 2017, the Rutherford County School Department recognized pension expense of \$3,607,168.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 1,058,977	\$ 30,464,881
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,095,593	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	2,727,973	0
Changes in Proportion on Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	13,204,364	N/A
Total	<u>\$ 45,086,907</u>	<u>\$ 30,464,881</u>

The Rutherford County School Department's employer contributions of \$13,204,364 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, 2018. 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
2018	\$ (4,066,889)
2019	(4,066,889)
2020	9,410,549
2021	1,964,749
2022	(1,823,860)
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, 2016, 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, 2016, 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	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 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%
---	------------------------	-------------------------------------	------------------------

Net Pension Liability \$ 138,178,108 \$ 25,163,682 \$ (68,452,371)

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.

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

Plan Description

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

Funding Policy

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

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 \$157,700, to Rutherford County's Medicare Plan.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department
ARC	\$ 2,529,176	\$ 11,294,943
Interest on the NOPEBO	673,986	3,068,489
Adjustment to the ARC	(955,494)	(4,350,126)
Annual OPEB cost	\$ 2,247,668	\$ 10,013,306
Amount of contribution	(520,293)	(2,568,605)
Increase/decrease in NOPEBO	\$ 1,727,375	\$ 7,444,701
Net OPEB obligation, 7-1-16	16,401,470	76,719,616
Net OPEB obligation, 6-30-17	\$ 18,128,845	\$ 84,164,317

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Primary Government	\$ 2,237,217	20.95 %	\$ 14,727,782
6-30-16	"	2,205,158	24.10	16,401,470
6-30-17	"	2,247,668	23.15	18,128,845
6-30-15	School Department	10,433,595	20.19	68,752,252
6-30-16	"	10,292,545	22.59	76,719,616
6-30-17	"	10,013,306	25.65	84,164,317

Funded Status and Funding Progress

The funded status of the plan as of the most recent valuation date of January 1, 2016, was as follows:

	Primary Government	School Department
Actuarial valuation date	1-1-16	1-1-16
Actuarial accrued liability (AAL)	\$ 28,439,601	\$ 127,603,353
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 28,439,601	\$ 127,603,353
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 53,670,979	\$ 232,993,544
UAAL as a % of covered payroll	53%	55%

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, 2016, 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 5.75 percent for 2016, grading down to five percent for 2028, and an annual post-Medicare cost trend rate of 5 percent for 2016, and remains constant through 2028. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over a 30-year period beginning with June 30, 2009.

J. Office of Central Accounting and Budgeting

Office of Director of Finance

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

K. Purchasing Laws

Office of County Mayor

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

Office of Highway Superintendent

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

The financial statements of Community Care of Rutherford County, Inc., (the nursing home) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The financial statements and footnotes are the 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 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 nursing home 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 nursing home is determined by its measurement focus. The transactions of the nursing home 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 nursing home's policy to use restricted resources first and then unrestricted resources as they are needed.

Cash Flow – Cash and Cash Equivalents – The nursing home presents its cash flow statement using the direct method. For purposes of cash flow presentation, the nursing home considers cash in operating bank accounts, demand deposits, cash on hand, and certificates of deposit, which have original maturities of three months or less as cash and cash equivalents. At June 30, 2017, 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, 2017, amounted to \$98,259 and \$97,038, 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, 2017, 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, 2017, the carrying amount of cash was \$2,193,055, and the bank balance was \$2,364,891. In addition, the nursing home held patient funds in trust with a carrying amount of \$26,580 and a bank balance of \$28,551 at June 30, 2017. 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, 2017. 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, 2017, was as follows:

	Balance				Balance
Description	7-1-16	Additions	Retirements		6-30-17
Capital assets being depreciated:					
Land improvements	\$ 126,130	\$ 0	\$ 0	\$	126,130
Buildings and improvements	857,477	10,831	0		868,308
Transportation equipment	87,095	3,200	(3,000)		87,295
Furniture, fixtures, and equipment	824,719	141,657	(81,432)		884,944
Total	<u>\$ 1,895,421</u>	<u>\$ 155,688</u>	<u>\$ (84,432)</u>	<u>\$</u>	<u>1,966,677</u>
Accumulated depreciation:					
Land improvements	\$ 7,364	\$ 1,459	\$ 0	\$	8,823
Buildings and improvements	252,470	38,313	0		290,783
Transportation equipment	86,843	343	(3,000)		84,186
Furniture, fixtures, and equipment	570,922	72,245	(64,447)		578,720
Total	<u>\$ 917,599</u>	<u>\$ 112,360</u>	<u>\$ (67,447)</u>	<u>\$</u>	<u>962,512</u>
Net capital assets	\$ 977,822	\$ 43,328	\$ (16,985)	\$	1,004,165

Depreciation expense for the fiscal year ended June 30, 2017, totaled \$112,360.

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, 2017, are as follows:

	Balance 7-1-16	Additions	Reductions	Balance 6-30-17	Due Within One Year
Compensated absences	\$ 208,462	\$ 212,313	\$ (205,992)	\$ 214,783	\$ 214,783
Net OPEB obligation	1,343,647	142,687	(34,441)	1,451,893	0
	<u>\$ 1,552,109</u>	<u>\$ 355,000</u>	<u>\$ (240,433)</u>	<u>\$ 1,666,676</u>	<u>\$ 214,783</u>

E. Patient Funds Held in Trust

At June 30, 2017, the nursing home had a fiduciary responsibility for funds totaling \$28,504 on behalf of patients. Of this amount, \$26,580 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, 2017.

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 June 16, 2016, 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 the medical, hospital, and life insurance premiums incurred. The lease term is five years, from July 1, 2016, through June 30, 2021, and may be terminated by either party upon a 30-day written notice. During the fiscal year ended June 30, 2017, the nursing home incurred and paid medical, hospital, and life insurance premiums totaling \$962,735.

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	47 %
Medicare	31
Private	12
Insurance	10

Approximately 86 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, 2017, employer contributions for Community Care of Rutherford County, Inc., were \$384,853 based on a rate of 10.66 percent of covered payroll, which was higher than the employer actuarially determined contribution rate of 8.66 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, 2017, Community Care of Rutherford County, Inc., reported an asset of \$100,185 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, 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, 2017, Community Care of Rutherford County, Inc.'s proportion was five percent.

Pension Expense. For the year ended June 30, 2017, Community Care of Rutherford County, Inc., recognized pension expense of \$330,187.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 52,777	\$ 115,872
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	402,246	0
Contributions Subsequent to the Measurement Date of June 30, 2016	384,853	N/A
Total	<u>\$ 839,876</u>	<u>\$ 115,872</u>

The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2016," 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
2018	\$ 27,212
2019	27,212
2020	193,487
2021	96,870
2022	(14,402)
Thereafter	8,772

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, 2016, 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, 2016, 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		<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 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:

Community Care of Rutherford County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 1,661,628	\$ (100,185)	\$ (1,552,744)

Payable to the Pension Plan. At June 30, 2017, the nursing home reported a payable of \$23,167 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 was 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	\$ 165,135
Interest on the NPO	53,746
Adjustment to the ARC	<u>(76,194)</u>
Annual OPEB cost	\$ 142,687
Amount of contribution	<u>(34,441)</u>
Increase/decrease in NPO	\$ 108,246
Net OPEB obligation, 7-1-16	<u>1,343,647</u>
Net OPEB obligation, 6-30-17	<u><u>\$ 1,451,893</u></u>

Funded Status and Funding Progress – The funding status and funding progress of the plan as of January 1, 2016, for Community Care of Rutherford County, Inc., are as follows:

Actuarial valuation date	1-1-16
Actuarial accrued liability (AAL)	\$ 1,897,169
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,897,169
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, 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
6-30-15	Community Care	\$ 146,581	18.40 %	\$ 1,232,661
6-30-16	"	144,582	23.24	1,343,647
6-30-17	"	142,687	24.14	1,451,893

Actuarial methods and assumptions – The discount rate as of January 1, 2016, 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 used to pay these benefits. The trend rate for pre-Medicare health claims is 5.75 percent for 2016 decreasing to five percent after 12 years. The trend rate for post-Medicare health claims is five percent for 2016. The trend rate for prescription drug claims is 10.5 percent for 2016 decreasing to five percent after 12 years. 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, benefits are projected to all future points in time under the terms of the plan and actuarial assumptions (for example, health trends). Retirees are considered to be fully attributed in their benefits. For actives, attribution is to expected retirement age; thus, benefits in each future point in time are allocated to past service based on a prorate of service-to-date over projected service. 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, 2017, 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, 2017, 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, 2017, prepaid insurance and service contract costs were \$76,243.

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 \$10,000 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, 2017, and is \$51,235.

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 has no items that qualify for reporting in this category.

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, 2017, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2017, the carrying amount of cash deposits was \$1,554,024, and the bank balance was \$1,904,735, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2017, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee

Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

Cash Accounts	Interest Rate	Carrying Amount	Bank Balance
SunTrust Bank checking	0.04%	\$ 1,303,871	\$ 1,654,582
SunTrust Bank cash investment	0.04	250,153	250,153
Total		\$ 1,554,024	\$ 1,904,735

Certificates of Deposit – At June 30, 2017, the district held the following certificates of deposit:

Bank	Maturity	Interest	Amount
CB & S Bank	12-19-21	0.90 %	\$ 250,000
First Bank	10-6-18	0.65	250,000
Pinnacle Bank	1-13-22	1.32	250,000
SunTrust Bank	12-16-20	1.24	250,000
First Nat'l Bank of McMinnville	12-16-20	1.05	250,000
U.S. Bank	6-20-19	0.75	249,999
F&M Bank	10-24-17	1.00	250,010
Bank of America	8-22-19	0.12	250,000
First Nat'l Bank of Manchester	4-18-18	0.75	250,000
Wilson Bank & Trust	10-19-19	1.15	250,000
Southern Community Bank	7-20-17	1.15	250,000
Total			\$ 2,750,009

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 7-1-16	Additions	Reductions	Balance 6-30-17
<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	25,642	0	0	25,642
Communications Equipment	1,690,655	0	0	1,690,655
Vehicle	48,775	0	0	48,775
Other Capital Assets	590,459	18,700	(20,957)	588,202
Total	<u>\$ 3,601,744</u>	<u>\$ 18,700</u>	<u>\$ (20,957)</u>	<u>\$ 3,599,487</u>

Less: Accumulated Depreciation

Buildings and Improvements	\$ (430,006)	\$ (30,011)	\$ 0	\$ (460,017)
Furniture and Fixtures	(45,757)	0	0	(45,757)
Office Equipment	(25,642)	0	0	(25,642)
Communications Equipment	(459,573)	(158,856)	0	(618,429)
Vehicle	(33,846)	(3,895)	0	(37,741)
Other Capital Assets	(341,485)	(82,392)	20,957	(402,920)
Total	<u>\$ (1,336,309)</u>	<u>\$ (275,154)</u>	<u>\$ 20,957</u>	<u>\$ (1,590,506)</u>

Non-depreciable Assets

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>\$ 2,282,935</u>	<u>\$ (256,454)</u>	<u>\$ 0</u>	<u>\$ 2,026,481</u>

D. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Balance 7-1-16	Additions	Reductions	Balance 6-30-17
Postemployment Benefits Obligation	\$ 74,258	\$ 10,479	\$ 0	\$ 84,737
Net Pension Liability	124,759	33,921	0	158,680
Total Long-term Liabilities	<u>\$ 199,017</u>	<u>\$ 44,400</u>	<u>\$ 0</u>	<u>\$ 243,417</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 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 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 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 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, 2016, 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. 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, 2017, the actuarially determined

contributions (ADC) for Rutherford County Emergency Communications District were \$30,624 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, 2016, 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, 2016, 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, 2016, 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 Expected Real Rate of Return	Target	Allocation
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
			<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 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 Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 744,906	\$ 620,147	\$ 124,759
Changes for the year:			
Service Cost	\$ 13,692	\$ 0	\$ 13,692
Interest	56,489	0	56,489
Differences Between Expected and Actual Experience	9,449	0	9,449
Contributions-Employer	0	29,351	(29,351)
Net Investment Income	0	16,661	(16,661)
Benefit Payments, Including Refunds of Employee Contributions	(10,835)	(10,835)	0
Administrative Expense	0	(303)	303
Net Changes	\$ 68,795	\$ 34,874	\$ 33,921
Balance, June 30, 2016	\$ 813,701	\$ 655,021	\$ 158,680

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% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Rutherford County Emergency Communications District			
Net Pension Liability (Asset)	\$ 292,990	\$ 158,680	\$ 48,420

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

Pension expense – For the year ended June 30, 2017, Rutherford County Emergency Communications District recognized pension expense of \$37,939.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2017, 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	\$ 59,975	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	22,176	0
Contributions Subsequent to the Measurement Date of June 30, 2016	31,300	0
Total	<u>\$ 113,451</u>	<u>\$ 0</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2016,” 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:	
2018	\$ 649
2019	14,649
2020	23,651
2021	18,400
2022	9,451
Thereafter	1,351

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, 2017.

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	\$	11,720
Interest on the NPO		2,970
Adjustment to the ARC		(4,211)
Annual OPEB cost	\$	10,479
Amount of contribution		0
Increase/decrease in NPO	\$	10,479
Net OPEB obligation, 7-1-15		74,258
Net OPEB obligation, 6-30-16	\$	84,737

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

Actuarial valuation date	1-1-16
Actuarial accrued liability (AAL)	\$ 101,923
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 101,923
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, 2016, 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 used to pay these benefits.

The trend rate for pre-Medicare health claims is 5.75 percent for 2016 decreasing down to a five percent long-term trend rate after 12 years. The trend rate for post-Medicare health claims is five percent for 2016. The trend rate for prescription drug claims is 10.5 percent for 2016 decreasing down to a five percent long-term trend rate after 12 years. 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, benefits are projected to all future points in time under the terms of the plan and actuarial assumptions (for example, health trends). Retirees are considered to be fully attributable in their benefits. For actives, attribution is to expected retirement age; thus, benefits at each future point in time are allocated to past service based on a prorate of service-to-date over projected service. 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.

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Emergency Comm.District	\$ 10,108	0.00 %	\$ 64,318
6-30-16	"	9,940	0.00	74,258
6-30-17	"	10,479	0.00	84,737

H. Transactions with Primary Government

Amounts paid to Rutherford County included amounts paid for mapping services and maintenance agreements totaled \$72,560. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$384,315 for salaries and benefits paid on the district's behalf. The district reimbursed Rutherford County for capital assets in the amount of \$323,740.

I. Commitments

Previously, 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, 2018, 2019, and 2020 are \$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	2016
Total Pension Liability (Asset)			
Service Cost	\$ 6,056,791	\$ 6,392,828	\$ 6,525,407
Interest	14,404,209	15,577,563	16,565,320
Changes in Benefit Terms	0	0	0
Differences Between Actual and Expected Experience	4,900	(3,244,405)	1,228,206
Changes in Assumptions	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(4,880,526)	(5,433,923)	(5,943,016)
Net Change in Total Pension Liability (Asset)	\$ 15,585,374	\$ 13,292,063	\$ 18,375,917
Total Pension Liability (Asset), Beginning	188,439,595	204,024,969	217,317,032
Total Pension Liability (Asset), Ending (a)	\$ 204,024,969	\$ 217,317,032	\$ 235,692,949
Plan Fiduciary Net Position			
Contributions - Employer	\$ 10,301,932	\$ 9,877,855	\$ 10,314,945
Contributions - Employee	8,810	516	10,408
Net Investment Income	30,377,074	6,728,143	6,089,739
Benefit Payments, Including Refunds of Employee Contributions	(4,880,526)	(5,433,923)	(5,943,016)
Administrative Expense	(97,209)	(127,221)	(192,578)
Net Change in Plan Fiduciary Net Position	\$ 35,710,081	\$ 11,045,370	\$ 10,279,498
Plan Fiduciary Net Position, Beginning	180,661,693	216,371,774	227,417,144
Plan Fiduciary Net Position, Ending (b)	\$ 216,371,774	\$ 227,417,144	\$ 237,696,642
Net Pension Liability (Asset), Ending (a - b)	\$ (12,346,805)	\$ (10,100,112)	\$ (2,003,693)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%
Covered Payroll	\$ 81,181,596	\$ 82,521,762	\$ 86,176,447
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%

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	2017
Actuarially Determined Contribution	\$ 10,301,932	\$ 9,877,855	\$ 10,314,945	\$ 9,858,724
Less Contributions in Relation to the				
Actuarially Determined Contribution	(10,301,932)	(9,877,855)	(10,314,945)	(9,858,724)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 81,181,596	\$ 82,521,762	\$ 86,176,447	\$ 92,495,368
Contributions as a Percentage of				
Covered Payroll	12.69%	11.97%	11.97%	10.66%

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	2017
Contractually Required Contribution	\$ 316,382	\$ 659,699	\$ 1,033,114
Less Contributions in Relation to the			
Contractually Required Contribution	(316,382)	(659,699)	(1,033,114)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,827,905
Contributions as a Percentage of Covered Payroll	4.0%	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	2017
Contractually Required Contribution	\$ 13,375,185	\$ 13,266,310	\$ 13,139,659	\$ 13,204,364
Less Contributions in Relation to the				
Contractually Required Contribution	(13,375,185)	(13,266,310)	(13,139,659)	(13,204,364)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,350,015	\$ 146,087,228
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	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>	<u>2017</u>
School Department's Proportion of the Net Pension Asset	3.806811%	3.748250%
School Department's Proportionate Share of the Net Pension Liability Asset	\$ (153,146)	\$ (390,205)
Covered Payroll	\$ 7,909,475	\$ 16,492,393
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* 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	2017
School Department's Proportion of the Net Pension Asset	3.837498%	3.920158%	4.026546%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (623,576) \$	1,605,831 \$	25,163,682
Covered Payroll	\$ 150,621,457 \$	146,751,255 \$	145,350,015
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.310000%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* 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, 2017

(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	6-30-15	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
"	6-30-17	1-1-16	0	28,440	28,440	0	53,671	53
Rutherford County School Department	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
"	6-30-17	1-1-16	0	127,603	127,603	0	232,994	55

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the June 30, 2015, 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	Varies by 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
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, 2017

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>ASSETS</u>					
Cash	\$ 2,742	\$ 17,218	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	7,404,080	3,459,783	175,812	208,335	1,091,671
Accounts Receivable	106,159	4,902,165	0	198	1,079
Allowance for Uncollectibles	0	(1,896,997)	0	0	0
Due from Other Governments	452,001	151,145	0	0	0
Property Taxes Receivable	0	4,790,962	0	0	0
Allowance for Uncollectible Property Taxes	0	(238,287)	0	0	0
Notes Receivable - Long-term	0	0	2,661,773	0	0
Total Assets	<u>\$ 7,964,982</u>	<u>\$ 11,185,989</u>	<u>\$ 2,837,585</u>	<u>\$ 208,533</u>	<u>\$ 1,092,750</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 3,348	\$ 48,043	\$ 0	\$ 0	\$ 0
Accrued Payroll	19,225	275,955	0	0	0
Payroll Deductions Payable	104	0	0	0	0
Due to Other Funds	262	3,844	0	0	0
Total Liabilities	<u>\$ 22,939</u>	<u>\$ 327,842</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 4,507,179	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	39,329	0	0	0
Other Deferred/Unavailable Revenue	212,855	2,399,020	0	0	0
Total Deferred Inflows of Resources	<u>\$ 212,855</u>	<u>\$ 6,945,528</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(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
FUND BALANCES					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 208,533	\$ 1,092,750
Restricted for Public Health and Welfare	0	6,366	0	0	0
Restricted for Debt Service	0	0	2,710,622	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	7,729,188	3,906,253	0	0	0
Assigned for Other Operations	0	0	126,963	0	0
Assigned for Highways/Public Works	0	0	0	0	0
Total Fund Balances	<u>\$ 7,729,188</u>	<u>\$ 3,912,619</u>	<u>\$ 2,837,585</u>	<u>\$ 208,533</u>	<u>\$ 1,092,750</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 7,964,982</u></u>	<u><u>\$ 11,185,989</u></u>	<u><u>\$ 2,837,585</u></u>	<u><u>\$ 208,533</u></u>	<u><u>\$ 1,092,750</u></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
Payroll Deductions Payable
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
\$ 1,693,850	\$ 0	\$ 1,713,810
0	13,754,497	26,094,178
429	33,619	5,043,649
0	0	(1,896,997)
0	2,082,796	2,685,942
0	913,255	5,704,217
0	(45,423)	(283,710)
0	0	2,661,773
<u>\$ 1,694,279</u>	<u>\$ 16,738,744</u>	<u>\$ 41,722,862</u>
\$ 0	\$ 2,212,083	\$ 2,263,474
0	49,610	344,790
0	0	104
559,425	0	563,531
<u>\$ 559,425</u>	<u>\$ 2,261,693</u>	<u>\$ 3,171,899</u>
\$ 0	\$ 859,160	\$ 5,366,339
0	7,497	46,826
0	50,543	2,662,418
<u>\$ 0</u>	<u>\$ 917,200</u>	<u>\$ 8,075,583</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety

Restricted for Public Health and Welfare

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	\$ 1,301,283	
0	0	6,366	
0	0	2,710,622	
0	2,227,883	2,227,883	
181,408	0	181,408	
650,000	0	650,000	
303,446	0	303,446	
0	0	11,635,441	
0	0	126,963	
0	11,331,968	11,331,968	
<u>\$ 1,134,854</u>	<u>\$ 13,559,851</u>	<u>\$ 30,475,380</u>	
<u>\$ 1,694,279</u>	<u>\$ 16,738,744</u>	<u>\$ 41,722,862</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, 2017

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Revenues</u>					
Local Taxes	\$ 2,612,758	\$ 4,695,961	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	640,128
Charges for Current Services	1,581,340	7,771,489	0	0	7,150
Other Local Revenues	434,852	12,679	86,522	1,522	15,892
State of Tennessee	430,739	5,625	0	0	0
Federal Government	0	165,532	0	150,590	0
Other Governments and Citizens Groups	85,357	0	0	0	0
Total Revenues	\$ 5,145,046	\$ 12,651,286	\$ 86,522	\$ 152,112	\$ 663,170
<u>Expenditures</u>					
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	59,091	430,995
Public Health and Welfare	4,355,298	12,357,039	0	0	0
Other Operations	92,213	0	114,395	0	0
Highways	0	0	0	0	0
Total Expenditures	\$ 4,447,511	\$ 12,357,039	\$ 114,395	\$ 59,091	\$ 430,995
Excess (Deficiency) of Revenues Over Expenditures	\$ 697,535	\$ 294,247	\$ (27,873)	\$ 93,021	\$ 232,175

(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	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	(196,775)	0	(125,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (196,775)</u>	<u>\$ 0</u>	<u>\$ (125,000)</u>
Net Change in Fund Balances	\$ 697,535	\$ 294,247	\$ (224,648)	\$ 93,021	\$ 107,175
Fund Balance, July 1, 2016	<u>7,031,653</u>	<u>3,618,372</u>	<u>3,062,233</u>	<u>115,512</u>	<u>985,575</u>
Fund Balance, June 30, 2017	<u>\$ 7,729,188</u>	<u>\$ 3,912,619</u>	<u>\$ 2,837,585</u>	<u>\$ 208,533</u>	<u>\$ 1,092,750</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	\$ 5,736,833	\$ 13,045,552
Fines, Forfeitures, and Penalties	0	0	640,128
Charges for Current Services	4,812,798	0	14,172,777
Other Local Revenues	0	160,194	711,661
State of Tennessee	0	6,100,681	6,537,045
Federal Government	0	0	316,122
Other Governments and Citizens Groups	0	0	85,357
Total Revenues	<u>\$ 4,812,798</u>	<u>\$ 11,997,708</u>	<u>\$ 35,508,642</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 692,048	\$ 0	\$ 692,048
Finance	2,110,127	0	2,110,127
Administration of Justice	1,928,851	0	1,928,851
Public Safety	0	0	490,086
Public Health and Welfare	0	0	16,712,337
Other Operations	0	0	206,608
Highways	0	10,886,543	10,886,543
Total Expenditures	<u>\$ 4,731,026</u>	<u>\$ 10,886,543</u>	<u>\$ 33,026,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 81,772</u>	<u>\$ 1,111,165</u>	<u>\$ 2,482,042</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	\$ 22,443	\$ 22,443
Transfers Out	0	0	(321,775)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 22,443</u>	<u>\$ (299,332)</u>
Net Change in Fund Balances	\$ 81,772	\$ 1,133,608	\$ 2,182,710
Fund Balance, July 1, 2016	<u>1,053,082</u>	<u>12,426,243</u>	<u>28,292,670</u>
Fund Balance, June 30, 2017	<u><u>\$ 1,134,854</u></u>	<u><u>\$ 13,559,851</u></u>	<u><u>\$ 30,475,380</u></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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,612,758	\$ 0	\$ 0	\$ 2,612,758	\$ 2,400,000	\$ 2,610,000	\$ 2,758
Charges for Current Services	1,581,340	0	0	1,581,340	1,350,000	1,510,000	71,340
Other Local Revenues	434,852	0	0	434,852	315,000	415,000	19,852
State of Tennessee	430,739	0	0	430,739	468,100	430,637	102
Other Governments and Citizens Groups	85,357	0	0	85,357	0	125,169	(39,812)
Total Revenues	\$ 5,145,046	\$ 0	\$ 0	\$ 5,145,046	\$ 4,533,100	\$ 5,090,806	\$ 54,240
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 137,300	\$ 0	\$ 0	\$ 137,300	\$ 153,804	\$ 153,804	\$ 16,504
Convenience Centers	2,184,111	(14,393)	14,516	2,184,234	2,573,679	2,562,469	378,235
Other Waste Collection	179,111	(19,207)	18,385	178,289	252,202	260,202	81,913
Landfill Operation and Maintenance	1,369,052	(41,211)	59,726	1,387,567	808,256	1,544,781	157,214
Postclosure Care Costs	485,724	0	80,025	565,749	245,000	640,100	74,351
<u>Other Operations</u>							
Employee Benefits	25,000	0	0	25,000	25,000	25,000	0
Miscellaneous	67,213	0	0	67,213	66,580	69,580	2,367
Total Expenditures	\$ 4,447,511	\$ (74,811)	\$ 172,652	\$ 4,545,352	\$ 4,124,521	\$ 5,255,936	\$ 710,584
Excess (Deficiency) of Revenues Over Expenditures	\$ 697,535	\$ 74,811	\$ (172,652)	\$ 599,694	\$ 408,579	\$ (165,130)	\$ 764,824
Net Change in Fund Balance	\$ 697,535	\$ 74,811	\$ (172,652)	\$ 599,694	\$ 408,579	\$ (165,130)	\$ 764,824
Fund Balance, July 1, 2016	7,031,653	(74,811)	0	6,956,842	6,956,842	6,956,842	0
Fund Balance, June 30, 2017	\$ 7,729,188	\$ 0	\$ (172,652)	\$ 7,556,536	\$ 7,365,421	\$ 6,791,712	\$ 764,824

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,695,961	\$ 0	\$ 0	\$ 4,695,961	\$ 4,534,496	\$ 4,693,196	\$ 2,765
Charges for Current Services	7,771,489	0	0	7,771,489	7,060,000	7,552,350	219,139
Other Local Revenues	12,679	0	0	12,679	3,000	4,729	7,950
State of Tennessee	5,625	0	0	5,625	0	11,561	(5,936)
Federal Government	165,532	0	0	165,532	0	146,855	18,677
Total Revenues	\$ 12,651,286	\$ 0	\$ 0	\$ 12,651,286	\$ 11,597,496	\$ 12,408,691	\$ 242,595
<u>Expenditures</u>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 12,357,039	\$ (128,816)	\$ 41,540	\$ 12,269,763	\$ 12,785,907	\$ 13,101,546	\$ 831,783
Total Expenditures	\$ 12,357,039	\$ (128,816)	\$ 41,540	\$ 12,269,763	\$ 12,785,907	\$ 13,101,546	\$ 831,783
Excess (Deficiency) of Revenues Over Expenditures	\$ 294,247	\$ 128,816	\$ (41,540)	\$ 381,523	\$ (1,188,411)	\$ (692,855)	\$ 1,074,378
Net Change in Fund Balance	\$ 294,247	\$ 128,816	\$ (41,540)	\$ 381,523	\$ (1,188,411)	\$ (692,855)	\$ 1,074,378
Fund Balance, July 1, 2016	3,618,372	(128,816)	0	3,489,556	3,367,339	3,367,339	122,217
Fund Balance, June 30, 2017	\$ 3,912,619	\$ 0	\$ (41,540)	\$ 3,871,079	\$ 2,178,928	\$ 2,674,484	\$ 1,196,595

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 86,522	\$ 86,522	\$ 86,522	\$ 0
Total Revenues	\$ 86,522	\$ 86,522	\$ 86,522	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 97,365	\$ 294,141	\$ 97,366	\$ 1
Payments to Cities	17,030	17,030	17,030	0
Total Expenditures	\$ 114,395	\$ 311,171	\$ 114,396	\$ 1
Excess (Deficiency) of Revenues Over Expenditures	\$ (27,873)	\$ (224,649)	\$ (27,874)	\$ 1
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (196,775)	\$ 0	\$ (196,775)	\$ 0
Total Other Financing Sources	\$ (196,775)	\$ 0	\$ (196,775)	\$ 0
Net Change in Fund Balance	\$ (224,648)	\$ (224,649)	\$ (224,649)	\$ 1
Fund Balance, July 1, 2016	3,062,233	236,266	236,266	2,825,967
Fund Balance, June 30, 2017	\$ 2,837,585	\$ 11,617	\$ 11,617	\$ 2,825,968

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 1,522	\$ 0	\$ 0	\$ 1,522	\$ 0	\$ 0	\$ 1,522
Federal Government	150,590	0	0	150,590	0	150,590	0
Total Revenues	<u>\$ 152,112</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 152,112</u>	<u>\$ 0</u>	<u>\$ 150,590</u>	<u>\$ 1,522</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 59,091	\$ (15,552)	\$ 12,712	\$ 56,251	\$ 10,000	\$ 133,236	\$ 76,985
Total Expenditures	<u>\$ 59,091</u>	<u>\$ (15,552)</u>	<u>\$ 12,712</u>	<u>\$ 56,251</u>	<u>\$ 10,000</u>	<u>\$ 133,236</u>	<u>\$ 76,985</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 93,021</u>	<u>\$ 15,552</u>	<u>\$ (12,712)</u>	<u>\$ 95,861</u>	<u>\$ (10,000)</u>	<u>\$ 17,354</u>	<u>\$ 78,507</u>
Net Change in Fund Balance	\$ 93,021	\$ 15,552	\$ (12,712)	\$ 95,861	\$ (10,000)	\$ 17,354	\$ 78,507
Fund Balance, July 1, 2016	<u>115,512</u>	<u>(15,552)</u>	<u>0</u>	<u>99,960</u>	<u>99,960</u>	<u>99,960</u>	<u>0</u>
Fund Balance, June 30, 2017	<u><u>\$ 208,533</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (12,712)</u></u>	<u><u>\$ 195,821</u></u>	<u><u>\$ 89,960</u></u>	<u><u>\$ 117,314</u></u>	<u><u>\$ 78,507</u></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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 640,128	\$ 0	\$ 0	\$ 640,128	\$ 390,000	\$ 585,800	\$ 54,328
Charges for Current Services	7,150	0	0	7,150	2,000	775	6,375
Other Local Revenues	15,892	0	0	15,892	1,000	15,135	757
Total Revenues	\$ 663,170	\$ 0	\$ 0	\$ 663,170	\$ 393,000	\$ 601,710	\$ 61,460
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 430,995	\$ (89,257)	\$ 29,642	\$ 371,380	\$ 454,160	\$ 564,160	\$ 192,780
Total Expenditures	\$ 430,995	\$ (89,257)	\$ 29,642	\$ 371,380	\$ 454,160	\$ 564,160	\$ 192,780
Excess (Deficiency) of Revenues Over Expenditures	\$ 232,175	\$ 89,257	\$ (29,642)	\$ 291,790	\$ (61,160)	\$ 37,550	\$ 254,240
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (125,000)	\$ 0	\$ 0	\$ (125,000)	\$ (50,000)	\$ (125,000)	\$ 0
Total Other Financing Sources	\$ (125,000)	\$ 0	\$ 0	\$ (125,000)	\$ (50,000)	\$ (125,000)	\$ 0
Net Change in Fund Balance	\$ 107,175	\$ 89,257	\$ (29,642)	\$ 166,790	\$ (111,160)	\$ (87,450)	\$ 254,240
Fund Balance, July 1, 2016	985,575	(89,257)	0	896,318	896,319	896,319	(1)
Fund Balance, June 30, 2017	\$ 1,092,750	\$ 0	\$ (29,642)	\$ 1,063,108	\$ 785,159	\$ 808,869	\$ 254,239

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,736,833	\$ 5,266,272	\$ 5,581,207	\$ 155,626
Other Local Revenues	160,194	45,000	136,000	24,194
State of Tennessee	6,100,681	5,453,000	6,190,500	(89,819)
Total Revenues	<u>\$ 11,997,708</u>	<u>\$ 10,764,272</u>	<u>\$ 11,907,707</u>	<u>\$ 90,001</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 679,741	\$ 786,428	\$ 806,428	\$ 126,687
Highway and Bridge Maintenance	5,718,718	5,830,930	6,087,440	368,722
Operation and Maintenance of Equipment	978,937	1,148,730	1,127,730	148,793
Other Charges	477,082	585,987	585,987	108,905
Employee Benefits	186,451	221,905	221,905	35,454
Capital Outlay	2,845,614	1,734,860	2,946,160	100,546
Total Expenditures	<u>\$ 10,886,543</u>	<u>\$ 10,308,840</u>	<u>\$ 11,775,650</u>	<u>\$ 889,107</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,111,165</u>	<u>\$ 455,432</u>	<u>\$ 132,057</u>	<u>\$ 979,108</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 22,443	\$ 0	\$ 22,443	\$ 0
Total Other Financing Sources	<u>\$ 22,443</u>	<u>\$ 0</u>	<u>\$ 22,443</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,133,608	\$ 455,432	\$ 154,500	\$ 979,108
Fund Balance, July 1, 2016	<u>12,426,243</u>	<u>12,426,243</u>	<u>12,426,243</u>	<u>0</u>
Fund Balance, June 30, 2017	<u><u>\$ 13,559,851</u></u>	<u><u>\$ 12,881,675</u></u>	<u><u>\$ 12,580,743</u></u>	<u><u>\$ 979,108</u></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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 49,948,391	\$ 46,561,257	\$ 49,613,595	\$ 334,796
Other Local Revenues	832,967	284,150	780,150	52,817
Other Governments and Citizens Groups	424,081	0	424,081	0
Total Revenues	\$ 51,205,439	\$ 46,845,407	\$ 50,817,826	\$ 387,613
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 946,804	\$ 1,045,110	\$ 995,110	\$ 48,306
<u>Principal on Debt</u>				
General Government	3,715,595	3,715,595	3,715,595	0
Education	24,858,482	24,464,405	24,858,482	0
<u>Interest on Debt</u>				
General Government	2,956,621	3,465,066	2,956,621	0
Education	11,228,048	11,198,044	11,228,048	0
<u>Other Debt Service</u>				
General Government	351,300	0	351,300	0
Education	3,320,195	0	3,320,195	0
Total Expenditures	\$ 47,377,045	\$ 43,888,220	\$ 47,425,351	\$ 48,306
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,828,394	\$ 2,957,187	\$ 3,392,475	\$ 435,919
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 565,495	\$ 0	\$ 565,495	\$ 0
Refunding Debt Issued	25,640,000	0	25,640,000	0
Premiums on Debt Sold	4,195,191	0	4,195,191	0
Transfers In	196,775	196,775	196,775	0
Payments to Refunded Debt Escrow Agent	(27,320,000)	0	(27,320,000)	0
Total Other Financing Sources	\$ 3,277,461	\$ 196,775	\$ 3,277,461	\$ 0
Net Change in Fund Balance	\$ 7,105,855	\$ 3,153,962	\$ 6,669,936	\$ 435,919
Fund Balance, July 1, 2016	35,723,474	33,902,689	33,902,689	1,820,785
Fund Balance, June 30, 2017	\$ 42,829,329	\$ 37,056,651	\$ 40,572,625	\$ 2,256,704

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, 2017

	Internal Service Funds			Total
	Self-	Employee	Workers'	Proprietary
	Insurance	Insurance - Health	Compensation	Funds
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 132,655	\$ 1,737,000	\$ 85,649	\$ 1,955,304
Equity in Pooled Cash and Investments	2,895,474	28,297,193	1,664,286	32,856,953
Accounts Receivable	6,266	88,273	0	94,539
Due from Other Governments	0	13,475	0	13,475
Due from Component Units	0	97,693	0	97,693
Advances to Other Funds	0	150,000	0	150,000
Total Assets	<u>\$ 3,034,395</u>	<u>\$ 30,383,634</u>	<u>\$ 1,749,935</u>	<u>\$ 35,167,964</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 305,871	\$ 0	\$ 305,871
Claims and Judgments Payable	2,515,100	10,530,513	1,372,000	14,417,613
Total Liabilities	<u>\$ 2,515,100</u>	<u>\$ 10,836,384</u>	<u>\$ 1,372,000</u>	<u>\$ 14,723,484</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 519,295</u>	<u>\$ 19,547,250</u>	<u>\$ 377,935</u>	<u>\$ 20,444,480</u>
Total Net Position	<u>\$ 519,295</u>	<u>\$ 19,547,250</u>	<u>\$ 377,935</u>	<u>\$ 20,444,480</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, 2017

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 2,482,012	\$ 55,775,117	\$ 1,466,626	\$ 59,723,755
Other Employee Benefit Charges/Contributions	0	1,817,135	0	1,817,135
Service Charges	0	1,300	0	1,300
Other Local Revenues:				
Retirees' Insurance Payments	0	5,004,657	0	5,004,657
Other Local Revenues	0	20,000	0	20,000
Cobra Insurance Payments	0	196,510	0	196,510
State of Tennessee:				
On-Behalf Contributions for OPEB	0	157,700	0	157,700
Total Operating Revenues	\$ 2,482,012	\$ 62,972,419	\$ 1,466,626	\$ 66,921,057
<u>Operating Expenses</u>				
Employee Benefits:				
Handling Charges and Administrative Costs	\$ 66,820	\$ 2,796,511	\$ 36,410	\$ 2,899,741
Disability Insurance	0	0	476,360	476,360
Bank Charges	0	2,000	0	2,000
Consultants	0	111,867	0	111,867
Contracts with Private Agencies	0	2,762,657	0	2,762,657
Medical Claims	0	60,246,034	0	60,246,034
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Liability Claims	2,896,408	0	0	2,896,408
Other Self-Insured Claims	0	0	989,096	989,096
Other Charges	0	28,679	0	28,679
Total Operating Expenses	\$ 2,963,228	\$ 65,947,748	\$ 1,509,366	\$ 70,420,342
Operating Income (Loss)	\$ (481,216)	\$ (2,975,329)	\$ (42,740)	\$ (3,499,285)
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 34,597	\$ 54	\$ 9,520	\$ 44,171
Contributions	6,000	0	0	6,000
Total Nonoperating Revenues (Expenses)	\$ 40,597	\$ 54	\$ 9,520	\$ 50,171
Income (Loss) Before Transfers	\$ (440,619)	\$ (2,975,275)	\$ (33,220)	\$ (3,449,114)
Transfers Out	0	(296,055)	(296,054)	(592,109)
Change in Net Position	\$ (440,619)	\$ (3,271,330)	\$ (329,274)	\$ (4,041,223)
Net Position, July 1, 2016	959,914	22,818,580	707,209	24,485,703
Net Position, June 30, 2017	\$ 519,295	\$ 19,547,250	\$ 377,935	\$ 20,444,480

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 2,476,346	\$ 63,103,341	\$ 1,466,626	\$ 67,046,313
Payments to Suppliers	(66,820)	(5,750,704)	(520,270)	(6,337,794)
Claims Paid	(1,969,873)	(59,913,971)	(738,096)	(62,621,940)
Insurance Recovery	34,597	54	9,520	44,171
Other Receipts (Payments)	6,000	0	0	6,000
Net Cash Provided By (Used In) Operating Activities	\$ 480,250	\$ (2,561,280)	\$ 217,780	\$ (1,863,250)
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (296,055)	\$ (296,054)	\$ (592,109)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (296,055)	\$ (296,054)	\$ (592,109)
Net Increase (Decrease) in Cash	\$ 480,250	\$ (2,857,335)	\$ (78,274)	\$ (2,455,359)
Cash, July 1, 2016	2,547,879	32,891,528	1,828,209	37,267,616
Cash, June 30, 2017	\$ 3,028,129	\$ 30,034,193	\$ 1,749,935	\$ 34,812,257
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (481,216)	\$ (2,975,329)	\$ (42,740)	\$ (3,499,285)
Insurance Recovery	34,597	54	9,520	44,171
Contributions	6,000	0	0	6,000
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(5,666)	(1,628)	0	(7,294)
(Increase) Decrease in Due from Other Governments	0	(1,000)	0	(1,000)
(Increase) Decrease in Due From Other Funds	0	20,651	0	20,651
(Increase) Decrease in Due from Component Units	0	112,899	0	112,899
Increase (Decrease) in Accounts Payable	0	(48,990)	0	(48,990)
Increase (Decrease) in Claims and Judgments Payable	926,535	332,063	251,000	1,509,598
Net Cash Provided By (Used In) Operating Activities	\$ 480,250	\$ (2,561,280)	\$ 217,780	\$ (1,863,250)
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 132,655	\$ 1,737,000	\$ 85,649	\$ 1,955,304
Equity in Pooled Cash and Investments Per Net Position	2,895,474	28,297,193	1,664,286	32,856,953
Cash, June 30, 2017	\$ 3,028,129	\$ 30,034,193	\$ 1,749,935	\$ 34,812,257

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, 2017

	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	\$ 9,095,116	\$ 0	\$ 9,095,116
Equity in Pooled Cash and Investments	0	160,666	10,959	0	401,395	573,020
Investments	0	0	0	7,350	0	7,350
Accounts Receivable	0	0	0	945	0	945
Due from Other Governments	10,918,459	1,825,118	0	0	789	12,744,366
Taxes Receivable	0	13,862,892	0	0	0	13,862,892
Allowance for Uncollectible Taxes	0	(690,002)	0	0	0	(690,002)
Total Assets	<u>\$ 10,918,459</u>	<u>\$ 15,158,674</u>	<u>\$ 10,959</u>	<u>\$ 9,103,411</u>	<u>\$ 402,184</u>	<u>\$ 35,593,687</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14	\$ 14
Accrued Payroll	0	0	0	0	175	175
Due to Other Taxing Units	10,918,459	15,158,674	0	0	0	26,077,133
Due to Joint Ventures	0	0	10,959	0	0	10,959
Due to Litigants, Heirs, and Others	0	0	0	9,103,411	401,995	9,505,406
Total Liabilities	<u>\$ 10,918,459</u>	<u>\$ 15,158,674</u>	<u>\$ 10,959</u>	<u>\$ 9,103,411</u>	<u>\$ 402,184</u>	<u>\$ 35,593,687</u>

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 64,503,971	\$ 64,503,971	\$ 0
Due from Other Governments	10,035,265	10,918,459	10,035,265	10,918,459
Total Assets	\$ 10,035,265	\$ 75,422,430	\$ 74,539,236	\$ 10,918,459
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,035,265	\$ 75,422,430	\$ 74,539,236	\$ 10,918,459
Total Liabilities	\$ 10,035,265	\$ 75,422,430	\$ 74,539,236	\$ 10,918,459
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 224,476	\$ 24,804,903	\$ 24,868,713	\$ 160,666
Due from Other Governments	1,702,481	1,825,118	1,702,481	1,825,118
Taxes Receivable	13,530,406	13,862,892	13,530,406	13,862,892
Allowance for Uncollectible Taxes	(684,631)	(690,002)	(684,631)	(690,002)
Total Assets	\$ 14,772,732	\$ 39,802,911	\$ 39,416,969	\$ 15,158,674
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 14,772,732	\$ 39,802,911	\$ 39,416,969	\$ 15,158,674
Total Liabilities	\$ 14,772,732	\$ 39,802,911	\$ 39,416,969	\$ 15,158,674
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,373	\$ 0	\$ 414	\$ 10,959
Total Assets	\$ 11,373	\$ 0	\$ 414	\$ 10,959
<u>Liabilities</u>				
Due to Joint Ventures	\$ 11,373	\$ 0	\$ 414	\$ 10,959
Total Liabilities	\$ 11,373	\$ 0	\$ 414	\$ 10,959
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 7,982,748	\$ 75,630,963	\$ 74,518,595	\$ 9,095,116
Investments	7,315	7,350	7,315	7,350
Accounts Receivable	5,185	945	5,185	945
Total Assets	\$ 7,995,248	\$ 75,639,258	\$ 74,531,095	\$ 9,103,411
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,995,248	\$ 75,639,258	\$ 74,531,095	\$ 9,103,411
Total Liabilities	\$ 7,995,248	\$ 75,639,258	\$ 74,531,095	\$ 9,103,411

(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	\$ 410,858	\$ 34,439	\$ 43,902	\$ 401,395
Accounts Receivable	257	0	257	0
Due from Other Governments	546	789	546	789
Total Assets	\$ 411,661	\$ 35,228	\$ 44,705	\$ 402,184
<u>Liabilities</u>				
Accounts Payable	\$ 19	\$ 14	\$ 19	\$ 14
Accrued Payroll	250	175	250	175
Due to Litigants, Heirs, and Others	411,392	35,039	44,436	401,995
Total Liabilities	\$ 411,661	\$ 35,228	\$ 44,705	\$ 402,184
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 7,982,748	\$ 75,630,963	\$ 74,518,595	\$ 9,095,116
Equity in Pooled Cash and Investments	646,707	89,343,313	89,417,000	573,020
Investments	7,315	7,350	7,315	7,350
Accounts Receivable	5,442	945	5,442	945
Due from Other Governments	11,738,292	12,744,366	11,738,292	12,744,366
Taxes Receivable	13,530,406	13,862,892	13,530,406	13,862,892
Allowance for Uncollectible Taxes	(684,631)	(690,002)	(684,631)	(690,002)
Total Assets	\$ 33,226,279	\$ 190,899,827	\$ 188,532,419	\$ 35,593,687
<u>Liabilities</u>				
Accounts Payable	\$ 19	\$ 14	\$ 19	\$ 14
Accrued Payroll	250	175	250	175
Due to Other Taxing Units	24,807,997	115,225,341	113,956,205	26,077,133
Due to Joint Ventures	11,373	0	414	10,959
Due to Litigants, Heirs, and Others	8,406,640	75,674,297	74,575,531	9,505,406
Total Liabilities	\$ 33,226,279	\$ 190,899,827	\$ 188,532,419	\$ 35,593,687

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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 223,312,422	\$ 169,424	\$ 11,363,722	\$ 0	\$ (211,779,276)
Support Services	128,037,655	66,985	915,996	0	(127,054,674)
Operation of Non-instructional Services	20,885,981	7,037,391	12,792,654	0	(1,055,936)
Total Governmental Activities	<u>\$ 372,236,058</u>	<u>\$ 7,273,800</u>	<u>\$ 25,072,372</u>	<u>\$ 0</u>	<u>\$ (339,889,886)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 79,768,609
Payments in-Lieu-of Tax					935,422
Local Option Sales Tax					59,369,970
Wheel Tax					3,964,981
Business Tax					2,395,488
Mixed Drink Tax					423,851
Interstate Telecommunications Tax					18,612
Grants and Contributions Not Restricted for Specific Programs					244,215,201
Unrestricted Investment Income					400,495
Miscellaneous					80,460
Total General Revenues					<u>\$ 391,573,089</u>
Change in Net Position					\$ 51,683,203
Net Position, July 1, 2016					<u>413,855,793</u>
Net Position, June 30, 2017					<u>\$ 465,538,996</u>

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2017

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 7,957	\$ 0	\$ 1,302,279	\$ 1,310,236
Equity in Pooled Cash and Investments	59,825,375	25,662,248	7,846,156	93,333,779
Inventories	0	0	223,352	223,352
Accounts Receivable	232,803	0	3,089	235,892
Due from Other Governments	16,446,099	0	1,259,772	17,705,871
Property Taxes Receivable	79,176,651	0	4,348,830	83,525,481
Allowance for Uncollectible Property Taxes	(3,940,885)	0	(216,298)	(4,157,183)
Prepaid Items	4,215	0	0	4,215
Total Assets	<u>\$ 151,752,215</u>	<u>\$ 25,662,248</u>	<u>\$ 14,767,180</u>	<u>\$ 192,181,643</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,180,225	\$ 0	\$ 152,655	\$ 4,332,880
Accrued Payroll	24,579,842	0	734,156	25,313,998
Payroll Deductions Payable	5,567	0	0	5,567
Due to Primary Government	1,900	0	0	1,900
Total Liabilities	<u>\$ 28,767,534</u>	<u>\$ 0</u>	<u>\$ 886,811</u>	<u>\$ 29,654,345</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 74,478,134	\$ 0	\$ 4,091,236	\$ 78,569,370
Deferred Delinquent Property Taxes	654,949	0	35,700	690,649
Other Deferred/Unavailable Revenue	4,932,262	0	0	4,932,262
Total Deferred Inflows of Resources	<u>\$ 80,065,345</u>	<u>\$ 0</u>	<u>\$ 4,126,936</u>	<u>\$ 84,192,281</u>

(Continued)

Exhibit K-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 223,352	\$ 223,352
Prepaid Items	4,215	0	0	4,215
Restricted:				
Restricted for Education	430,229	0	4,348,495	4,778,724
Restricted for Capital Projects	34,250	25,662,248	4,181,586	29,878,084
Committed:				
Committed for Education	0	0	1,000,000	1,000,000
Assigned:				
Assigned for Education	9,762,503	0	0	9,762,503
Unassigned	32,688,139	0	0	32,688,139
Total Fund Balances	<u>\$ 42,919,336</u>	<u>\$ 25,662,248</u>	<u>\$ 9,753,433</u>	<u>\$ 78,335,017</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 151,752,215</u>	<u>\$ 25,662,248</u>	<u>\$ 14,767,180</u>	<u>\$ 192,181,643</u>

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, 2017

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)		\$ 78,335,017
(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	39,435,869	
Add: buildings and improvements net of accumulated depreciation	408,504,143	
Add: intangible assets net of accumulated depreciation	74,479	
Add: other capital assets net of accumulated depreciation	<u>6,164,656</u>	471,813,767
(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	\$ (59,552)	
Less: contributions due on primary government debt for capital lease	(567,045)	
Less: contributions due on primary government debt for other loans	(2,052,927)	
Less: other postemployment benefits liability	(84,164,317)	
Less: net pension liability - teacher legacy pension plan	(25,163,682)	
Less: compensated absences payable	<u>(1,464,271)</u>	(113,471,794)
(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	\$ 53,480,143	
Less: deferred inflows of resources related to pensions	<u>(31,402,875)</u>	22,077,268
(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: net pension asset - agent pension plan	\$ 771,622	
Add: net pension asset - teacher retirement pension plan	<u>390,205</u>	1,161,827
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>5,622,911</u>
Net position of governmental activities (Exhibit A)		<u>\$ 465,538,996</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, 2017

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 142,440,039	\$ 0	\$ 4,259,848	\$ 146,699,887
Licenses and Permits	13,510	0	0	13,510
Charges for Current Services	193,499	0	6,989,587	7,183,086
Other Local Revenues	697,182	0	17,780	714,962
State of Tennessee	199,854,815	0	165,199	200,020,014
Federal Government	1,225,775	0	24,634,934	25,860,709
Other Governments and Citizens Groups	0	45,406,409	0	45,406,409
Total Revenues	<u>\$ 344,424,820</u>	<u>\$ 45,406,409</u>	<u>\$ 36,067,348</u>	<u>\$ 425,898,577</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 215,504,351	\$ 0	\$ 8,811,113	\$ 224,315,464
Support Services	105,738,731	0	4,822,420	110,561,151
Operation of Non-Instructional Services	2,770,064	0	18,035,529	20,805,593
Capital Outlay	33,179	0	0	33,179
Debt Service:				
Other Debt Service	424,081	0	0	424,081
Capital Projects	0	51,255,218	2,612,043	53,867,261
Total Expenditures	<u>\$ 324,470,406</u>	<u>\$ 51,255,218</u>	<u>\$ 34,281,105</u>	<u>\$ 410,006,729</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,954,414</u>	<u>\$ (5,848,809)</u>	<u>\$ 1,786,243</u>	<u>\$ 15,891,848</u>

(Continued)

Exhibit K-4

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Rutherford County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 34,234	\$ 0	\$ 0	\$ 34,234
Transfers In	168,677	19,138,185	0	19,306,862
Transfers Out	(19,138,185)	0	(168,677)	(19,306,862)
Total Other Financing Sources (Uses)	<u>\$ (18,935,274)</u>	<u>\$ 19,138,185</u>	<u>\$ (168,677)</u>	<u>\$ 34,234</u>
Net Change in Fund Balances	\$ 1,019,140	\$ 13,289,376	\$ 1,617,566	\$ 15,926,082
Fund Balance, July 1, 2016	<u>41,900,196</u>	<u>12,372,872</u>	<u>8,135,867</u>	<u>62,408,935</u>
Fund Balance, June 30, 2017	<u>\$ 42,919,336</u>	<u>\$ 25,662,248</u>	<u>\$ 9,753,433</u>	<u>\$ 78,335,017</u>

Exhibit K-5

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2017

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)		\$ 15,926,082
(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	\$ 47,180,994	
Less: current-year depreciation expense	<u>(13,773,338)</u>	33,407,656
(2) 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, 2017	\$ 5,622,911	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(5,439,308)</u>	183,603
(3) 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.		
Less: debt proceeds from primary government	\$ (2,162,919)	
Add: principal contributions on note to primary government	71,424	
Add: principal contributions on lease to primary government	212,661	
Add: principal contributions on loans to primary government	<u>109,992</u>	(1,768,842)
(4) 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	\$ (7,444,701)	
Change in compensated absences payable	(118,334)	
Change in net pension asset - agent pension plan	(3,123,991)	
Change in net pension asset - teacher retirement pension plan	237,059	
Change in net pension liability - teacher legacy pension plan	(23,557,851)	
Change in deferred outflows of resources related to pensions	32,005,857	
Change in deferred inflows of resources related to pensions	<u>5,936,665</u>	3,934,704
Change in net position of governmental activities (Exhibit B)		<u>\$ 51,683,203</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2017

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,302,279	\$ 1,302,279	\$ 0	\$ 1,302,279
Equity in Pooled Cash and Investments	703,472	2,970,196	3,673,668	4,172,488	7,846,156
Inventories	0	223,352	223,352	0	223,352
Accounts Receivable	0	2,529	2,529	560	3,089
Due from Other Governments	1,155,904	100,926	1,256,830	2,942	1,259,772
Property Taxes Receivable	0	0	0	4,348,830	4,348,830
Allowance for Uncollectible Property Taxes	0	0	0	(216,298)	(216,298)
Total Assets	<u>\$ 1,859,376</u>	<u>\$ 4,599,282</u>	<u>\$ 6,458,658</u>	<u>\$ 8,308,522</u>	<u>\$ 14,767,180</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 125,220	\$ 27,435	\$ 152,655	\$ 0	\$ 152,655
Accrued Payroll	734,156	0	734,156	0	734,156
Total Liabilities	<u>\$ 859,376</u>	<u>\$ 27,435</u>	<u>\$ 886,811</u>	<u>\$ 0</u>	<u>\$ 886,811</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 4,091,236	\$ 4,091,236
Deferred Delinquent Property Taxes	0	0	0	35,700	35,700
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,126,936</u>	<u>\$ 4,126,936</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 Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 223,352	\$ 223,352	\$ 0	\$ 223,352
Restricted:					
Restricted for Education	0	4,348,495	4,348,495	0	4,348,495
Restricted for Capital Projects	0	0	0	4,181,586	4,181,586
Committed:					
Committed for Education	1,000,000	0	1,000,000	0	1,000,000
Total Fund Balances	<u>\$ 1,000,000</u>	<u>\$ 4,571,847</u>	<u>\$ 5,571,847</u>	<u>\$ 4,181,586</u>	<u>\$ 9,753,433</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,859,376</u>	<u>\$ 4,599,282</u>	<u>\$ 6,458,658</u>	<u>\$ 8,308,522</u>	<u>\$ 14,767,180</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, 2017

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 4,259,848	\$ 4,259,848
Charges for Current Services	0	6,989,587	6,989,587	0	6,989,587
Other Local Revenues	0	17,780	17,780	0	17,780
State of Tennessee	0	165,199	165,199	0	165,199
Federal Government	13,607,888	11,027,046	24,634,934	0	24,634,934
Total Revenues	\$ 13,607,888	\$ 18,199,612	\$ 31,807,500	\$ 4,259,848	\$ 36,067,348
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,811,113	\$ 0	\$ 8,811,113	\$ 0	\$ 8,811,113
Support Services	4,672,767	66,029	4,738,796	83,624	4,822,420
Operation of Non-Instructional Services	0	18,035,529	18,035,529	0	18,035,529
Capital Projects	0	0	0	2,612,043	2,612,043
Total Expenditures	\$ 13,483,880	\$ 18,101,558	\$ 31,585,438	\$ 2,695,667	\$ 34,281,105
Excess (Deficiency) of Revenues Over Expenditures	\$ 124,008	\$ 98,054	\$ 222,062	\$ 1,564,181	\$ 1,786,243
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (133,106)	\$ (35,571)	\$ (168,677)	\$ 0	\$ (168,677)
Total Other Financing Sources (Uses)	\$ (133,106)	\$ (35,571)	\$ (168,677)	\$ 0	\$ (168,677)

(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.)

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
Net Change in Fund Balances	\$ (9,098)	\$ 62,483	\$ 53,385	\$ 1,564,181	\$ 1,617,566
Fund Balance, July 1, 2016	1,009,098	4,509,364	5,518,462	2,617,405	8,135,867
Fund Balance, June 30, 2017	\$ 1,000,000	\$ 4,571,847	\$ 5,571,847	\$ 4,181,586	\$ 9,753,433

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 142,440,039	\$ 0	\$ 0	\$ 142,440,039	\$ 135,835,977	\$ 141,880,896	\$ 559,143
Licenses and Permits	13,510	0	0	13,510	11,500	12,500	1,010
Charges for Current Services	193,499	0	0	193,499	168,487	183,288	10,211
Other Local Revenues	697,182	0	0	697,182	199,559	584,329	112,853
State of Tennessee	199,854,815	0	0	199,854,815	196,642,367	198,889,577	965,238
Federal Government	1,225,775	0	0	1,225,775	1,107,693	1,226,529	(754)
Total Revenues	\$ 344,424,820	\$ 0	\$ 0	\$ 344,424,820	\$ 333,965,583	\$ 342,777,119	\$ 1,647,701
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 173,765,052	\$ (1,128,434)	\$ 1,023,477	\$ 173,660,095	\$ 181,441,444	\$ 182,287,796	\$ 8,627,701
Alternative Instruction Program	2,081,062	0	0	2,081,062	1,983,132	2,127,709	46,647
Special Education Program	26,558,593	0	34,467	26,593,060	27,553,303	27,459,691	866,631
Career and Technical Education Program	13,098,238	(51,364)	37,629	13,084,503	12,817,736	13,274,916	190,413
Adult Education Program	1,406	(1,406)	0	0	0	0	0
<u>Support Services</u>							
Attendance	755,731	(3,707)	4,240	756,264	779,662	781,662	25,398
Health Services	4,266,069	0	36,571	4,302,640	4,121,584	4,389,549	86,909
Other Student Support	8,408,999	(222,740)	157,227	8,343,486	8,629,046	8,718,594	375,108
Regular Instruction Program	10,878,307	(29,486)	38,249	10,887,070	11,416,414	11,244,181	357,111
Alternative Instruction Program	924,099	(100)	129	924,128	917,585	959,140	35,012
Special Education Program	1,465,815	(498)	12,031	1,477,348	1,353,357	1,524,120	46,772
Career and Technical Education Program	268,290	(15,749)	0	252,541	261,252	288,371	35,830
Technology	3,198,029	0	1,263,437	4,461,466	6,456,347	4,830,193	368,727
Adult Programs	160,876	0	0	160,876	190,589	191,604	30,728
Board of Education	6,737,894	(3,550)	6,822	6,741,166	7,086,013	7,538,963	797,797
Director of Schools	867,933	(25,577)	2,795	845,151	536,121	918,498	73,347
Office of the Principal	18,988,814	(1,320)	1,058	18,988,552	19,338,030	19,404,058	415,506
Fiscal Services	984,753	(2,954)	0	981,799	1,025,674	1,006,843	25,044

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 545,122	\$ 0	\$ 0	\$ 545,122	\$ 539,813	\$ 577,455	\$ 32,333
Operation of Plant	22,862,002	(28,010)	89,447	22,923,439	23,694,434	23,994,101	1,070,662
Maintenance of Plant	7,399,409	(110,198)	296,842	7,586,053	7,643,655	7,730,070	144,017
Transportation	16,983,424	0	396	16,983,820	17,912,393	17,975,294	991,474
Central and Other	43,165	(43,165)	0	0	793,714	0	0
<u>Operation of Non-Instructional Services</u>							
Community Services	33,168	0	0	33,168	36,000	49,009	15,841
Early Childhood Education	2,736,896	0	0	2,736,896	2,705,938	2,816,508	79,612
<u>Capital Outlay</u>							
Regular Capital Outlay	33,179	0	1,892	35,071	75,000	75,000	39,929
<u>Principal on Debt</u>							
Education	0	0	0	0	1,010,712	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	47,478	0	0
<u>Other Debt Service</u>							
Education	424,081	0	0	424,081	0	1,058,190	634,109
Total Expenditures	\$ 324,470,406	\$ (1,668,258)	\$ 3,006,709	\$ 325,808,857	\$ 340,366,426	\$ 341,221,515	\$ 15,412,658
Excess (Deficiency) of Revenues Over Expenditures	\$ 19,954,414	\$ 1,668,258	\$ (3,006,709)	\$ 18,615,963	\$ (6,400,843)	\$ 1,555,604	\$ 17,060,359
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 34,234	\$ 0	\$ 0	\$ 34,234	\$ 0	\$ 0	\$ 34,234
Transfers In	168,677	0	0	168,677	200,000	191,000	(22,323)
Transfers Out	(19,138,185)	0	0	(19,138,185)	0	(19,138,185)	0
Total Other Financing Sources	\$ (18,935,274)	\$ 0	\$ 0	\$ (18,935,274)	\$ 200,000	\$ (18,947,185)	\$ 11,911

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,019,140	\$ 1,668,258	\$ (3,006,709)	\$ (319,311)	\$ (6,200,843)	\$ (17,391,581)	\$ 17,072,270
Fund Balance, July 1, 2016	41,900,196	(1,668,258)	0	40,231,938	39,693,470	39,693,470	538,468
Fund Balance, June 30, 2017	\$ 42,919,336	\$ 0	\$ (3,006,709)	\$ 39,912,627	\$ 33,492,627	\$ 22,301,889	\$ 17,610,738

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, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 13,607,888	\$ 14,288,333	\$ 16,343,160	\$ (2,735,272)
Total Revenues	\$ 13,607,888	\$ 14,288,333	\$ 16,343,160	\$ (2,735,272)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,143,346	\$ 4,093,627	\$ 4,382,048	\$ 238,702
Special Education Program	4,073,795	4,373,933	4,964,824	891,029
Career and Technical Education Program	593,972	538,542	594,603	631
<u>Support Services</u>				
Health Services	252,414	362,672	331,915	79,501
Other Student Support	1,006,442	1,036,781	1,380,468	374,026
Regular Instruction Program	1,451,244	1,510,362	2,028,829	577,585
Special Education Program	1,651,296	1,806,917	2,063,036	411,740
Career and Technical Education Program	10,862	5,000	10,862	0
Transportation	300,509	422,141	420,919	120,410
Total Expenditures	\$ 13,483,880	\$ 14,149,975	\$ 16,177,504	\$ 2,693,624
Excess (Deficiency) of Revenues Over Expenditures	\$ 124,008	\$ 138,358	\$ 165,656	\$ (41,648)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (133,106)	\$ (138,360)	\$ (165,657)	\$ 32,551
Total Other Financing Sources	\$ (133,106)	\$ (138,360)	\$ (165,657)	\$ 32,551
Net Change in Fund Balance	\$ (9,098)	\$ (2)	\$ (1)	\$ (9,097)
Fund Balance, July 1, 2016	1,009,098	787,711	787,711	221,387
Fund Balance, June 30, 2017	\$ 1,000,000	\$ 787,709	\$ 787,710	\$ 212,290

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 6,989,587	\$ 0	\$ 0	\$ 6,989,587	\$ 7,035,000	\$ 6,926,978	\$ 62,609
Other Local Revenues	17,780	0	0	17,780	5,000	11,000	6,780
State of Tennessee	165,199	0	0	165,199	167,000	167,000	(1,801)
Federal Government	11,027,046	0	0	11,027,046	10,730,000	10,977,022	50,024
Total Revenues	\$ 18,199,612	\$ 0	\$ 0	\$ 18,199,612	\$ 17,937,000	\$ 18,082,000	\$ 117,612
<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	18,035,529	(37,732)	195,219	18,193,016	18,792,254	18,937,254	744,238
Total Expenditures	\$ 18,101,558	\$ (37,732)	\$ 195,219	\$ 18,259,045	\$ 18,858,554	\$ 19,003,554	\$ 744,509
Excess (Deficiency) of Revenues Over Expenditures	\$ 98,054	\$ 37,732	\$ (195,219)	\$ (59,433)	\$ (921,554)	\$ (921,554)	\$ 862,121
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (35,571)	\$ 0	\$ 0	\$ (35,571)	\$ (56,000)	\$ (56,000)	\$ 20,429
Total Other Financing Sources	\$ (35,571)	\$ 0	\$ 0	\$ (35,571)	\$ (56,000)	\$ (56,000)	\$ 20,429
Net Change in Fund Balance	\$ 62,483	\$ 37,732	\$ (195,219)	\$ (95,004)	\$ (977,554)	\$ (977,554)	\$ 882,550
Fund Balance, July 1, 2016	4,509,364	(37,732)	0	4,471,632	4,471,632	4,471,632	0
Fund Balance, June 30, 2017	\$ 4,571,847	\$ 0	\$ (195,219)	\$ 4,376,628	\$ 3,494,078	\$ 3,494,078	\$ 882,550

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,259,848	\$ 0	\$ 0	\$ 4,259,848	\$ 4,090,827	\$ 4,177,372	\$ 82,476
Total Revenues	\$ 4,259,848	\$ 0	\$ 0	\$ 4,259,848	\$ 4,090,827	\$ 4,177,372	\$ 82,476
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 83,624	\$ 0	\$ 0	\$ 83,624	\$ 81,721	\$ 86,266	\$ 2,642
<u>Capital Projects</u>							
Education Capital Projects	2,612,043	(302,138)	1,197,556	3,507,461	4,512,800	4,814,938	1,307,477
Total Expenditures	\$ 2,695,667	\$ (302,138)	\$ 1,197,556	\$ 3,591,085	\$ 4,594,521	\$ 4,901,204	\$ 1,310,119
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,564,181	\$ 302,138	\$ (1,197,556)	\$ 668,763	\$ (503,694)	\$ (723,832)	\$ 1,392,595
Net Change in Fund Balance	\$ 1,564,181	\$ 302,138	\$ (1,197,556)	\$ 668,763	\$ (503,694)	\$ (723,832)	\$ 1,392,595
Fund Balance, July 1, 2016	2,617,405	(302,138)	0	2,315,267	2,315,267	2,315,267	0
Fund Balance, June 30, 2017	\$ 4,181,586	\$ 0	\$ (1,197,556)	\$ 2,984,030	\$ 1,811,573	\$ 1,591,435	\$ 1,392,595

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2017

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>\$ 28,783</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, 2017

	Private- Purpose Trust Fund
	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Investment Income:	
Interest	\$ 127
Total Additions	<u>\$ 127</u>
<u>DEDUCTIONS</u>	
Education:	
Scholarship	\$ 127
Total Deductions	<u>\$ 127</u>
Change in Net Position	\$ 0
Net Position, July 1, 2016	<u>28,783</u>
Net Position, June 30, 2017	<u><u>\$ 28,783</u></u>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Rutherford County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
<u>NOTES PAYABLE</u>									
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficient Note	\$ 500,000	0 %	7-22-10	4-1-18	\$ 130,976	\$ 0	\$ 71,424	\$ 0	\$ 59,552
Total Notes Payable					\$ 130,976	\$ 0	\$ 71,424	\$ 0	\$ 59,552
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficient Water Upgrade	1,461,013	3.7	6-15-12	7-15-19	\$ 779,706	\$ 0	\$ 212,661	\$ 0	\$ 567,045
Total Capital Leases Payable					\$ 779,706	\$ 0	\$ 212,661	\$ 0	\$ 567,045
<u>OTHER LOANS PAYABLE</u>									
<u>Payable by School Department Contributions from the General Purpose School Fund to the General Debt Service Fund</u>									
Energy Efficiency Loan	668,297	0.75	9-15-16	10-1-20	\$ 0	\$ 668,297	\$ 109,992	\$ 0	\$ 558,305
Energy Efficiency Loan	(1)	1.00	3-20-17	5-1-23	0	1,494,622	0	0	1,494,622
Total Other Loans Payable					\$ 0	\$ 2,162,919	\$ 109,992	\$ 0	\$ 2,052,927
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
School Facilities and Public Improvement	42,700,000	4.17	10-24-07	4-1-18	\$ 3,720,000	\$ 0	\$ 1,840,000	\$ 0	\$ 1,880,000
School Facilities and Public Improvement	41,325,000	3.67	5-28-09	4-1-19	30,340,000	0	1,800,000	27,320,000	1,220,000
Refunding Bonds	88,800,000	2.48	9-28-10	4-1-26	77,685,000	0	6,555,000	0	71,130,000
Refunding Bonds	41,875,000	2.037	1-7-11	4-1-20	6,715,000	0	1,930,000	0	4,785,000
School Facilities, Public Improvement and Refunding	69,280,000	2.4245	2-15-12	4-1-32	59,150,000	0	2,800,000	0	56,350,000

(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 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
<u>BONDS PAYABLE (CONT.)</u>										
Refunding Bonds	\$ 38,410,000	2.4214	%	2-27-13	4-1-30	\$ 38,410,000	\$ 0	\$ 3,700,000	\$ 0	\$ 34,710,000
Refunding Bonds	27,290,000	1.5833		2-27-13	4-1-21	26,625,000	0	7,155,000	0	19,470,000
School Facilities, Public Improvement and Refunding	31,000,000	2.8396		6-12-14	4-1-34	29,110,000	0	1,170,000	0	27,940,000
Public Improvements	2,570,000	3.6776		6-12-14	4-1-34	2,570,000	0	115,000	0	2,455,000
School Facilities, Public Improvement	33,863,825	2.8757		5-14-15	4-1-35	33,085,000	0	1,115,000	0	31,970,000
Refunding Bonds	23,930,000	2.2522		5-14-15	4-1-28	23,930,000	0	0	0	23,930,000
Refunding Bonds	25,640,000	1.5655		9-15-16	4-1-29	0	25,640,000	0	0	25,640,000
School Facilities, Public Improvements	101,000,000	2.3686		9-28-16	4-1-36	0	101,000,000	0	0	101,000,000
Total Bonds Payable						\$ 331,340,000	\$ 126,640,000	\$ 28,180,000	\$ 27,320,000	\$ 402,480,000

(1) Total amount authorized was \$2,137,047, of which \$642,425 remains available for future drawdowns as of June 30, 2017.

Exhibit L-2

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

Year Ending June 30	Note		
	Principal	Interest	Total
2018	\$ 59,552	\$ 0	\$ 59,552
Total	\$ 59,552	\$ 0	\$ 59,552

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2018	\$ 220,602	\$ 18,959	\$ 239,561
2019	228,840	10,721	239,561
2020	117,603	2,178	119,781
Total	\$ 567,045	\$ 31,858	\$ 598,903

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2018	\$ 190,716	\$ 5,280	\$ 195,996
2019	463,736	22,132	485,868
2020	467,975	17,893	485,868
2021	358,901	13,875	372,776
2022	305,476	10,748	316,224
2023	266,123	6,847	272,970
Total	\$ 2,052,927	\$ 76,775	\$ 2,129,702

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 29,985,000	\$ 15,489,947	\$ 45,474,947
2019	29,805,000	14,416,104	44,221,104
2020	30,520,000	13,202,202	43,722,202
2021	30,585,000	12,016,451	42,601,451
2022	28,000,000	10,721,089	38,721,089
2023	27,540,000	9,359,266	36,899,266
2024	23,810,000	8,093,489	31,903,489
2025	24,735,000	7,011,678	31,746,678
2026	25,625,000	6,050,865	31,675,865
2027	21,580,000	4,962,188	26,542,188

(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	\$ 22,275,000	\$ 4,127,119	\$ 26,402,119
2029	20,275,000	3,424,920	23,699,920
2030	17,905,000	2,791,557	20,696,557
2031	14,905,000	2,205,533	17,110,533
2032	15,405,000	1,725,632	17,130,632
2033	11,225,000	1,223,533	12,448,533
2034	11,585,000	871,327	12,456,327
2035	9,480,000	507,726	9,987,726
2036	7,240,000	217,200	7,457,200
Total	\$ 402,480,000	\$ 118,417,826	\$ 520,897,826

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2017

<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>\$ 7,350</u>
Total Investments				<u><u>\$ 7,350</u></u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2017

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-17
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	5-10-19	2 %	\$ 235,523
Construction/Renovations	Smyrna/Rutherford County Airport	2,570,000	4-17-14	4-1-34	3.6	2,426,250
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>\$ 4,482,558</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, 2017

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Operations	\$ 1,640,500
Industrial Development	General Debt Service	Interest Payments	196,775
Drug Control	General	Operations	125,000
Worker's Compensation	General	"	296,054
Employee Insurance	General	"	<u>296,055</u>
Total Transfers Primary Government			<u>\$ 2,554,384</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Cost	\$ 133,106
Central Cafeteria	"	Salaries and Maintenance	35,571
General Purpose School	Other Capital Projects	Building Projects	<u>19,138,185</u>
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 19,306,862</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, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 133,431	\$ 100,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	127,078	100,000	"
Director of Schools	State Board of Education and Local Board of Education	152,761 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	105,023	11,761,641	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	105,023	60,000	"
Director of Finance	County Commission	124,013 (2)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	105,023	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> and County Commission	115,525 (3)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge and County Commission	105,023 (4)	100,000	Ohio Farmers Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	105,023	100,000	Hartford Fire Insurance Company
Sheriff:				
Robert Arnold (7/1/2016 through 11/14/2016)	Section 8-24-102, <i>TCA</i>	47,228 (5)	100,000	"
Michael S. Fitzhugh (1/16/2017 through 6/30/2017)	Section 8-24-102, <i>TCA</i>	58,792	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 \$500 and a salary supplement of \$1,800.
(3) Includes \$10,502 for serving more than one court.
(4) Does not include longevity pay of \$575.
(5) Does not include a law enforcement training supplement of \$600.

Exhibit L-7

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	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	\$ 41,746,175	\$ 0	\$ 4,460,147	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	473,914	0	50,630	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	294,717	0	31,486	0	0	0
Interest and Penalty	106,912	0	11,446	0	0	0
Pickup Taxes	49,027	0	5,238	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,501	0	374	0	0	0
Payments in-Lieu-of Taxes - Other	8,287,552	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	870,919	2,612,758	0	0	0	0
Hotel/Motel Tax	4,248,111	0	0	0	0	0
Wheel Tax	3,494,141	0	0	0	0	0
Litigation Tax - General	374,154	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	539,311	0	0	0	0	0
Business Tax	1,278,996	0	136,640	0	0	0
Mixed Drink Tax	9,740	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	3,098,075	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	460,560	0	0	0	0	0
Wholesale Beer Tax	1,088,816	0	0	0	0	0
Interstate Telecommunications Tax	6,134	0	0	0	0	0
Total Local Taxes	\$ 66,430,755	\$ 2,612,758	\$ 4,695,961	\$ 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	\$ 258,917	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	23,936	0	0	0	0	0
Cable TV Franchise	988,244	0	0	0	0	0
<u>Permits</u>						
Building Permits	1,038,444	0	0	0	0	0
Plumbing Permits	117,339	0	0	0	0	0
Other Permits	86,265	0	0	0	0	0
Total Licenses and Permits	\$ 2,513,145	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 41,812	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	361,732	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	54,354
Drug Court Fees	13,966	0	0	0	0	0
Jail Fees	126,425	0	0	0	0	0
Data Entry Fee - Circuit Court	6,754	0	0	0	0	0
Courtroom Security Fee	13,174	0	0	0	0	0
<u>Criminal Court</u>						
Veterans Treatment Court Fees	2,052	0	0	0	0	0
DUI Treatment Fines	4,715	0	0	0	0	0
Data Entry Fee - Criminal Court	2,058	0	0	0	0	0
Victims Assistance Assessments	14,357	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	281,418	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>						
Officers Costs	\$ 43,689	\$ 0	\$ 0	\$ 0	\$ 0	0
Game and Fish Fines	1,253	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	28,405
Drug Court Fees	34,209	0	0	0	0	0
Veterans Treatment Court Fees	19,324	0	0	0	0	0
Jail Fees	18,204	0	0	0	0	0
Interpreter Fee	1,300	0	0	0	0	0
DUI Treatment Fines	51,878	0	0	0	0	0
Data Entry Fee - General Sessions Court	81,087	0	0	0	0	0
Courtroom Security Fee	14,602	0	0	0	0	0
Victims Assistance Assessments	112,451	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	7,254	0	0	0	0	0
Officers Costs	1,852	0	0	0	0	0
Drug Control Fines	154	0	0	0	0	0
Drug Court Fees	5,241	0	0	0	0	0
Jail Fees	399,465	0	0	0	0	0
Data Entry Fee - Juvenile Court	3,985	0	0	0	0	0
Courtroom Security Fee	1,692	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	19,356	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	48,050	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	21,566	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>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 557,369
Total Fines, Forfeitures, and Penalties	\$ 1,755,075	\$ 0	\$ 0	\$ 0	\$ 0	\$ 640,128
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 736,491	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	844,849	0	0	0	0
Patient Charges	58,516	0	7,536,206	0	0	0
Past Due Collections - Ambulance	0	0	141,109	0	0	0
Zoning Studies	86,000	0	0	0	0	0
Work Release Charges for Board	64,448	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	7,150
<u>Fees</u>						
Subdivision Lot Fees	182,150	0	0	0	0	0
Archives and Records Management Fee	133,970	0	0	0	0	0
Telephone Commissions	487,342	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	122,022	0	0	0	0	0
Probation Fees	980,108	0	0	0	0	0
Data Processing Fee - Sheriff	20,772	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,800	0	0	0	0	0
Data Processing Fee - County Clerk	30,861	0	0	0	0	0
<u>Education Charges</u>						
Contract for Administrative Services with Other LEA's	378,498	0	0	0	0	0
TBI Criminal Background Fee	46,365	0	0	0	0	0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Other Charges for Services	\$ 6,000	\$ 0	\$ 94,174	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 2,604,852	\$ 1,581,340	\$ 7,771,489	\$ 0	\$ 0	\$ 7,150
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 850,847	\$ 0	\$ 0	\$ 86,522	\$ 1,522	\$ 7,029
Lease/Rentals	150,866	0	0	0	0	0
Sale of Materials and Supplies	5,054	0	3,450	0	0	0
Commissary Sales	214,238	0	0	0	0	0
Sale of Maps	17,250	0	0	0	0	0
Sale of Recycled Materials	19,941	429,983	0	0	0	0
Sale of Animals/Livestock	102,645	0	0	0	0	0
Miscellaneous Refunds	9,040	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	157,725	4,869	1,729	0	0	8,863
Sale of Property	8,247	0	0	0	0	0
Damages Recovered from Individuals	1,116	0	0	0	0	0
Contributions and Gifts	71,666	0	7,500	0	0	0
Performance Bond Forfeitures	160,880	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	84,744	0	0	0	0	0
Total Other Local Revenues	\$ 1,854,259	\$ 434,852	\$ 12,679	\$ 86,522	\$ 1,522	\$ 15,892

(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</u>						
<u>Excess Fees</u>						
County Clerk	\$ 2,200,532	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	850,000	0	0	0	0	0
Register	1,449,412	0	0	0	0	0
Trustee	5,598,183	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Clerk and Master	547,601	0	0	0	0	0
Sheriff	94,537	0	0	0	0	0
Total Fees Received From County Officials	\$ 10,740,265	\$ 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	31,697	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	141,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,882,313	0	0	0	0	0
Other Health and Welfare Grants	134,091	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	0	92,820	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	305,534	0	0	0	0	0
Beer Tax	18,415	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>						
Vehicle Certificate of Title Fees	\$ 35,831	\$ 0	\$ 0	\$ 0	\$ 0	0
Alcoholic Beverage Tax	379,596	0	0	0	0	0
Prisoner Transportation	25,126	0	0	0	0	0
Contracted Prisoner Boarding	2,824,050	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	659,984	0	0	0	0	0
Other State Revenues	146,776	306,222	5,625	0	0	0
Total State of Tennessee	\$ 6,576,880	\$ 430,739	\$ 5,625	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Title I Grants to Local Education Agencies	\$ 106,137	\$ 0	\$ 0	\$ 0	\$ 0	0
Community Development	170,970	0	0	0	0	0
Civil Defense Reimbursement	69,350	0	0	0	0	0
Disaster Relief	0	0	29,946	0	0	0
Homeland Security Grants	75,868	0	0	0	0	0
Law Enforcement Grants	31,749	0	0	0	0	0
Other Federal through State	188,240	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	30,982	0	0	0	0	0
Asset Forfeiture Funds	28,611	0	0	0	150,590	0
Other Direct Federal Revenue	270,493	0	135,586	0	0	0
Total Federal Government	\$ 972,400	\$ 0	\$ 165,532	\$ 0	\$ 150,590	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</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 21,295	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	311,103	119	0	0	0	0
Contracted Services	601,165	85,238	0	0	0	0
<u>Other</u>						
Other	300	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 933,863	\$ 85,357	\$ 0	\$ 0	\$ 0	0
Total	\$ 94,381,494	\$ 5,145,046	\$ 12,651,286	\$ 86,522	\$ 152,112	\$ 663,170

(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	
	Constitutional 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	\$ 848,690	\$ 42,332,629	\$ 0	\$ 89,387,641
Trustee's Collections - Prior Year	0	9,634	480,474	0	1,014,652
Circuit Clerk/Clerk and Master Collections - Prior Years	0	5,991	299,734	0	631,928
Interest and Penalty	0	2,176	109,219	0	229,753
Pickup Taxes	0	997	49,706	0	104,968
Payments in-Lieu-of Taxes - T.V.A.	0	71	3,549	0	7,495
Payments in-Lieu-of Taxes - Other	0	0	0	0	8,287,552
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	870,919	0	0	4,354,596
Hotel/Motel Tax	0	0	0	0	4,248,111
Wheel Tax	0	3,494,141	0	0	6,988,282
Litigation Tax - General	0	0	545,750	0	919,904
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	1,732,071	0	1,732,071
Litigation Tax - Courthouse Security	0	0	0	0	539,311
Business Tax	0	26,000	1,297,184	0	2,738,820
Mixed Drink Tax	0	0	0	0	9,740
Mineral Severance Tax	0	478,214	0	0	478,214
Adequate Facilities/Development Tax	0	0	3,098,075	0	6,196,150
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	460,560
Wholesale Beer Tax	0	0	0	0	1,088,816
Interstate Telecommunications Tax	0	0	0	0	6,134
Total Local Taxes	\$ 0	\$ 5,736,833	\$ 49,948,391	\$ 0	\$ 129,424,698

(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	
	Constitutional - 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	258,917
Animal Vaccination	0	0	0	0	23,936
Cable TV Franchise	0	0	0	0	988,244
<u>Permits</u>					
Building Permits	0	0	0	0	1,038,444
Plumbing Permits	0	0	0	0	117,339
Other Permits	0	0	0	0	86,265
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	2,513,145
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	41,812
Officers Costs	0	0	0	0	361,732
Drug Control Fines	0	0	0	0	54,354
Drug Court Fees	0	0	0	0	13,966
Jail Fees	0	0	0	0	126,425
Data Entry Fee - Circuit Court	0	0	0	0	6,754
Courtroom Security Fee	0	0	0	0	13,174
<u>Criminal Court</u>					
Veterans Treatment Court Fees	0	0	0	0	2,052
DUI Treatment Fines	0	0	0	0	4,715
Data Entry Fee - Criminal Court	0	0	0	0	2,058
Victims Assistance Assessments	0	0	0	0	14,357
<u>General Sessions Court</u>					
Fines	0	0	0	0	281,418

(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	
	Constitutional - 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>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	43,689
Game and Fish Fines	0	0	0	0	1,253
Drug Control Fines	0	0	0	0	28,405
Drug Court Fees	0	0	0	0	34,209
Veterans Treatment Court Fees	0	0	0	0	19,324
Jail Fees	0	0	0	0	18,204
Interpreter Fee	0	0	0	0	1,300
DUI Treatment Fines	0	0	0	0	51,878
Data Entry Fee - General Sessions Court	0	0	0	0	81,087
Courtroom Security Fee	0	0	0	0	14,602
Victims Assistance Assessments	0	0	0	0	112,451
<u>Juvenile Court</u>					
Fines	0	0	0	0	7,254
Officers Costs	0	0	0	0	1,852
Drug Control Fines	0	0	0	0	154
Drug Court Fees	0	0	0	0	5,241
Jail Fees	0	0	0	0	399,465
Data Entry Fee - Juvenile Court	0	0	0	0	3,985
Courtroom Security Fee	0	0	0	0	1,692
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	19,356
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	48,050
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	21,566

(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		
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects			Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	557,369
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,395,203
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	736,491
Surcharge - Host Agency	0	0	0	0	0	0	844,849
Patient Charges	0	0	0	0	0	0	7,594,722
Past Due Collections - Ambulance	0	0	0	0	0	0	141,109
Zoning Studies	0	0	0	0	0	0	86,000
Work Release Charges for Board	0	0	0	0	0	0	64,448
Other General Service Charges	0	0	0	0	0	0	7,150
<u>Fees</u>							
Subdivision Lot Fees	0	0	0	0	0	0	182,150
Archives and Records Management Fee	0	0	0	0	0	0	133,970
Telephone Commissions	0	0	0	0	0	0	487,342
Constitutional Officers' Fees and Commissions	4,812,798	0	0	0	0	0	4,812,798
Data Processing Fee - Register	0	0	0	0	0	0	122,022
Probation Fees	0	0	0	0	0	0	980,108
Data Processing Fee - Sheriff	0	0	0	0	0	0	20,772
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	7,800
Data Processing Fee - County Clerk	0	0	0	0	0	0	30,861
<u>Education Charges</u>							
Contract for Administrative Services with Other LEA's	0	0	0	0	0	0	378,498
TBI Criminal Background Fee	0	0	0	0	0	0	46,365

(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	
	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Other Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,174
Total Charges for Current Services	\$ 4,812,798	\$ 0	\$ 0	\$ 0	\$ 16,777,629
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 77,187	\$ 688,817	\$ 20	\$ 1,711,944
Lease/Rentals	0	0	144,150	0	295,016
Sale of Materials and Supplies	0	81,507	0	0	90,011
Commissary Sales	0	0	0	0	214,238
Sale of Maps	0	0	0	0	17,250
Sale of Recycled Materials	0	0	0	0	449,924
Sale of Animals/Livestock	0	0	0	0	102,645
Miscellaneous Refunds	0	1,500	0	0	10,540
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	173,186
Sale of Property	0	0	0	0	8,247
Damages Recovered from Individuals	0	0	0	0	1,116
Contributions and Gifts	0	0	0	0	79,166
Performance Bond Forfeitures	0	0	0	0	160,880
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	84,744
Total Other Local Revenues	\$ 0	\$ 160,194	\$ 832,967	\$ 20	\$ 3,398,907

(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	
	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	2,200,532
Circuit Court Clerk	0	0	0	0	850,000
Register	0	0	0	0	1,449,412
Trustee	0	0	0	0	5,598,183
<u>Fees In-Lieu-of Salary</u>					
Clerk and Master	0	0	0	0	547,601
Sheriff	0	0	0	0	94,537
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	10,740,265
<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	31,697
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	141,000
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	1,882,313
Other Health and Welfare Grants	0	0	0	0	134,091
<u>Public Works Grants</u>					
Bridge Program	0	502,809	0	0	502,809
State Aid Program	0	1,513,011	0	0	1,513,011
Litter Program	0	0	0	0	92,820
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	305,534
Beer Tax	0	0	0	0	18,415

(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	
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Vehicle Certificate of Title Fees	\$ 0	\$ 0	\$ 0	\$ 0	35,831
Alcoholic Beverage Tax	0	0	0	0	379,596
Prisoner Transportation	0	0	0	0	25,126
Contracted Prisoner Boarding	0	0	0	0	2,824,050
Gasoline and Motor Fuel Tax	0	3,895,380	0	0	3,895,380
Petroleum Special Tax	0	189,481	0	0	189,481
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	659,984
Other State Revenues	0	0	0	0	458,623
Total State of Tennessee	\$ 0	\$ 6,100,681	\$ 0	\$ 0	13,113,925
<u>Federal Government</u>					
<u>Federal Through State</u>					
Title I Grants to Local Education Agencies	\$ 0	\$ 0	\$ 0	\$ 0	106,137
Community Development	0	0	0	0	170,970
Civil Defense Reimbursement	0	0	0	0	69,350
Disaster Relief	0	0	0	0	29,946
Homeland Security Grants	0	0	0	0	75,868
Law Enforcement Grants	0	0	0	0	31,749
Other Federal through State	0	0	0	0	188,240
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	30,982
Asset Forfeiture Funds	0	0	0	0	179,201
Other Direct Federal Revenue	0	0	0	0	406,079
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	1,288,522

(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 Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,295
Contributions	0	0	424,081	0	735,303
Contracted Services	0	0	0	0	686,403
<u>Other</u>					
Other	0	0	0	0	300
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 424,081	\$ 0	\$ 1,443,301
Total	\$ 4,812,798	\$ 11,997,708	\$ 51,205,439	\$ 20	\$ 181,095,595

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, 2017

	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	\$ 74,151,312	\$ 0	\$ 0	\$ 4,045,893	\$ 0	\$ 78,197,205
Trustee's Collections - Prior Year	841,789	0	0	45,915	0	887,704
Circuit Clerk/Clerk and Master Collections - Prior Years	522,765	0	0	28,554	0	551,319
Interest and Penalty	189,825	0	0	10,480	0	200,305
Pickup Taxes	87,087	0	0	4,750	0	91,837
Payments in-Lieu-of Taxes - T.V.A.	6,218	0	0	339	0	6,557
Payments in-Lieu-of Taxes - Local Utilities	935,422	0	0	0	0	935,422
<u>County Local Option Taxes</u>						
Local Option Sales Tax	59,026,606	0	0	0	0	59,026,606
Wheel Tax	3,964,981	0	0	0	0	3,964,981
Business Tax	2,271,571	0	0	123,917	0	2,395,488
Mixed Drink Tax	423,851	0	0	0	0	423,851
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	18,612	0	0	0	0	18,612
Total Local Taxes	\$ 142,440,039	\$ 0	\$ 0	\$ 4,259,848	\$ 0	\$ 146,699,887
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 13,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,510
Total Licenses and Permits	\$ 13,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,510
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 80,550	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,550

(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	\$ 46,625	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,625
Lunch Payments - Children	0	0	5,448,270	0	0	5,448,270
Lunch Payments - Adults	0	0	201,986	0	0	201,986
Income from Breakfast	0	0	553,354	0	0	553,354
A la Carte Sales	0	0	785,977	0	0	785,977
Contract for Administrative Services with Other LEA's	25,979	0	0	0	0	25,979
Other Charges for Services	40,345	0	0	0	0	40,345
Total Charges for Current Services	\$ 193,499	\$ 0	\$ 6,989,587	\$ 0	\$ 0	\$ 7,183,086
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 385,934	\$ 0	\$ 14,561	\$ 0	\$ 0	\$ 400,495
Lease/Rentals	47,804	0	0	0	0	47,804
Sale of Materials and Supplies	16,270	0	0	0	0	16,270
E-Rate Funding	58,825	0	0	0	0	58,825
Miscellaneous Refunds	21,635	0	0	0	0	21,635
<u>Nonrecurring Items</u>						
Sale of Equipment	13,749	0	3,219	0	0	16,968
Contributions and Gifts	143,293	0	0	0	0	143,293
<u>Other Local Revenues</u>						
Other Local Revenues	9,672	0	0	0	0	9,672
Total Other Local Revenues	\$ 697,182	\$ 0	\$ 17,780	\$ 0	\$ 0	\$ 714,962

(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	\$ 195,079,297	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,079,297
Early Childhood Education	1,176,118	0	0	0	0	1,176,118
School Food Service	0	0	165,199	0	0	165,199
Driver Education	292,280	0	0	0	0	292,280
Career Ladder Program	597,087	0	0	0	0	597,087
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	2,321,247	0	0	0	0	2,321,247
Other State Grants	388,786	0	0	0	0	388,786
Total State of Tennessee	\$ 199,854,815	\$ 0	\$ 165,199	\$ 0	\$ 0	\$ 200,020,014
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 8,131,253	\$ 0	\$ 0	\$ 8,131,253
USDA - Commodities	0	0	559,513	0	0	559,513
Breakfast	0	0	2,336,280	0	0	2,336,280
Vocational Education - Basic Grants to States	0	682,019	0	0	0	682,019
Title I Grants to Local Education Agencies	0	5,008,216	0	0	0	5,008,216
Special Education - Grants to States	660,714	6,918,573	0	0	0	7,579,287
Special Education Preschool Grants	0	75,994	0	0	0	75,994
English Language Acquisition Grants	0	221,958	0	0	0	221,958
Education for Homeless Children and Youth	0	156,428	0	0	0	156,428
Eisenhower Professional Development State Grants	0	527,210	0	0	0	527,210
Other Federal through State	0	17,490	0	0	0	17,490

(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>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	\$ 565,061	\$ 0	\$ 0	\$ 0	\$ 0	\$ 565,061
Total Federal Government	\$ 1,225,775	\$ 13,607,888	\$ 11,027,046	\$ 0	\$ 0	\$ 25,860,709
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,406,409	\$ 45,406,409
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,406,409	\$ 45,406,409
Total	\$ 344,424,820	\$ 13,607,888	\$ 18,199,612	\$ 4,259,848	\$ 45,406,409	\$ 425,898,577

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	77,750	
Other Per Diem and Fees		79,800	
Social Security		8,689	
Employer Medicare		2,285	
Dues and Memberships		36,778	
Other Contracted Services		7,800	
Total County Commission			\$ 213,102

Board of Equalization

Board and Committee Members Fees	\$	1,800	
Social Security		112	
Employer Medicare		26	
Legal Notices, Recording, and Court Costs		749	
Total Board of Equalization			2,687

County Mayor/Executive

County Official/Administrative Officer	\$	133,431	
Assistant(s)		88,403	
Secretary(ies)		97,415	
Longevity Pay		1,225	
Social Security		18,559	
Pensions		34,162	
Employee and Dependent Insurance		31,760	
Disability Insurance		542	
Employer Medicare		4,538	
Communication		187	
Dues and Memberships		2,950	
Engineering Services		20,479	
Operating Lease Payments		7,560	
Legal Services		49,379	
Legal Notices, Recording, and Court Costs		6,827	
Maintenance Agreements		1,948	
Postal Charges		612	
Printing, Stationery, and Forms		100	
Office Supplies		3,068	
Other Charges		66,139	
Land		202,732	
Site Development		25,968	
Total County Mayor/Executive			797,984

Personnel Office

County Official/Administrative Officer	\$	105,201	
Assistant(s)		76,260	
Secretary(ies)		19,916	
Longevity Pay		275	
In-service Training		447	
Social Security		12,265	

(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	\$	21,496	
Employee and Dependent Insurance		24,250	
Disability Insurance		367	
Employer Medicare		2,868	
Communication		2	
Dues and Memberships		417	
Evaluation and Testing		48,997	
Maintenance Agreements		441	
Postal Charges		180	
Travel		1,474	
Other Contracted Services		22,424	
Gasoline		43	
Office Supplies		1,926	
Other Charges		5,775	
Total Personnel Office			\$ 345,024

County Attorney

County Official/Administrative Officer	\$	83,379	
Secretary(ies)		40,079	
Longevity Pay		950	
Social Security		7,340	
Pensions		12,027	
Employee and Dependent Insurance		25,005	
Disability Insurance		207	
Employer Medicare		1,717	
Communication		46	
Legal Services		91,232	
Total County Attorney			261,982

Election Commission

County Official/Administrative Officer	\$	94,521	
Part-time Personnel		16,130	
Longevity Pay		2,025	
Overtime Pay		580	
Other Salaries and Wages		237,057	
Election Commission		8,475	
Election Workers		283,324	
In-service Training		3,635	
Social Security		31,655	
Pensions		35,547	
Employee and Dependent Insurance		75,273	
Disability Insurance		609	
Unemployment Compensation		37	
Employer Medicare		7,880	
Communication		4,406	
Dues and Memberships		525	
Legal Notices, Recording, and Court Costs		10,778	

(Continued)

Exhibit L-9

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

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

Maintenance Agreements	\$	28,303	
Postal Charges		16,519	
Printing, Stationery, and Forms		13,932	
Rentals		1,200	
Travel		4,818	
Data Processing Supplies		5,641	
Office Supplies		17,007	
Other Supplies and Materials		127	
Data Processing Equipment		11,606	
Furniture and Fixtures		1,403	
Total Election Commission			\$ 913,013

Register of Deeds

In-service Training	\$	500	
Social Security		39,513	
Pensions		71,308	
Employee and Dependent Insurance		151,351	
Disability Insurance		1,225	
Employer Medicare		9,241	
Communication		771	
Data Processing Services		28,897	
Maintenance Agreements		25,626	
Postal Charges		1,118	
Travel		500	
Data Processing Supplies		4,305	
Office Supplies		2,236	
Data Processing Equipment		12,154	
Total Register of Deeds			348,745

Planning

County Official/Administrative Officer	\$	85,585	
Assistant(s)		233,261	
Supervisor/Director		88,579	
Secretary(ies)		124,733	
Longevity Pay		1,900	
Board and Committee Members Fees		23,000	
In-service Training		3,381	
Social Security		33,437	
Pensions		55,917	
Employee and Dependent Insurance		82,367	
Disability Insurance		964	
Employer Medicare		7,833	
Communication		2,307	
Dues and Memberships		12,124	
Legal Notices, Recording, and Court Costs		3,708	
Maintenance Agreements		2,253	
Postal Charges		1,397	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Printing, Stationery, and Forms	\$	86	
Data Processing Supplies		1,480	
Gasoline		5,436	
Office Supplies		4,487	
Periodicals		331	
Other Supplies and Materials		1,352	
Furniture and Fixtures		7,416	
Total Planning			\$ 783,334

Codes Compliance

Communication	\$	402	
Total Codes Compliance			402

Geographical Information Systems

Data Processing Personnel	\$	237,320	
Part-time Personnel		16,851	
Longevity Pay		1,700	
Overtime Pay		3,646	
Social Security		15,377	
Pensions		25,868	
Employee and Dependent Insurance		36,882	
Disability Insurance		437	
Unemployment Compensation		138	
Employer Medicare		3,596	
Data Processing Services		75,048	
Dues and Memberships		175	
Legal Services		10,000	
Maintenance Agreements		427,770	
Travel		6,221	
Data Processing Supplies		8,765	
Data Processing Equipment		123,223	
Other Capital Outlay		258,538	
Total Geographical Information Systems			1,251,555

County Buildings

Assistant(s)	\$	50,745	
Supervisor/Director		73,098	
Clerical Personnel		33,984	
Custodial Personnel		98,097	
Maintenance Personnel		189,677	
Part-time Personnel		225,722	
Longevity Pay		2,950	
Overtime Pay		6,618	
Social Security		40,828	
Pensions		48,376	
Employee and Dependent Insurance		131,375	
Disability Insurance		1,017	

(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.)

Unemployment Compensation	\$	314	
Employer Medicare		9,549	
Communication		48,932	
Contracts with Government Agencies		63,970	
Maintenance and Repair Services - Buildings		51,711	
Travel		4,935	
Other Contracted Services		78,247	
Custodial Supplies		45,501	
Gasoline		11,060	
Utilities		548,095	
Other Supplies and Materials		88,173	
Building Improvements		417,802	
Data Processing Equipment		1,172	
Maintenance Equipment		40,996	
Motor Vehicles		29,713	
Total County Buildings			\$ 2,342,657

Other General Administration

Supervisor/Director	\$	79,307	
Teachers		104,970	
Salary Supplements		3,500	
Part-time Personnel		15,050	
Longevity Pay		1,350	
Social Security		11,478	
Pensions		20,161	
Employee and Dependent Insurance		20,107	
Disability Insurance		340	
Employer Medicare		2,902	
Communication		12	
Maintenance Agreements		1,754	
Riprap		957	
Other Supplies and Materials		778	
Total Other General Administration			262,666

Preservation of Records

County Official/Administrative Officer	\$	52,659	
Assistant(s)		21,431	
Part-time Personnel		6,750	
Longevity Pay		225	
Social Security		4,780	
Pensions		7,922	
Employee and Dependent Insurance		17,044	
Disability Insurance		136	
Employer Medicare		1,118	
Communication		677	
Dues and Memberships		565	
Maintenance Agreements		320	

(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.)

Postal Charges	\$	130	
Travel		837	
Office Supplies		1,587	
Other Supplies and Materials		3,885	
Other Charges		31,768	
Total Preservation of Records			\$ 151,834

Risk Management

Supervisor/Director	\$	90,771	
Clerical Personnel		221,267	
Longevity Pay		1,800	
Other Salaries and Wages		82,649	
Board and Committee Members Fees		3,300	
Social Security		23,650	
Pensions		42,221	
Employee and Dependent Insurance		67,597	
Disability Insurance		727	
Employer Medicare		5,537	
Communication		568	
Maintenance Agreements		1,276	
Postal Charges		2,063	
Travel		1,904	
Other Contracted Services		34,000	
Gasoline		116	
Office Supplies		12,800	
Building and Contents Insurance		120,967	
Liability Insurance		396,406	
Premiums on Corporate Surety Bonds		2,743	
Other Charges		26,610	
Total Risk Management			1,138,972

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	124,013	
Accountants/Bookkeepers		614,894	
Salary Supplements		5,400	
Part-time Personnel		12,120	
Longevity Pay		5,025	
Overtime Pay		26	
Board and Committee Members Fees		1,400	
Social Security		45,349	
Pensions		79,055	
Employee and Dependent Insurance		126,325	
Disability Insurance		1,326	
Employer Medicare		10,664	
Audit Services		94,537	
Communication		235	

(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.)

Dues and Memberships	\$	2,119	
Maintenance Agreements		1,000	
Maintenance and Repair Services - Equipment		505	
Postal Charges		11,827	
Travel		5,056	
Other Contracted Services		1,342	
Gasoline		260	
Office Supplies		13,827	
Data Processing Equipment		8,766	
Furniture and Fixtures		3,296	
Total Accounting and Budgeting			\$ 1,168,367

Property Assessor's Office

County Official/Administrative Officer	\$	105,023	
Deputy(ies)		565,946	
Salary Supplements		4,500	
Part-time Personnel		3,010	
Longevity Pay		3,100	
In-service Training		2,699	
Social Security		40,584	
Pensions		71,992	
Employee and Dependent Insurance		137,887	
Disability Insurance		1,238	
Employer Medicare		9,531	
Communication		940	
Dues and Memberships		2,700	
Maintenance Agreements		21,206	
Maintenance and Repair Services - Equipment		1,206	
Postal Charges		12,977	
Travel		608	
Other Contracted Services		39,150	
Data Processing Supplies		3,000	
Office Supplies		15,484	
Uniforms		2,413	
Other Supplies and Materials		1,214	
Data Processing Equipment		12,419	
Furniture and Fixtures		6,502	
Total Property Assessor's Office			1,065,329

Reappraisal Program

Deputy(ies)	\$	564,007	
Longevity Pay		3,750	
Social Security		33,259	
Pensions		60,522	
Employee and Dependent Insurance		142,096	
Disability Insurance		1,039	
Employer Medicare		7,778	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Communication	\$	9,008	
Data Processing Services		102,999	
Maintenance and Repair Services - Equipment		1,878	
Maintenance and Repair Services - Vehicles		185	
Postal Charges		10,000	
Data Processing Supplies		2,015	
Gasoline		8,802	
Other Supplies and Materials		4,512	
Data Processing Equipment		1,266	
Total Reappraisal Program			\$ 953,116

County Trustee's Office

Social Security	\$	23,701	
Pensions		42,159	
Employee and Dependent Insurance		71,477	
Disability Insurance		719	
Employer Medicare		5,543	
Communication		430	
Data Processing Services		6,600	
Legal Notices, Recording, and Court Costs		236	
Maintenance Agreements		450	
Postal Charges		35,991	
Other Contracted Services		4,146	
Office Supplies		9,091	
Tax Relief Program		598,325	
Data Processing Equipment		7,886	
Furniture and Fixtures		1,348	
Total County Trustee's Office			808,102

County Clerk's Office

Social Security	\$	95,653	
Pensions		170,480	
Employee and Dependent Insurance		317,789	
Disability Insurance		2,926	
Employer Medicare		22,481	
Communication		12,693	
Data Processing Services		26,429	
Maintenance Agreements		3,920	
Maintenance and Repair Services - Buildings		16,558	
Maintenance and Repair Services - Equipment		1,757	
Maintenance and Repair Services - Vehicles		981	
Postal Charges		67,654	
Other Contracted Services		1,680	
Data Processing Supplies		14,913	
Gasoline		1,122	
Office Supplies		41,167	
Other Supplies and Materials		6,117	

(Continued)

Exhibit L-9

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

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

Data Processing Equipment	\$	26,063	
Office Equipment		5,868	
Total County Clerk's Office			\$ 836,251

Data Processing

County Official/Administrative Officer	\$	120,508	
Data Processing Personnel		841,560	
Part-time Personnel		39,056	
Longevity Pay		2,875	
Overtime Pay		5,067	
Social Security		60,549	
Pensions		103,403	
Employee and Dependent Insurance		135,138	
Disability Insurance		1,750	
Employer Medicare		14,161	
Communication		231,822	
Data Processing Services		378,431	
Dues and Memberships		2,106	
Maintenance Agreements		222,741	
Travel		12,336	
Data Processing Supplies		59,728	
Gasoline		571	
Data Processing Equipment		692,525	
Other Equipment		26,471	
Total Data Processing			2,950,798

Administration of JusticeCircuit Court

Jury and Witness Expense	\$	67,203	
Social Security		107,379	
Pensions		191,247	
Employee and Dependent Insurance		392,741	
Disability Insurance		3,321	
Employer Medicare		25,535	
Communication		3,333	
Data Processing Services		106,732	
Legal Services		32,654	
Maintenance Agreements		18,649	
Maintenance and Repair Services - Office Equipment		277	
Postal Charges		29,078	
Office Supplies		48,527	
Other Supplies and Materials		293	
Other Charges		101,403	
Data Processing Equipment		243,568	
Furniture and Fixtures		3,709	
Office Equipment		162	
Total Circuit Court			1,375,811

(Continued)

Exhibit L-9

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

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

Assistant(s)	\$	54,236	
Deputy(ies)		129,229	
Longevity Pay		425	
Social Security		11,137	
Pensions		19,603	
Employee and Dependent Insurance		32,214	
Disability Insurance		353	
Employer Medicare		2,605	
Postal Charges		496	
Total Circuit Court Judge			\$ 250,298

General Sessions Court

Judge(s)	\$	618,455	
Assistant(s)		54,770	
Deputy(ies)		150,171	
Part-time Personnel		29,431	
Longevity Pay		3,425	
Overtime Pay		1,996	
Other Salaries and Wages		432,970	
Social Security		70,556	
Pensions		134,492	
Employee and Dependent Insurance		175,184	
Disability Insurance		1,928	
Employer Medicare		18,234	
Communication		2,877	
Data Processing Services		17,360	
Dues and Memberships		4,233	
Evaluation and Testing		4,000	
Maintenance Agreements		2,124	
Maintenance and Repair Services - Office Equipment		978	
Travel		8,337	
Library Books/Media		1,487	
Office Supplies		11,990	
Uniforms		900	
Data Processing Equipment		2,559	
Office Equipment		8,574	
Total General Sessions Court			1,757,031

Drug Court

Supervisor/Director	\$	67,903	
Secretary(ies)		25,549	
Part-time Personnel		25,891	
Longevity Pay		225	
Other Salaries and Wages		241,272	
Social Security		21,489	
Pensions		35,706	
Employee and Dependent Insurance		74,956	

(Continued)

Exhibit L-9

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

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

Disability Insurance	\$	615	
Employer Medicare		5,026	
Communication		4,178	
Dues and Memberships		200	
Licenses		2,555	
Maintenance Agreements		1,254	
Postal Charges		288	
Travel		1,175	
Office Supplies		3,433	
Other Supplies and Materials		64,408	
In Service/Staff Development		4,705	
Total Drug Court			\$ 580,828

Chancery Court

County Official/Administrative Officer	\$	105,023	
Deputy(ies)		465,210	
Attendants		34,411	
Part-time Personnel		28,395	
Longevity Pay		4,200	
Overtime Pay		3,181	
Jury and Witness Expense		935	
Social Security		38,531	
Pensions		65,242	
Employee and Dependent Insurance		111,088	
Disability Insurance		1,114	
Employer Medicare		9,011	
Communication		3,332	
Data Processing Services		21,930	
Dues and Memberships		1,304	
Legal Notices, Recording, and Court Costs		51	
Maintenance Agreements		6,867	
Maintenance and Repair Services - Equipment		763	
Postal Charges		18,512	
Travel		781	
Other Contracted Services		678	
Office Supplies		18,755	
Other Supplies and Materials		500	
Data Processing Equipment		6,172	
Total Chancery Court			945,986

Juvenile Court

Judge(s)	\$	161,336	
Deputy(ies)		34,411	
Secretary(ies)		38,559	
Part-time Personnel		27,645	
Longevity Pay		250	
Other Salaries and Wages		123,318	

(Continued)

Exhibit L-9

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

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

Social Security	\$	21,162	
Pensions		38,177	
Employee and Dependent Insurance		27,825	
Disability Insurance		561	
Employer Medicare		5,493	
Communication		1,031	
Data Processing Services		4,315	
Dues and Memberships		2,458	
Maintenance Agreements		569	
Postal Charges		99	
Travel		3,227	
Other Contracted Services		46,750	
Library Books/Media		3,081	
Office Supplies		3,486	
Uniforms		662	
Other Supplies and Materials		1,672	
Data Processing Equipment		188	
Total Juvenile Court			\$ 546,275

District Attorney General

Assistant(s)	\$	122,586	
Longevity Pay		300	
Social Security		7,457	
Pensions		13,100	
Employee and Dependent Insurance		14,089	
Disability Insurance		225	
Employer Medicare		1,744	
Dues and Memberships		400	
Total District Attorney General			159,901

Office of Public Defender

Assistant(s)	\$	92,561	
Longevity Pay		75	
Social Security		5,551	
Pensions		9,875	
Employee and Dependent Insurance		10,237	
Disability Insurance		170	
Employer Medicare		1,298	
Dues and Memberships		800	
Postal Charges		427	
Total Office of Public Defender			120,994

Other Administration of Justice

Probation Officer(s)	\$	638,883	
Longevity Pay		400	
Social Security		37,751	
Pensions		68,148	

(Continued)

Exhibit L-9

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

General Fund (Cont.)Administration of Justice (Cont.)Other Administration of Justice (Cont.)

Employee and Dependent Insurance	\$	159,311	
Disability Insurance		1,173	
Employer Medicare		8,829	
Communication		8,833	
Contracts with Private Agencies		154,761	
Data Processing Services		37,915	
Maintenance Agreements		1,007	
Postal Charges		1,442	
Rentals		102,000	
Other Contracted Services		54,814	
Office Supplies		10,667	
Utilities		12,898	
Other Supplies and Materials		49,386	
Data Processing Equipment		4,204	
Office Equipment		4,149	
Total Other Administration of Justice			\$ 1,356,571

Probation Services

County Official/Administrative Officer	\$	70,620	
Assistant(s)		53,843	
Youth Service Officer(s)		190,467	
Secretary(ies)		32,569	
Longevity Pay		2,200	
In-service Training		1,125	
Social Security		20,617	
Pensions		37,278	
Employee and Dependent Insurance		66,386	
Disability Insurance		645	
Employer Medicare		4,822	
Communication		1,301	
Contracts with Private Agencies		478,585	
Data Processing Services		9,265	
Maintenance Agreements		743	
Postal Charges		51	
Travel		3,689	
Office Supplies		1,330	
Other Supplies and Materials		515	
Total Probation Services			976,051

Victim Assistance Programs

Assistant(s)	\$	58,675	
Part-time Personnel		18,139	
Longevity Pay		100	
Other Salaries and Wages		77,838	
In-service Training		3,129	
Social Security		9,463	
Pensions		14,563	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs (Cont.)

Employee and Dependent Insurance	\$	14,331	
Disability Insurance		251	
Employer Medicare		2,208	
Communication		685	
Dues and Memberships		409	
Maintenance Agreements		673	
Other Contracted Services		4,315	
Office Supplies		1,605	
Office Equipment		2,743	
Total Victim Assistance Programs			\$ 209,127

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	106,020	
Assistant(s)		496,699	
Deputy(ies)		51,507	
Detective(s)		1,087,846	
Captain(s)		341,747	
Lieutenant(s)		951,771	
Youth Service Officer(s)		2,005,013	
Sergeant(s)		1,890,220	
Accountants/Bookkeepers		318,068	
Data Processing Personnel		258,023	
Salary Supplements		127,200	
Dispatchers/Radio Operators		747,307	
Clerical Personnel		528,937	
Part-time Personnel		503,166	
Longevity Pay		70,650	
Overtime Pay		989,266	
Other Salaries and Wages		3,904,806	
In-service Training		165,323	
Social Security		854,387	
Pensions		1,473,114	
Employee and Dependent Insurance		2,647,184	
Disability Insurance		23,170	
Employer Medicare		200,045	
Communication		260,948	
Contracts with Private Agencies		36,157	
Data Processing Services		224,499	
Dues and Memberships		9,852	
Maintenance Agreements		75,452	
Maintenance and Repair Services - Equipment		32,168	
Maintenance and Repair Services - Vehicles		105,067	
Postal Charges		9,999	
Printing, Stationery, and Forms		7,985	
Rentals		1,560	
Veterinary Services		5,080	

(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.)

Other Contracted Services	\$	8,227	
Animal Food and Supplies		10,124	
Data Processing Supplies		14,008	
Gasoline		464,343	
Instructional Supplies and Materials		10,705	
Law Enforcement Supplies		87,285	
Office Supplies		36,277	
Periodicals		4,710	
Uniforms		149,127	
Vehicle Parts		136,494	
Other Supplies and Materials		34,077	
Judgments		19,580	
Other Charges		6,137	
Communication Equipment		208,541	
Data Processing Equipment		501,867	
Law Enforcement Equipment		334,457	
Motor Vehicles		1,084,491	
Office Equipment		8,609	
Other Equipment		5,429	
Total Sheriff's Department			\$ 23,634,724

Special Patrols

Nightwatchmen	\$	34,335	
Social Security		2,039	
Pensions		3,660	
Employer Medicare		477	
Total Special Patrols			40,511

Traffic Control

Maintenance and Repair Services - Equipment	\$	540	
Utilities		10,596	
Total Traffic Control			11,136

Administration of the Sexual Offender Registry

Longevity Pay	\$	425	
Overtime Pay		7,662	
Other Salaries and Wages		50,348	
In-service Training		695	
Social Security		3,537	
Pensions		6,172	
Employee and Dependent Insurance		5,129	
Disability Insurance		85	
Employer Medicare		827	
Other Charges		2,400	
Total Administration of the Sexual Offender Registry			77,280

(Continued)

Exhibit L-9

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

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

Assistant(s)	\$	85,474	
Captain(s)		64,186	
Lieutenant(s)		279,368	
Sergeant(s)		397,604	
Guards		3,537,764	
Clerical Personnel		37,920	
Maintenance Personnel		132,603	
Part-time Personnel		30,926	
Longevity Pay		21,025	
Overtime Pay		325,626	
Other Salaries and Wages		613,004	
In-service Training		26,948	
Social Security		326,055	
Pensions		585,721	
Employee and Dependent Insurance		1,184,423	
Disability Insurance		9,364	
Unemployment Compensation		6,859	
Employer Medicare		76,528	
Dues and Memberships		411	
Maintenance Agreements		60,874	
Maintenance and Repair Services - Buildings		207,494	
Maintenance and Repair Services - Equipment		41,168	
Printing, Stationery, and Forms		14,411	
Transportation - Other than Students		40,007	
Other Contracted Services		4,486,835	
Custodial Supplies		117,675	
Data Processing Supplies		15,474	
Food Preparation Supplies		112,598	
Food Supplies		1,147,891	
Law Enforcement Supplies		19,335	
Office Supplies		12,288	
Prisoners Clothing		94,906	
Uniforms		72,669	
Utilities		613,760	
Other Supplies and Materials		9,379	
Building Improvements		190,964	
Communication Equipment		9,988	
Data Processing Equipment		113,784	
Food Service Equipment		672	
Maintenance Equipment		5,000	
Other Equipment		24,353	
Total Jail			\$ 15,153,334

Workhouse

County Official/Administrative Officer	\$	71,082
Captain(s)		64,018
Lieutenant(s)		52,904

(Continued)

Exhibit L-9

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

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

Sergeant(s)	\$	281,455	
Guards		1,101,251	
Secretary(ies)		32,827	
Clerical Personnel		190,306	
Part-time Personnel		18,432	
Longevity Pay		5,950	
Overtime Pay		46,227	
Board and Committee Members Fees		4,300	
In-service Training		15,422	
Social Security		111,422	
Pensions		196,785	
Employee and Dependent Insurance		369,945	
Disability Insurance		3,195	
Unemployment Compensation		62	
Employer Medicare		26,076	
Communication		7,446	
Contracts with Private Agencies		66,108	
Dues and Memberships		528	
Maintenance Agreements		30,475	
Maintenance and Repair Services - Buildings		46,549	
Maintenance and Repair Services - Equipment		21,719	
Maintenance and Repair Services - Vehicles		7,611	
Medical and Dental Services		250	
Postal Charges		1,047	
Other Contracted Services		688,976	
Custodial Supplies		31,655	
Data Processing Supplies		5,932	
Drugs and Medical Supplies		969	
Equipment and Machinery Parts		2,380	
Gasoline		5,671	
Law Enforcement Supplies		4,653	
Office Supplies		6,656	
Prisoners Clothing		11,292	
Uniforms		9,147	
Utilities		250,269	
Other Supplies and Materials		19,197	
Total Workhouse			\$ 3,810,189

Juvenile Services

County Official/Administrative Officer	\$	77,923
Captain(s)		62,392
Lieutenant(s)		49,547
Sergeant(s)		217,408
Guards		236,552
Secretary(ies)		74,301
Attendants		487,436
Part-time Personnel		80,702

(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.)

Longevity Pay	\$	3,100	
Overtime Pay		57,568	
Other Salaries and Wages		43,953	
In-service Training		5,455	
Social Security		82,929	
Pensions		139,660	
Employee and Dependent Insurance		255,071	
Disability Insurance		2,289	
Employer Medicare		19,395	
Communication		2,463	
Data Processing Services		12,330	
Dues and Memberships		285	
Maintenance Agreements		7,217	
Maintenance and Repair Services - Buildings		585	
Maintenance and Repair Services - Equipment		1,803	
Maintenance and Repair Services - Vehicles		78	
Medical and Dental Services		87,000	
Postal Charges		354	
Printing, Stationery, and Forms		1,074	
Travel		2,613	
Other Contracted Services		74,798	
Gasoline		317	
Instructional Supplies and Materials		8,109	
Office Supplies		4,724	
Uniforms		4,933	
Other Supplies and Materials		44,896	
Other Charges		2,184	
Data Processing Equipment		300	
Other Equipment		8,265	
Total Juvenile Services			\$ 2,160,009

Rural Fire Protection

County Official/Administrative Officer	\$	75,648
Salary Supplements		13,800
Educational Assistants		36,995
Part-time Personnel		52,910
Longevity Pay		200
Overtime Pay		30,484
Other Salaries and Wages		942,966
Social Security		69,321
Pensions		117,357
Employee and Dependent Insurance		214,719
Disability Insurance		1,909
Employer Medicare		16,212
Communication		34,176
Contributions		102,000
Dues and Memberships		1,179

(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.)

Evaluation and Testing	\$	20,000	
Maintenance Agreements		19,774	
Maintenance and Repair Services - Buildings		11,357	
Maintenance and Repair Services - Equipment		2,814	
Maintenance and Repair Services - Vehicles		100,265	
Pest Control		396	
Travel		8,227	
Disposal Fees		264	
Other Contracted Services		270,000	
Custodial Supplies		2,909	
Diesel Fuel		50,485	
Drugs and Medical Supplies		4,786	
Gasoline		8,363	
Instructional Supplies and Materials		1,916	
Office Supplies		4,543	
Uniforms		25,256	
Utilities		43,076	
Other Supplies and Materials		28,071	
Administration Equipment		43,658	
Communication Equipment		5,915	
Furniture and Fixtures		610	
Motor Vehicles		1,199,677	
Site Development		80,000	
Other Equipment		103,378	
Total Rural Fire Protection			\$ 3,745,616

Disaster Relief

County Official/Administrative Officer	\$	80,058
Assistant(s)		63,828
Supervisor/Director		92,009
Secretary(ies)		42,894
Longevity Pay		700
Social Security		16,385
Pensions		29,794
Employee and Dependent Insurance		59,683
Disability Insurance		514
Employer Medicare		3,832
Communication		13,434
Dues and Memberships		1,577
Maintenance Agreements		213,100
Maintenance and Repair Services - Buildings		1,957
Maintenance and Repair Services - Equipment		3,168
Maintenance and Repair Services - Vehicles		7,596
Postal Charges		23
Printing, Stationery, and Forms		130
Rentals		7,849
Travel		567

(Continued)

Exhibit L-9

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

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

Other Contracted Services	\$	748	
Data Processing Supplies		879	
Electricity		15,612	
Gasoline		4,147	
Instructional Supplies and Materials		839	
Office Supplies		1,526	
Uniforms		2,828	
Other Supplies and Materials		3,891	
Communication Equipment		441,331	
Data Processing Equipment		3,660	
Furniture and Fixtures		1,834	
Motor Vehicles		34,000	
Other Equipment		119,228	
Total Disaster Relief			\$ 1,269,621

Inspection and Regulation

County Official/Administrative Officer	\$	77,748	
Deputy(ies)		428,772	
Salary Supplements		4,500	
Clerical Personnel		113,350	
Longevity Pay		5,275	
Board and Committee Members Fees		500	
Social Security		37,251	
Pensions		65,646	
Employee and Dependent Insurance		133,317	
Disability Insurance		1,127	
Employer Medicare		8,712	
Communication		8,582	
Dues and Memberships		1,520	
Maintenance Agreements		945	
Postal Charges		556	
Printing, Stationery, and Forms		995	
Travel		3,095	
Other Contracted Services		300	
Gasoline		8,821	
Office Supplies		5,904	
Uniforms		486	
Other Supplies and Materials		2,682	
In Service/Staff Development		2,645	
Data Processing Equipment		2,921	
Motor Vehicles		23,998	
Total Inspection and Regulation			939,648

Public Health and WelfareLocal Health Center

Longevity Pay	\$	875	
Other Salaries and Wages		216,777	

(Continued)

Exhibit L-9

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

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

Social Security	\$	13,303	
Pensions		23,202	
Employee and Dependent Insurance		39,913	
Disability Insurance		398	
Employer Medicare		3,111	
Communication		19,777	
Contracts with Government Agencies		125,623	
Maintenance and Repair Services - Buildings		15,174	
Maintenance and Repair Services - Equipment		1,648	
Travel		2,221	
Other Contracted Services		47,727	
Drugs and Medical Supplies		6,916	
Utilities		69,179	
Other Supplies and Materials		15,848	
Other Charges		2,759	
Total Local Health Center			\$ 604,451

Rabies and Animal Control

County Official/Administrative Officer	\$	69,072
Supervisor/Director		76,692
Attendants		489,301
Part-time Personnel		119,323
Longevity Pay		1,625
Overtime Pay		23,588
Other Salaries and Wages		70,620
Social Security		51,262
Pensions		77,897
Employee and Dependent Insurance		155,479
Disability Insurance		1,279
Unemployment Compensation		3
Employer Medicare		11,989
Advertising		8,371
Architects		11,600
Communication		15,216
Dues and Memberships		1,895
Maintenance Agreements		24,116
Maintenance and Repair Services - Buildings		16,642
Maintenance and Repair Services - Vehicles		8,331
Postal Charges		177
Travel		6,431
Veterinary Services		7,346
Other Contracted Services		75,000
Animal Food and Supplies		17,760
Custodial Supplies		13,967
Drugs and Medical Supplies		83,009
Gasoline		29,390
Office Supplies		7,936

(Continued)

Exhibit L-9

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

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

Uniforms	\$	3,775	
Utilities		46,340	
Other Supplies and Materials		13,977	
Refunds		435	
Building Improvements		33,298	
Data Processing Equipment		2,049	
Motor Vehicles		51,110	
Other Equipment		32,657	
Total Rabies and Animal Control			\$ 1,658,958

Dental Health Program

Dues and Memberships	\$	400	
Medical and Dental Services		10,099	
Total Dental Health Program			10,499

Alcohol and Drug Programs

Contracts with Other Public Agencies	\$	14,012	
Travel		1,105	
Other Supplies and Materials		29,459	
Other Charges		49,978	
Total Alcohol and Drug Programs			94,554

Other Local Health Services

Medical Personnel	\$	1,338,465	
Longevity Pay		6,675	
Social Security		79,652	
Pensions		141,294	
Employee and Dependent Insurance		290,097	
Disability Insurance		2,430	
Employer Medicare		18,628	
Travel		14,641	
Total Other Local Health Services			1,891,882

General Welfare Assistance

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

Sanitation Management

Contracts with Private Agencies	\$	36,103	
Total Sanitation Management			36,103

Other Public Health and Welfare

Medical and Dental Services	\$	15,600	
Other Contracted Services		331,050	
Total Other Public Health and Welfare			346,650

(Continued)

Exhibit L-9

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesAdult Activities

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

Senior Citizens Assistance

Contributions	\$ 2,000	
Total Senior Citizens Assistance		2,000

Libraries

Contributions	\$ 1,700,000	
Total Libraries		1,700,000

Parks and Fair Boards

Supervisor/Director	\$ 34,200	
Other Salaries and Wages	172,514	
Board and Committee Members Fees	2,950	
Social Security	10,879	
Employer Medicare	3,041	
Contributions	214,533	
Matching Share	19,966	
Postal Charges	123	
Travel	1,807	
Other Contracted Services	47,250	
Equipment and Machinery Parts	13,088	
Office Supplies	624	
Other Supplies and Materials	75	
Total Parks and Fair Boards		521,050

Other Social, Cultural, and Recreational

Contributions	\$ 542,967	
Total Other Social, Cultural, and Recreational		542,967

Agriculture and Natural ResourcesAgricultural Extension Service

Teachers	\$ 53,008	
Part-time Personnel	61,520	
Longevity Pay	500	
Other Salaries and Wages	32,249	
Board and Committee Members Fees	1,300	
Social Security	8,829	
Pensions	9,142	
Employee and Dependent Insurance	19,858	
Disability Insurance	157	
Employer Medicare	2,065	
Advertising	2,730	
Communication	2,807	
Contracts with Government Agencies	387,854	
Data Processing Services	88	

(Continued)

Exhibit L-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Maintenance and Repair Services - Buildings	\$	102,350	
Postal Charges		1,960	
Fertilizer, Lime, and Seed		730	
Gasoline		2,216	
Office Supplies		2,085	
Utilities		107,075	
Other Supplies and Materials		6,371	
Total Agricultural Extension Service			\$ 804,894

Soil Conservation

Assistant(s)	\$	25,998	
Part-time Personnel		4,192	
Social Security		1,867	
Pensions		2,771	
Employee and Dependent Insurance		3,212	
Disability Insurance		48	
Employer Medicare		437	
Contributions		20,000	
Total Soil Conservation			58,525

Storm Water Management

Assistant(s)	\$	52,927	
Part-time Personnel		34,053	
Longevity Pay		175	
Other Salaries and Wages		40,079	
In-service Training		2,290	
Social Security		8,442	
Pensions		9,933	
Employee and Dependent Insurance		22,599	
Disability Insurance		172	
Employer Medicare		1,974	
Communication		2,326	
Dues and Memberships		1,440	
Postal Charges		176	
Travel		569	
Other Contracted Services		3,460	
Gasoline		2,498	
Office Supplies		316	
Uniforms		299	
Other Supplies and Materials		8,620	
Data Processing Equipment		35,959	
Transportation Equipment		468	
Total Storm Water Management			228,775

Other Operations

Tourism

Contributions	\$	705,599	
Total Tourism			705,599

(Continued)

Exhibit L-9

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

General Fund (Cont.)Other Operations (Cont.)Industrial Development

Contracts with Other Public Agencies	\$ 135,000	
Total Industrial Development		\$ 135,000

Other Economic and Community Development

Contracts with Other Public Agencies	\$ 7,785	
Other Contracted Services	163,185	
Total Other Economic and Community Development		170,970

Other Charges

Mechanic(s)	\$ 53,843	
Laborers	73,902	
Longevity Pay	1,025	
Overtime Pay	1,134	
Social Security	7,953	
Pensions	13,848	
Employee and Dependent Insurance	17,972	
Disability Insurance	229	
Employer Medicare	1,860	
Communication	1,163	
Evaluation and Testing	1,223	
Travel	4,160	
Equipment and Machinery Parts	1,418	
Gasoline	1,515	
Utilities	15,671	
Vehicle Parts	16,947	
Other Supplies and Materials	9,382	
Total Other Charges		223,245

Contributions to Other Agencies

Contributions	\$ 10,000	
Total Contributions to Other Agencies		10,000

Employee Benefits

Other Fringe Benefits	\$ 399,992	
Workers' Compensation Insurance	276,500	
Total Employee Benefits		676,492

Payments to Cities

Contracts with Government Agencies	\$ 2,003,479	
Total Payments to Cities		2,003,479

Miscellaneous

Judgments	\$ 2,000,000	
Trustee's Commission	1,198,472	
Total Miscellaneous		3,198,472

Total General Fund		\$ 91,430,976
--------------------	--	---------------

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Education/Information

Laborers	\$	29,211	
Part-time Personnel		12,444	
Longevity Pay		375	
Overtime Pay		37	
Other Salaries and Wages		45,172	
Social Security		5,194	
Pensions		7,973	
Employee and Dependent Insurance		17,612	
Disability Insurance		145	
Employer Medicare		1,215	
Gasoline		7,192	
Instructional Supplies and Materials		1,901	
Other Supplies and Materials		8,829	
Total Sanitation Education/Information			\$ 137,300

Convenience Centers

Supervisor/Director	\$	77,923
Foremen		45,433
Truck Drivers		440,668
Laborers		427,024
Clerical Personnel		64,925
Maintenance Personnel		42,883
Longevity Pay		3,100
Overtime Pay		33,319
Social Security		68,523
Pensions		75,454
Employee and Dependent Insurance		138,029
Disability Insurance		1,272
Employer Medicare		16,041
Advertising		3,287
Communication		23,366
Contracts with Private Agencies		12,757
Engineering Services		2,160
Evaluation and Testing		1,186
Maintenance and Repair Services - Buildings		4,245
Maintenance and Repair Services - Equipment		46,858
Maintenance and Repair Services - Vehicles		90,187
Postal Charges		29
Rentals		9,000
Towing Services		1,088
Travel		2,165
Crushed Stone		1,264
Diesel Fuel		144,785
Equipment and Machinery Parts		40,634
Gasoline		5,870
Lubricants		5,645
Office Supplies		259

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Convenience Centers (Cont.)

Tires and Tubes	\$	68,180	
Uniforms		4,946	
Utilities		20,253	
Fencing		219	
Other Supplies and Materials		9,757	
Communication Equipment		995	
Data Processing Equipment		358	
Motor Vehicles		248,029	
Site Development		1,995	
Total Convenience Centers			\$ 2,184,111

Other Waste Collection

Laborers	\$	29,848	
Part-time Personnel		40,918	
Longevity Pay		75	
Overtime Pay		507	
Social Security		4,688	
Pensions		3,244	
Employee and Dependent Insurance		7,770	
Disability Insurance		56	
Employer Medicare		1,097	
Communication		363	
Contracts with Private Agencies		66,403	
Maintenance and Repair Services - Equipment		1,363	
Other Contracted Services		20,193	
Other Supplies and Materials		2,586	
Total Other Waste Collection			179,111

Landfill Operation and Maintenance

Mechanic(s)	\$	43,209	
Clerical Personnel		31,052	
Longevity Pay		375	
Overtime Pay		4,925	
Social Security		4,869	
Pensions		8,481	
Employee and Dependent Insurance		9,541	
Disability Insurance		136	
Employer Medicare		1,139	
Advertising		61	
Communication		1,996	
Contracts with Private Agencies		938,786	
Engineering Services		33,563	
Maintenance and Repair Services - Equipment		1,002	
Maintenance and Repair Services - Vehicles		271	
Postal Charges		4	
Rentals		1,417	
Travel		2,982	

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Landfill Operation and Maintenance (Cont.)

Disposal Fees	\$	240,656	
Crushed Stone		19,910	
Data Processing Supplies		3,177	
Diesel Fuel		7,662	
Equipment and Machinery Parts		3,093	
Gasoline		721	
Lubricants		539	
Small Tools		467	
Uniforms		1,991	
Utilities		4,856	
Other Supplies and Materials		2,171	
Total Landfill Operation and Maintenance			\$ 1,369,052

Postclosure Care Costs

Consultants	\$	170,475	
Contracts with Private Agencies		126,030	
Engineering Services		34,161	
Contracts for Postclosure Care Costs		141,403	
Fertilizer, Lime, and Seed		625	
Testing		12,939	
Other Supplies and Materials		91	
Total Postclosure Care Costs			485,724

Other OperationsEmployee Benefits

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

Miscellaneous

Building and Contents Insurance	\$	3,346	
Judgments		11,000	
Liability Insurance		7,119	
Trustee's Commission		45,748	
Total Miscellaneous			67,213

Total Solid Waste/Sanitation Fund \$ 4,447,511

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

County Official/Administrative Officer	\$	98,317	
Supervisor/Director		1,332,676	
Accountants/Bookkeepers		211,077	
Paraprofessionals		4,098,968	
Dispatchers/Radio Operators		445,152	
Maintenance Personnel		32,827	
Part-time Personnel		530,000	

(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.)

Longevity Pay	\$	33,925
Overtime Pay		413,734
In-service Training		24,670
Social Security		430,544
Pensions		706,428
Employee and Dependent Insurance		1,153,014
Disability Insurance		8,550
Employer Medicare		100,692
Communication		95,745
Contracts with Private Agencies		80,439
Evaluation and Testing		2,753
Maintenance and Repair Services - Buildings		36,401
Maintenance and Repair Services - Vehicles		121,491
Medical and Dental Services		13,100
Pest Control		5,712
Postal Charges		643
Printing, Stationery, and Forms		1,335
Travel		2,476
Other Contracted Services		368,306
Custodial Supplies		11,026
Data Processing Supplies		9,189
Drugs and Medical Supplies		316,272
Gasoline		161,630
Instructional Supplies and Materials		5,972
Office Supplies		10,631
Uniforms		61,792
Utilities		95,009
Other Supplies and Materials		33,732
Judgments		30,000
Refunds		49,512
Trustee's Commission		170,259
Workers' Compensation Insurance		50,000
In Service/Staff Development		1,134
Other Charges		76,890
Building Improvements		22,658
Communication Equipment		8,762
Data Processing Equipment		60,783
Motor Vehicles		547,540
Office Equipment		8,040
Health Equipment		277,233
Total Ambulance/Emergency Medical Services		<u>\$ 12,357,039</u>

Total Ambulance Service Fund

\$ 12,357,039

(Continued)

Exhibit L-9

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

Industrial/Economic Development FundOther OperationsIndustrial Development

Contributions	\$ 96,500	
Trustee's Commission	865	
Total Industrial Development		\$ 97,365

Payments to Cities

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

Total Industrial/Economic Development Fund \$ 114,395

Special Purpose FundPublic SafetySheriff's Department

Confidential Drug Enforcement Payments	\$ 25,000	
Law Enforcement Equipment	34,091	
Total Sheriff's Department		\$ 59,091

Total Special Purpose Fund 59,091

Drug Control FundPublic SafetyDrug Enforcement

In-service Training	\$ 14,904	
Confidential Drug Enforcement Payments	225,000	
Maintenance and Repair Services - Vehicles	14,852	
Law Enforcement Supplies	337	
Other Supplies and Materials	13,361	
Trustee's Commission	6,148	
Building Construction	5,003	
Building Improvements	1,038	
Data Processing Equipment	30,562	
Law Enforcement Equipment	37,885	
Motor Vehicles	81,905	
Total Drug Enforcement		\$ 430,995

Total Drug Control Fund 430,995

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$ 692,048	
Total Register of Deeds		\$ 692,048

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 443,764	
Total County Trustee's Office		443,764

(Continued)

Exhibit L-9

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

Constitutional Officers - Fees Fund (Cont.)Finance (Cont.)County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 1,666,363	
Total County Clerk's Office		\$ 1,666,363

Administration of JusticeCircuit Court

Constitutional Officers' Operating Expenses	\$ 1,928,851	
Total Circuit Court		<u>1,928,851</u>

Total Constitutional Officers - Fees Fund		\$ 4,731,026
---	--	--------------

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 127,078	
Assistant(s)	62,942	
Secretary(ies)	99,849	
Longevity Pay	2,075	
Board and Committee Members Fees	24,300	
Social Security	18,745	
Pensions	31,121	
Employee and Dependent Insurance	57,272	
Disability Insurance	505	
Employer Medicare	4,438	
Communication	5,001	
Dues and Memberships	7,030	
Janitorial Services	7,575	
Legal Notices, Recording, and Court Costs	1,120	
Postal Charges	792	
Printing, Stationery, and Forms	1,326	
Travel	240	
Drugs and Medical Supplies	287	
Electricity	21,289	
Natural Gas	6,455	
Office Supplies	1,877	
Water and Sewer	8,313	
Building and Contents Insurance	7,352	
Liability Insurance	59,270	
Trustee's Commission	107,946	
Other Charges	11,710	
Office Equipment	<u>3,833</u>	
Total Administration		\$ 679,741

Highway and Bridge Maintenance

Foremen	\$ 320,407
Equipment Operators	1,061,024
Truck Drivers	217,195
Longevity Pay	12,300

(Continued)

Exhibit L-9

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

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

Overtime Pay	\$	10,495	
Social Security		94,217	
Pensions		172,844	
Employee and Dependent Insurance		476,371	
Disability Insurance		2,946	
Employer Medicare		22,034	
Engineering Services		19,584	
Other Contracted Services		122,840	
Asphalt		2,997,809	
Crushed Stone		42,341	
General Construction Materials		4,991	
Pipe - Metal		28,960	
Road Signs		34,697	
Salt		59,940	
Uniforms		17,723	
Total Highway and Bridge Maintenance			\$ 5,718,718

Operation and Maintenance of Equipment

Foremen	\$	52,680	
Mechanic(s)		210,462	
Laborers		73,159	
Longevity Pay		2,700	
Overtime Pay		3,144	
Social Security		20,279	
Pensions		36,473	
Employee and Dependent Insurance		73,092	
Disability Insurance		619	
Employer Medicare		4,743	
Maintenance and Repair Services - Equipment		67,839	
Other Contracted Services		23,959	
Diesel Fuel		142,157	
Equipment and Machinery Parts		139,622	
Garage Supplies		5,932	
Gasoline		36,883	
Lubricants		14,289	
Tires and Tubes		56,716	
Other Supplies and Materials		14,189	
Total Operation and Maintenance of Equipment			978,937

Other Charges

Assistant(s)	\$	53,703	
Salary Supplements		10,000	
Foremen		50,743	
Equipment Operators		102,997	
Secretary(ies)		46,073	
Longevity Pay		1,350	
Overtime Pay		352	

(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.)

In-service Training	\$	4,076	
Social Security		15,266	
Pensions		28,272	
Employee and Dependent Insurance		79,568	
Disability Insurance		466	
Employer Medicare		3,570	
Communication		1,265	
Legal Notices, Recording, and Court Costs		17	
Maintenance and Repair Services - Equipment		13,615	
Printing, Stationery, and Forms		382	
Travel		2,183	
Other Contracted Services		5,964	
Data Processing Supplies		611	
Diesel Fuel		3,508	
Equipment and Machinery Parts		4,325	
Gasoline		2,045	
General Construction Materials		1,815	
Tires and Tubes		514	
Other Supplies and Materials		911	
Other Equipment		43,491	
Total Other Charges			\$ 477,082

Employee Benefits

Other Fringe Benefits	\$	128,366	
Workers' Compensation Insurance		58,085	
Total Employee Benefits			186,451

Capital Outlay

Bridge Construction	\$	1,302,645	
Building Improvements		2,936	
Highway Equipment		715,173	
State Aid Projects		824,860	
Total Capital Outlay			2,845,614

Total Highway/Public Works Fund \$ 10,886,543

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	936,966	
Other Debt Service		9,838	
Total Other General Administration			\$ 946,804

Principal on DebtGeneral Government

Principal on Bonds	\$	3,715,595	
Total General Government			3,715,595

(Continued)

Exhibit L-9

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

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

Principal on Bonds	\$ 24,464,405	
Principal on Notes	71,424	
Principal on Capital Leases	212,661	
Principal on Other Loans	109,992	
Total Education		\$ 24,858,482

Interest on DebtGeneral Government

Interest on Bonds	\$ 2,956,621	
Total General Government		2,956,621

Education

Interest on Bonds	\$ 11,198,044	
Interest on Capital Leases	26,900	
Interest on Other Loans	3,104	
Total Education		11,228,048

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 175,699	
Other Debt Issuance Charges	175,601	
Total General Government		351,300

Education

Underwriter's Discount	\$ 141,392	
Other Debt Issuance Charges	227,880	
Other Debt Service	2,950,923	
Total Education		3,320,195

Total General Debt Service Fund \$ 47,377,045

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Building and Contents Insurance	\$ 345	
Building Construction	797,746	
Total General Administration Projects		\$ 798,091

Administration of Justice Projects

Architects	\$ 657,415	
Consultants	89,127	
Contracts with Government Agencies	18,907	
Legal Services	2,988	
Other Contracted Services	199,822	
Building Construction	40,198,620	
Total Administration of Justice Projects		41,166,879

(Continued)

Exhibit L-9

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Safety Projects</u>			
Communication Equipment	\$	19,488	
Total Public Safety Projects		\$	19,488
<u>Public Health and Welfare Projects</u>			
Furniture and Fixtures	\$	3,812	
Total Public Health and Welfare Projects			<u>3,812</u>
Total General Capital Projects Fund			\$ 41,988,270
<u>Education Capital Projects Fund</u>			
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Other Loans	\$	2,920	
Total Education		\$	2,920
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	45,965,998	
Total Education Capital Projects			<u>45,965,998</u>
Total Education Capital Projects Fund			<u>45,968,918</u>
Total Governmental Funds - Primary Government			<u>\$ 259,791,809</u>

Exhibit L-10

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2017

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 117,965,411	
Career Ladder Program	304,063	
Educational Assistants	4,168,923	
Other Salaries and Wages	1,225,742	
Social Security	7,404,739	
Pensions	11,199,118	
Life Insurance	72,349	
Medical Insurance	21,108,310	
Unemployment Compensation	3,014	
Employer Medicare	1,733,568	
Other Fringe Benefits	228,767	
Maintenance and Repair Services - Equipment	760	
Contracts for Substitute Teachers - Certified	544,314	
Contracts for Substitute Teachers - Non-certified	1,467,101	
Other Contracted Services	77,125	
Instructional Supplies and Materials	2,514,690	
Textbooks - Bound	1,224,159	
Software	413,844	
Other Supplies and Materials	60,926	
Fee Waivers	62,902	
Other Charges	360,040	
Regular Instruction Equipment	1,625,187	
Total Regular Instruction Program		\$ 173,765,052

Alternative Instruction Program

Teachers	\$ 1,396,737	
Career Ladder Program	7,388	
Educational Assistants	109,083	
Social Security	90,941	
Pensions	138,482	
Life Insurance	918	
Medical Insurance	262,350	
Employer Medicare	21,268	
Other Fringe Benefits	2,814	
Contracts for Substitute Teachers - Certified	5,600	
Contracts for Substitute Teachers - Non-certified	15,498	
Other Contracted Services	220	
Instructional Supplies and Materials	28,247	
Other Supplies and Materials	946	
Other Equipment	570	
Total Alternative Instruction Program		2,081,062

Special Education Program

Teachers	\$ 11,408,447	
Career Ladder Program	44,894	
Educational Assistants	4,405,981	

(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.)

Speech Pathologist	\$	1,536,836	
Other Salaries and Wages		206,561	
Social Security		1,040,390	
Pensions		1,655,589	
Life Insurance		14,213	
Medical Insurance		3,895,358	
Unemployment Compensation		10,930	
Employer Medicare		244,074	
Other Fringe Benefits		34,076	
Contracts for Substitute Teachers - Certified		97,033	
Contracts for Substitute Teachers - Non-certified		307,285	
Other Contracted Services		1,405,497	
Instructional Supplies and Materials		111,121	
Textbooks - Bound		66,063	
Other Supplies and Materials		31,011	
Other Charges		1,230	
Special Education Equipment		42,004	
Total Special Education Program			\$ 26,558,593

Career and Technical Education Program

Teachers	\$	8,838,683	
Career Ladder Program		14,522	
Clerical Personnel		200,732	
Social Security		538,660	
Pensions		821,216	
Life Insurance		4,930	
Medical Insurance		1,610,277	
Employer Medicare		126,311	
Other Fringe Benefits		16,667	
Maintenance and Repair Services - Equipment		43,219	
Contracts for Substitute Teachers - Certified		65,963	
Contracts for Substitute Teachers - Non-certified		209,283	
Other Contracted Services		77,488	
Instructional Supplies and Materials		233,825	
T&I Construction Materials		9,591	
Textbooks - Bound		156,558	
Other Supplies and Materials		68,293	
Vocational Instruction Equipment		62,020	
Total Career and Technical Education Program			13,098,238

Adult Education Program

Other Supplies and Materials	\$	1,406	
Total Adult Education Program			1,406

(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 ServicesAttendance

Supervisor/Director	\$	93,849	
Career Ladder Program		4,100	
Social Workers		262,677	
Clerical Personnel		87,013	
Other Salaries and Wages		60,853	
Social Security		27,454	
Pensions		43,355	
Life Insurance		196	
Medical Insurance		57,676	
Employer Medicare		7,224	
Other Fringe Benefits		824	
Travel		3,108	
Other Contracted Services		88,971	
Other Supplies and Materials		9,463	
In Service/Staff Development		4,460	
Attendance Equipment		4,508	
Total Attendance			\$ 755,731

Health Services

Supervisor/Director	\$	132,595	
Medical Personnel		2,489,103	
Other Salaries and Wages		433,665	
Social Security		184,284	
Pensions		303,734	
Life Insurance		1,621	
Medical Insurance		412,897	
Employer Medicare		43,099	
Other Fringe Benefits		5,352	
Travel		13,663	
Other Contracted Services		2,084	
Drugs and Medical Supplies		11,392	
Other Supplies and Materials		37,159	
In Service/Staff Development		4,846	
Health Equipment		190,575	
Total Health Services			4,266,069

Other Student Support

Career Ladder Program	\$	20,935	
Guidance Personnel		4,786,868	
Career Ladder Extended Contracts		2,000	
Social Workers		46,265	
Clerical Personnel		265,061	
Other Salaries and Wages		607,200	
Social Security		341,535	
Pensions		518,941	
Life Insurance		3,116	

(Continued)

Exhibit L-10

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

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

Medical Insurance	\$	898,157	
Employer Medicare		80,446	
Other Fringe Benefits		10,540	
Contracts with Government Agencies		293,141	
Evaluation and Testing		268,096	
Travel		7,621	
Contracts for Substitute Teachers - Certified		10,967	
Contracts for Substitute Teachers - Non-certified		29,377	
Other Contracted Services		190,356	
Other Supplies and Materials		12,388	
In Service/Staff Development		8,457	
Other Equipment		7,532	
Total Other Student Support			\$ 8,408,999

Regular Instruction Program

Supervisor/Director	\$	760,669	
Career Ladder Program		44,040	
Career Ladder Extended Contracts		2,000	
Librarians		2,985,663	
Materials Supervisor		49,115	
Instructional Computer Personnel		2,073,934	
Secretary(ies)		84,109	
Clerical Personnel		84,766	
Educational Assistants		623,889	
Other Salaries and Wages		1,124,682	
In-service Training		9,598	
Social Security		470,298	
Pensions		708,624	
Life Insurance		4,107	
Medical Insurance		1,257,676	
Employer Medicare		110,381	
Other Fringe Benefits		14,311	
Travel		54,099	
Contracts for Substitute Teachers - Certified		7,506	
Contracts for Substitute Teachers - Non-certified		28,810	
Other Contracted Services		61,112	
Library Books/Media		152,204	
Other Supplies and Materials		49,467	
In Service/Staff Development		105,496	
Other Equipment		11,751	
Total Regular Instruction Program			10,878,307

Alternative Instruction Program

Supervisor/Director	\$	180,203	
Career Ladder Program		5,500	
Guidance Personnel		113,809	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Support Services (Cont.)Alternative Instruction Program (Cont.)

Librarians	\$	53,178	
Clerical Personnel		56,551	
Other Salaries and Wages		278,829	
Social Security		41,282	
Pensions		64,029	
Life Insurance		336	
Medical Insurance		97,945	
Employer Medicare		9,655	
Other Fringe Benefits		1,224	
Contracts for Substitute Teachers - Certified		297	
Contracts for Substitute Teachers - Non-certified		378	
Other Contracted Services		75	
Library Books/Media		263	
Other Supplies and Materials		2,901	
In Service/Staff Development		194	
Other Equipment		17,450	
Total Alternative Instruction Program			\$ 924,099

Special Education Program

Supervisor/Director	\$	100,393	
Career Ladder Program		9,700	
Psychological Personnel		572,098	
Career Ladder Extended Contracts		2,000	
Clerical Personnel		75,043	
Other Salaries and Wages		188,554	
In-service Training		300	
Social Security		57,105	
Pensions		86,333	
Life Insurance		424	
Medical Insurance		135,563	
Employer Medicare		13,355	
Other Fringe Benefits		1,719	
Travel		57,180	
Other Contracted Services		30,348	
Other Supplies and Materials		113,379	
In Service/Staff Development		3,341	
Other Charges		7,294	
Other Equipment		11,686	
Total Special Education Program			1,465,815

Career and Technical Education Program

Supervisor/Director	\$	89,207	
Other Salaries and Wages		77,144	
Social Security		9,838	
Pensions		15,038	
Life Insurance		56	

(Continued)

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.)

Career and Technical Education Program (Cont.)

Medical Insurance	\$	33,707	
Employer Medicare		2,301	
Other Fringe Benefits		307	
Travel		18,350	
Other Supplies and Materials		3,460	
In Service/Staff Development		18,882	
Total Career and Technical Education Program			\$ 268,290

Technology

Supervisor/Director	\$	91,797	
Computer Programmer(s)		1,101,337	
Clerical Personnel		37,447	
Other Salaries and Wages		158,882	
Social Security		84,107	
Pensions		148,117	
Life Insurance		673	
Medical Insurance		198,810	
Employer Medicare		19,670	
Other Fringe Benefits		2,570	
Maintenance and Repair Services - Equipment		6,719	
Internet Connectivity		161,125	
Travel		7,256	
Other Contracted Services		171,391	
Cabling		151,384	
Software		267,783	
Other Supplies and Materials		162,911	
In Service/Staff Development		2,167	
Other Equipment		423,883	
Total Technology			3,198,029

Adult Programs

Supervisor/Director	\$	86,900	
Clerical Personnel		39,401	
Social Security		7,776	
Pensions		12,056	
Life Insurance		56	
Medical Insurance		6,282	
Unemployment Compensation		6,354	
Employer Medicare		1,818	
Other Fringe Benefits		233	
Total Adult Programs			160,876

Board of Education

Secretary to Board	\$	133,765	
Board and Committee Members Fees		78,060	
Social Security		12,805	

(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.)

Pensions	\$	14,171	
Life Insurance		41	
Medical Insurance		2,468,561	
Unemployment Compensation		219	
Employer Medicare		2,995	
Other Fringe Benefits		246	
Audit Services		47,164	
Dues and Memberships		10,505	
Legal Services		545,997	
Other Contracted Services		7,202	
Liability Insurance		425,977	
Trustee's Commission		2,398,795	
Workers' Compensation Insurance		526,381	
In Service/Staff Development		32,040	
Criminal Investigation of Applicants - TBI		29,420	
Administration Equipment		3,550	
Total Board of Education			\$ 6,737,894

Director of Schools

County Official/Administrative Officer	\$	152,761	
Secretary(ies)		41,205	
Other Salaries and Wages		286,533	
Social Security		26,978	
Pensions		48,746	
Life Insurance		182	
Medical Insurance		66,183	
Employer Medicare		6,736	
Other Fringe Benefits		815	
Communication		96,189	
Dues and Memberships		9,850	
Postal Charges		25,377	
Travel		3,019	
Other Contracted Services		34,652	
Other Supplies and Materials		7,734	
In Service/Staff Development		15,906	
Other Charges		37,890	
Administration Equipment		7,177	
Total Director of Schools			867,933

Office of the Principal

Principals	\$	4,082,084	
Career Ladder Program		55,000	
Accountants/Bookkeepers		1,099,646	
Career Ladder Extended Contracts		16,000	
Assistant Principals		5,539,985	
Secretary(ies)		1,217,231	

(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.)

Clerical Personnel	\$	1,527,537	
Social Security		808,029	
Pensions		1,277,122	
Life Insurance		7,391	
Medical Insurance		2,441,046	
Unemployment Compensation		259	
Employer Medicare		189,257	
Other Fringe Benefits		24,382	
Communication		189,358	
Dues and Memberships		54,570	
Contracts for Substitute Teachers - Certified		2,432	
Contracts for Substitute Teachers - Non-certified		13,892	
Other Contracted Services		144,161	
Office Supplies		8,464	
Other Supplies and Materials		26,499	
Other Charges		211,527	
Administration Equipment		52,942	
Total Office of the Principal			\$ 18,988,814

Fiscal Services

Supervisor/Director	\$	291,251	
Accountants/Bookkeepers		316,160	
Purchasing Personnel		102,457	
Social Security		42,805	
Pensions		75,672	
Life Insurance		377	
Medical Insurance		114,324	
Employer Medicare		10,011	
Other Fringe Benefits		1,290	
Travel		1,022	
Other Contracted Services		2,281	
Office Supplies		18,695	
Other Supplies and Materials		839	
In Service/Staff Development		4,922	
Administration Equipment		2,647	
Total Fiscal Services			984,753

Human Services/Personnel

Supervisor/Director	\$	132,489	
Clerical Personnel		76,513	
Other Salaries and Wages		130,386	
Social Security		20,385	
Pensions		30,806	
Life Insurance		140	
Medical Insurance		63,780	
Employer Medicare		4,767	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Other Fringe Benefits	\$	574	
Travel		1,163	
Other Contracted Services		77,709	
Other Supplies and Materials		2,471	
In Service/Staff Development		1,607	
Administration Equipment		2,332	
Total Human Services/Personnel			\$ 545,122

Operation of Plant

Custodial Personnel	\$	6,556,371	
Other Salaries and Wages		105,021	
Social Security		394,286	
Pensions		661,982	
Life Insurance		6,260	
Medical Insurance		1,621,016	
Unemployment Compensation		4,910	
Employer Medicare		92,787	
Other Fringe Benefits		11,462	
Maintenance and Repair Services - Equipment		2,431	
Other Contracted Services		691,364	
Custodial Supplies		778,676	
Electricity		9,118,041	
Natural Gas		908,297	
Water and Sewer		1,296,637	
Other Supplies and Materials		92,324	
Building and Contents Insurance		360,000	
Other Charges		11,248	
Plant Operation Equipment		148,889	
Total Operation of Plant			22,862,002

Maintenance of Plant

Supervisor/Director	\$	456,352	
Secretary(ies)		131,005	
Maintenance Personnel		2,332,547	
Social Security		173,463	
Pensions		309,727	
Life Insurance		1,745	
Medical Insurance		651,009	
Employer Medicare		40,567	
Other Fringe Benefits		5,326	
Laundry Service		18,070	
Maintenance and Repair Services - Buildings		886,393	
Maintenance and Repair Services - Equipment		844,801	
Travel		801	
Other Contracted Services		573,725	
Other Supplies and Materials		770,643	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Vehicle and Equipment Insurance	\$	68,000	
In Service/Staff Development		9,883	
Other Charges		4,528	
Maintenance Equipment		120,824	
Total Maintenance of Plant			\$ 7,399,409

Transportation

Supervisor/Director	\$	78,967	
Clerical Personnel		146,480	
Attendants		434,814	
Other Salaries and Wages		43,047	
Social Security		40,327	
Pensions		64,149	
Life Insurance		637	
Medical Insurance		176,633	
Employer Medicare		9,655	
Other Fringe Benefits		1,183	
Contracts with Private Agencies		494,460	
Contracts with Vehicle Owners		15,082,332	
Travel		65	
Other Contracted Services		218,202	
Other Supplies and Materials		12,432	
Vehicle and Equipment Insurance		80,000	
In Service/Staff Development		8,916	
Other Charges		24,777	
Administration Equipment		2,497	
Transportation Equipment		63,851	
Total Transportation			16,983,424

Central and Other

Data Processing Services	\$	35,009	
Data Processing Supplies		1,368	
Other Supplies and Materials		2,695	
Data Processing Equipment		1,467	
Other Equipment		2,626	
Total Central and Other			43,165

Operation of Non-Instructional Services

Community Services

Other Charges	\$	33,168	
Total Community Services			33,168

Early Childhood Education

Teachers	\$	1,339,812	
Career Ladder Program		7,000	
Educational Assistants		549,296	

(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.)

Social Security	\$	112,564	
Pensions		180,238	
Life Insurance		1,555	
Medical Insurance		422,176	
Employer Medicare		26,325	
Other Fringe Benefits		3,730	
Travel		482	
Contracts for Substitute Teachers - Certified		8,963	
Contracts for Substitute Teachers - Non-certified		27,677	
Other Contracted Services		2,190	
Food Supplies		4,961	
Instructional Supplies and Materials		35,774	
Other Supplies and Materials		2,028	
In Service/Staff Development		8,504	
Other Equipment		3,621	
Total Early Childhood Education			\$ 2,736,896

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	23,881	
Other Capital Outlay		9,298	
Total Regular Capital Outlay			33,179

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	424,081	
Total Education			424,081

Total General Purpose School Fund \$ 324,470,406

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	1,842	
Teachers		2,063,075	
Educational Assistants		414,389	
Social Security		148,823	
Pensions		230,337	
Life Insurance		1,635	
Medical Insurance		480,363	
Employer Medicare		34,996	
Other Fringe Benefits		4,635	
Contracts for Substitute Teachers - Certified		16,230	
Contracts for Substitute Teachers - Non-certified		84,879	
Other Contracted Services		25,189	
Instructional Supplies and Materials		102,983	

(Continued)

Exhibit L-10

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	261,937	
Other Charges		2,550	
Regular Instruction Equipment		269,483	
Total Regular Instruction Program			\$ 4,143,346

Special Education Program

Teachers	\$	1,032,878	
Educational Assistants		1,307,786	
Speech Pathologist		103,093	
Other Salaries and Wages		93,529	
Social Security		148,665	
Pensions		250,429	
Life Insurance		2,638	
Medical Insurance		732,190	
Employer Medicare		34,769	
Other Fringe Benefits		5,185	
Contracts for Substitute Teachers - Certified		4,686	
Contracts for Substitute Teachers - Non-certified		6,848	
Other Contracted Services		324,004	
Instructional Supplies and Materials		10,245	
Other Supplies and Materials		16,850	
Total Special Education Program			4,073,795

Career and Technical Education Program

Other Supplies and Materials	\$	66,588	
Vocational Instruction Equipment		527,384	
Total Career and Technical Education Program			593,972

Support ServicesHealth Services

Other Salaries and Wages	\$	191,310	
Social Security		11,578	
Pensions		20,394	
Life Insurance		84	
Medical Insurance		25,986	
Employer Medicare		2,708	
Other Fringe Benefits		354	
Total Health Services			252,414

Other Student Support

Social Workers	\$	489,402	
Other Salaries and Wages		71,626	
Social Security		33,567	
Pensions		49,970	
Life Insurance		274	
Medical Insurance		84,379	

(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	\$	7,850	
Other Fringe Benefits		1,006	
Travel		43,549	
Other Contracted Services		24,496	
Other Supplies and Materials		112,459	
In Service/Staff Development		32,864	
Other Charges		55,000	
Total Other Student Support			\$ 1,006,442

Regular Instruction Program

Supervisor/Director	\$	96,340	
Secretary(ies)		49,946	
Other Salaries and Wages		271,284	
In-service Training		39,850	
Social Security		26,656	
Pensions		38,742	
Life Insurance		168	
Medical Insurance		58,006	
Employer Medicare		6,432	
Other Fringe Benefits		724	
Travel		4,820	
Food Supplies		170	
Other Supplies and Materials		3,064	
In Service/Staff Development		853,912	
Other Equipment		1,130	
Total Regular Instruction Program			1,451,244

Special Education Program

Psychological Personnel	\$	684,289	
Other Salaries and Wages		464,447	
Social Security		68,504	
Pensions		103,895	
Life Insurance		470	
Medical Insurance		162,574	
Employer Medicare		16,021	
Other Fringe Benefits		2,103	
Other Contracted Services		17,400	
Other Supplies and Materials		16,909	
In Service/Staff Development		112,463	
Other Charges		2,221	
Total Special Education Program			1,651,296

Career and Technical Education Program

Travel	\$	204	
Other Supplies and Materials		1,124	
In Service/Staff Development		5,658	
Other Equipment		3,876	
Total Career and Technical Education Program			10,862

(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	\$	185,557	
Social Security		10,722	
Pensions		18,702	
Life Insurance		242	
Medical Insurance		67,448	
Employer Medicare		2,508	
Other Fringe Benefits		352	
Contracts with Parents		1,825	
Contracts with Vehicle Owners		9,235	
Maintenance and Repair Services - Vehicles		2,090	
Gasoline		1,828	
Total Transportation			\$ 300,509

Total School Federal Projects Fund \$ 13,483,880

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	\$	155,151	
Accountants/Bookkeepers		85,667	
Cafeteria Personnel		6,408,986	
Other Salaries and Wages		195,047	
Social Security		411,216	
Pensions		331,301	
Life Insurance		3,941	
Medical Insurance		1,076,844	
Unemployment Compensation		11,101	
Employer Medicare		96,347	
Other Fringe Benefits		6,600	
Maintenance and Repair Services - Equipment		107,557	
Transportation - Other than Students		86,507	
Travel		14,299	
Other Contracted Services		334,217	
Food Preparation Supplies		735,553	
Food Supplies		6,911,578	
Office Supplies		29,667	
Uniforms		7,049	
USDA - Commodities		559,513	
Other Supplies and Materials		207,300	
In Service/Staff Development		27,710	
Food Service Equipment		232,378	
Total Food Service			18,035,529

Total Central Cafeteria Fund 18,101,558

(Continued)

Exhibit L-10

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

<u>Education Capital Projects Fund</u>			
<u>Support Services</u>			
<u>Board of Education</u>			
Trustee's Commission	\$	83,624	
Total Board of Education			\$ 83,624
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Maintenance and Repair Services - Buildings	\$	2,612,043	
Total Education Capital Projects			<u>2,612,043</u>
Total Education Capital Projects Fund			\$ 2,695,667
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	3,300,919	
Contributions		2,282,799	
Engineering Services		170,399	
Building Construction		30,224,842	
Building Improvements		1,783,877	
Furniture and Fixtures		377,472	
Regular Instruction Equipment		1,010,709	
Site Development		12,068,915	
Other Equipment		26,167	
Other Capital Outlay		9,119	
Total Education Capital Projects			<u>\$ 51,255,218</u>
Total Other Capital Projects Fund			<u>51,255,218</u>
Total Governmental Funds - Rutherford County School Department			<u>\$ 410,006,729</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, 2017

	Cities - Sales Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 12,991,285	\$ 12,991,285
Trustee's Collections - Prior Years	0	147,444	147,444
Circuit/Clerk and Master Collections - Prior Years	0	83,654	83,654
Interest and Penalty	0	33,535	33,535
Pick-up Taxes	0	15,251	15,251
Payments in-Lieu-of Taxes - T.V.A.	0	1,089	1,089
Payments in-Lieu-of Taxes - Local Utilities	0	163,820	163,820
Local Option Sales Tax	64,503,971	10,277,623	74,781,594
Wheel Tax	0	689,805	689,805
Business Tax	0	395,721	395,721
Interstate Telecommunications Tax	0	3,347	3,347
Marriage Licenses	0	2,329	2,329
Total Cash Receipts	<u>\$ 64,503,971</u>	<u>\$ 24,804,903</u>	<u>\$ 89,308,874</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 63,858,931	\$ 24,488,663	\$ 88,347,594
Trustee's Commission	645,040	380,050	1,025,090
Total Cash Disbursements	<u>\$ 64,503,971</u>	<u>\$ 24,868,713</u>	<u>\$ 89,372,684</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (63,810)	\$ (63,810)
Cash Balance, July 1, 2016	0	224,476	224,476
Cash Balance, June 30, 2017	<u>\$ 0</u>	<u>\$ 160,666</u>	<u>\$ 160,666</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	285-296
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	297-301
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	302-303
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	304-305
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	306-308

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>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>2017</u>
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental activities										
Net investment in capital assets	\$ 183,690	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	\$ 210,959	\$ 212,340	\$ 215,139	\$ 222,753	\$ 203,279
Restricted for:										
Capital Projects	7,674	2,071	403	3,650	3,251	1,858	2,568	1,064	2,630	27,160
Debt Service	30,879	32,067	34,939	-	-	-	2,909	2,895	2,861	2,711
General	-	-	-	-	588	407	379	426	490	542
Finance	-	-	-	-	22	22	36	71	97	131
Admin. of Justice	-	-	-	-	951	860	1,052	1,034	1,013	658
Public Safety	-	-	-	1,576	1,092	1,013	951	1,230	1,112	1,386
Public Health & Welfare	-	-	-	-	99	54	126	241	71	123
Ambulance Service	-	-	5,216	-	-	-	-	-	-	-
Highways/Public Works	6,924	6,823	6,579	1,351	-	-	-	-	-	-
Solid Waste/Sanitation	4,091	4,166	4,257	-	-	-	-	-	-	-
Industrial/Economic Development	871	581	760	-	-	-	-	-	-	-
Drug Control	1,199	1,138	880	709	-	-	-	-	-	-
Adequate Facilities/Development Tax	4,340	4,269	-	-	-	-	-	-	-	-
District Attorney	-	210	241	286	-	-	-	-	-	-
Alcohol and Drug Treatment	-	139	-	-	-	-	-	-	-	-
Litigation Tax - Jail, Workhouse, or Courthouse	820	1,412	2,124	-	-	-	-	-	-	-
Victims Assistance Programs	-	169	229	281	-	-	-	-	-	-
Computer System - Register	-	647	691	589	-	-	-	-	-	-
Other Purposes	1,187	46	112	61	-	-	-	5,239	5,717	1,132
Unrestricted (2)	(267,988)	(325,800)	(300,698)	(225,824)	(255,927)	(230,810)	(228,754)	(235,427)	(204,313)	(206,887)
Total Governmental Activities Net Position	\$ (26,313)	\$ (76,400)	\$ (42,805)	\$ (15,467)	\$ (42,468)	\$ (15,637)	\$ (8,393)	\$ (8,088)	\$ 32,431	\$ 30,235
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental activities										
Net investment in capital assets	\$ 361,986	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	\$ 430,779	\$ 432,042	\$ 430,627	\$ 438,406	\$ 471,814
Restricted for:										
Capital Projects	14,976	46,795	10,924	1,482	30,143	4,288	13,720	34,697	15,110	29,878
Education	-	-	-	292	-	-	-	-	8,981	6,164
Textbooks	-	-	-	-	-	-	-	-	-	-
Advances to Other	1,569	-	-	-	-	-	-	-	-	-
School Federal Projects	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	244	25	-	-	10	117	240	7,453	-	-
Unrestricted	14,475	(226)	(2,383)	(8,963)	(13,787)	(22,095)	(30,149)	(73,349)	(48,641)	(42,317)
Total Governmental Activities Net Position	\$ 396,794	\$ 434,605	\$ 424,041	\$ 403,565	\$ 436,528	\$ 418,058	\$ 419,942	\$ 403,699	\$ 413,856	\$ 465,539

Notes:

- (1) Rutherford County Government does not engage in any business-type activities.
- (2) Rutherford County Board of Education is not part of the Primary Government, but is reflected as a component unit. The primary government is responsible for the debt issued to finance construction/improvement of education facilities; however, the physical structures are considered assets of the component unit.
- (3) GASB Statement 54 was implemented for the fiscal year ended June 30, 2011, which affects the comparability of restricted net position in prior periods.
- (4) GASB Statement 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)

	<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>2017</u>
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ 9,451	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038	\$ 16,706	\$ 18,668	\$ 17,083	\$ 17,666	\$ 20,667
Finance	5,889	6,989	7,366	7,748	8,387	8,450	8,960	8,314	8,193	9,927
Administration of Justice	4,760	6,496	6,844	6,659	6,854	7,668	7,571	7,491	8,108	10,043
Public Safety	32,701	39,703	38,545	39,080	41,151	43,798	46,244	45,705	48,198	50,725
Public Health & Welfare	16,622	17,927	17,768	18,458	19,369	19,958	20,089	19,704	19,650	21,775
Social, Cultural & Rec. Services	1,380	2,458	2,786	1,838	2,112	2,264	2,267	2,307	2,687	2,802
Agriculture & Natural Resources	724	864	1,036	1,085	1,141	1,092	1,167	1,388	1,171	1,268
Other Operations (Note 2)	6,876	13,523	-	-	-	-	-	-	-	-
Highways/Public Works	14,437	14,529	16,925	9,264	11,206	10,474	12,246	12,038	8,885	12,683
Education (Pymts to Comp. Unit)	62,793	99,547	33,085	35,351	89,448	42,373	67,262	84,906	52,801	98,912
Interest on Long-Term Debt	16,447	16,221	17,064	13,850	15,177	14,840	13,998	14,203	13,124	10,924
Other Debt Service	154	-	-	-	-	323	-	-	-	-
Total Governmental activities expenses	\$ 172,234	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883	\$ 167,946	\$ 198,472	\$ 213,139	\$ 180,483	\$ 239,726
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 4,206	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699	\$ 4,185	\$ 4,146	\$ 4,215	\$ 4,546	\$ 4,884
Finance	6,483	6,695	6,759	7,158	7,454	7,727	8,032	8,505	9,431	10,093
Administration of Justice	6,243	5,723	6,145	5,803	6,400	6,584	6,397	5,861	6,422	6,520
Public Safety	3,473	5,222	3,621	2,643	4,910	5,961	4,218	4,489	7,208	5,290
Public Health & Welfare	6,866	7,900	8,024	8,335	10,091	9,173	10,144	10,489	11,892	12,354
Social, Cultural & Rec. Services	1	58	-	1	1	1	-	-	-	-
Agriculture & Natural Resources	-	19	-	23	41	38	80	99	265	297
Other Operations	-	82	-	-	-	-	-	-	-	-
Highways/Public Works	128	104	76	-	69	47	45	-	155	121
Education	34,080	34,122	37,070	40,077	38,887	41,164	50,718	52,276	48,584	51,218
Operating Grants and Contributions	7,158	6,950	8,161	9,591	8,591	7,822	7,628	9,705	8,505	9,277
Capital grants and Contributions	5,050	13,745	14,707	1,936	1,770	2,732	4,274	3,053	3,900	5,170
Total Governmental activities program revenues	\$ 73,688	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913	\$ 85,434	\$ 95,682	\$ 98,692	\$ 100,908	\$ 105,224

(Continued)

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>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>2017</u>
Net (expense)/Revenue Governmental Activities	\$ (98,546)	\$ (142,304)	\$ (66,688)	\$ (72,370)	\$ (128,970)	\$ (82,512)	\$ (102,790)	\$ (114,447)	\$ (79,575)	\$ (134,502)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 24,852	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132	\$ 41,259	\$ 45,676	\$ 46,711	\$ 47,850	\$ 48,000
Property tax levied for debt services	33,151	38,072	39,729	37,780	36,077	36,121	36,193	36,958	37,883	43,240
Payments in Lieu of Taxes	6,188	6,526	5,535	7,084	6,751	14,346	8,356	7,778	8,380	8,399
Local Option Sales Tax	4,767	2,037	2,035	1,671	1,583	2,189	2,454	3,463	4,141	4,252
Hotel/Motel Tax	986	932	951	1,067	1,216	1,400	1,550	1,708	2,061	4,248
Wheel Tax	5,707	5,701	5,696	5,729	5,860	5,999	6,180	6,449	6,684	6,988
Business Tax	1,385	1,269	1,424	1,709	1,824	2,189	2,155	2,454	2,455	2,739
Mixed Drink Tax	-	-	-	-	-	-	-	17	17	10
Litigation Tax	1,062	1,863	2,242	2,232	2,423	2,449	2,424	2,080	2,092	3,191
Development Tax	3,960	2,579	1,395	865	2,051	3,210	3,719	3,353	5,189	6,196
Mineral Severance Tax	-	359	232	220	257	249	328	346	433	478
Bank Excise Tax	-	-	-	77	68	86	136	152	283	461
Wholesale Beer Tax	-	861	837	811	825	832	883	969	1,064	1,089
Interstate Telecommunications Tax	-	2	1	1	5	7	8	8	7	6
Other Local Taxes	1,492	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	1,073	892	655	618	1,351	648	1,903	820	863	1,173
Investment earnings	5,671	2,603	1,218	654	407	311	197	319	609	1,712
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	130	264	119	63	140	241	190	96	83	124
Total Governmental activities	\$ 90,424	\$ 91,388	\$ 98,462	\$ 99,774	\$ 101,970	\$ 111,536	\$ 112,352	\$ 113,681	\$ 120,094	\$ 132,306
Change in Net Position	\$ (8,122)	\$ (50,916)	\$ 31,774	\$ 27,404	\$ (27,000)	\$ 29,024	\$ 9,562	\$ (766)	\$ 40,519	\$ (2,196)

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>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>2017</u>
EXPENSES (Note 1)										
Governmental activities:										
Education										
Instruction	\$ 155,377	\$ 177,210	\$ 177,407	\$ 195,749	\$ 192,333	\$ 201,313	\$ 215,249	\$ 203,109	\$ 214,997	\$ 223,312
Support Services	94,371	107,541	95,279	106,283	104,722	108,466	109,528	115,090	115,179	128,038
Operation of Non-instructional Services	14,510	13,763	15,857	17,093	19,011	18,593	19,573	18,330	19,263	20,886
Interest on Long-term Debt	120	100	79	65	68	62	-	-	-	-
Total Governmental activities expenses	\$ 264,378	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134	\$ 328,434	\$ 344,350	\$ 336,529	\$ 349,439	\$ 372,236
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$ 6,489	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760	\$ 6,684	\$ 6,967	\$ 6,514	\$ 6,769	\$ 7,274
Operating Grants and Contributions	21,131	20,249	29,948	31,830	28,696	24,158	26,724	22,834	23,459	25,072
Capital grants and Contributions	36,322	71,724	-	803	48,267	-	277	97	605	-
Total Governmental activities program revenues	\$ 63,942	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723	\$ 30,842	\$ 33,968	\$ 29,445	\$ 30,833	\$ 32,346
Net (expense)/Revenue Governmental Activities	\$ (200,436)	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)	\$ (297,592)	\$ (310,382)	\$ (307,084)	\$ (318,606)	\$ (339,890)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 50,464	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080	\$ 61,721	\$ 65,551	\$ 66,830	\$ 79,584	\$ 79,769
Payments in-Lieu-of Taxes	650	734	828	841	871	890	-	941	987	935
Local Option Sales Tax	37,195	36,185	35,408	37,871	40,662	43,798	46,243	50,348	54,870	59,370
Wheel Tax	3,202	3,215	3,214	3,255	3,320	3,430	3,538	3,654	3,787	3,965
Business Tax	1,227	1,077	1,120	1,360	1,442	1,750	1,726	1,960	2,272	2,395
Mixed Drink Tax	-	-	-	-	-	-	1,048	492	403	424
Interstate Telecommunications Tax	20	19	13	10	14	19	23	22	19	19
Other local taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	132,260	139,098	140,711	154,124	157,772	167,392	195,538	212,588	186,632	244,215
Investment earnings	1,396	731	327	185	108	89	63	73	157	401
Gain on disposal of capital assets	514	-	-	-	-	-	-	-	-	-
Pension Income	-	-	-	-	-	-	-	231	-	-
Miscellaneous	360	143	197	145	105	45	46	30	51	80
Total Governmental activities	\$ 227,288	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374	\$ 279,134	\$ 313,776	\$ 337,169	\$ 328,762	\$ 391,573
Change in Net Position	\$ 26,852	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963	\$ (18,458)	\$ 3,394	\$ 30,085	\$ 10,156	\$ 51,683

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
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
2017	48,000	43,240	8,399	4,252	4,248	6,988	2,739	10	3,191	6,196	478	1,089	461	6	-	129,297

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	Total
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
2017	79,769	935	59,370	3,965	2,395	424	19	146,877

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

Table 4

	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016	(Note 1) 2017
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ -	\$ 43	\$ 46	\$ 34	\$ 24	\$ 41	\$ 29	\$ 42
Reserved	2,700	2,983	4,013	-	-	-	-	-	-	-
Restricted										
General Government	-	-	-	589	588	407	379	426	490	542
Finance	-	-	-	11	22	21	36	71	97	131
Admin of Justice	-	-	-	419	636	861	1,052	1,034	1,013	658
Public Safety	-	-	-	1,629	428	116	72	246	11	85
Public Health & Welfare	-	-	-	-	99	46	126	212	71	116
Other Operations	-	-	-	32	-	-	-	-	-	-
Capital Projects	-	-	-	2,980	1,742	1,858	2,030	1,636	2,630	2,839
Committed										
General Government	-	-	-	155	471	132	183	105	422	662
Finance	-	-	-	51	129	102	255	233	454	237
Admin of Justice	-	-	-	5	-	1	3	5	252	21
Public Safety	-	-	-	524	315	401	341	381	969	479
Public Health & Welfare	-	-	-	291	94	81	96	102	132	136
Agriculture & Natural Resources	-	-	-	229	208	211	248	231	292	412
Other Operations	-	-	-	20	7	2	-	-	4	2
Assigned for Other Purposes	-	-	-	2,210	3,838	3,443	1,471	6,351	6,159	8,089
Unassigned	-	-	-	14,524	14,687	16,332	19,532	20,017	23,625	24,267
Unreserved	17,025	12,794	18,694	-	-	-	-	-	-	-
Total General Fund	<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>	<u>\$ 38,718</u>
All Other Governmental Funds										
Reserved	\$ 1,220	\$ 2,944	\$ 2,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Admin of Justice	-	-	-	286	314	-	-	-	-	-
Public Safety	-	-	-	709	664	897	878	984	1,101	1,301
Public Health & Welfare	-	-	-	669	-	8	-	29	-	6
Highways/Public Works	-	-	-	1,351	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	2,909	2,895	2,861	2,711
Capital Projects	-	-	-	-	5,750	3,149	7,026	5,975	-	24,321
Committed										
Public Health & Welfare	-	-	-	29	20	-	-	-	-	-
Highways/Public Works	-	-	-	-	1,780	1,640	1,831	1,992	2,125	2,228
Capital Projects	-	-	-	741	-	-	-	-	-	-
Debt Service	-	-	-	-	1,821	1,821	1,821	1,821	1,821	1,821
Assigned										
General Government	-	-	-	-	-	-	-	-	256	181
Finance	-	-	-	110	110	110	110	125	672	650
Admin of Justice	-	-	-	173	246	72	230	81	125	304
Public Health & Welfare	-	-	-	7,402	8,681	10,325	8,800	9,068	10,650	11,635
Other Operations	-	-	-	715	1,268	1,049	479	275	201	127
Highways/Public Works	-	-	-	5,507	5,532	6,680	7,391	8,441	10,301	11,332
Debt Service	-	-	-	35,734	33,994	33,329	33,979	33,646	33,903	41,009
Unassigned	-	-	-	-	-	-	-	-	(3,332)	-
Unreserved, reported in:										
Special revenue funds	17,753	17,581	14,376	-	-	-	-	-	-	-
Debt Service	30,705	32,182	33,214	-	-	-	-	-	-	-
Capital projects funds	9,084	1,020	196	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 97,626</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)

	2008	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016	(Note 1) 2017
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 1,732	\$ 1,216	\$ 3,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable: Prepaid Items	-	-	-	-	-	16	4	5	6	4
Restricted	-	-	-	797	266	233	240	352	-	-
For Education	-	-	-	-	-	-	-	-	414	430
For Capital Projects	-	-	-	-	-	-	-	-	120	34
Committed	-	-	-	11	-	-	-	-	-	-
Assigned	-	-	-	6,873	9,253	11,996	12,275	12,183	7,868	9,763
Unassigned	-	-	-	12,641	14,890	15,266	15,189	17,330	33,493	32,688
Unreserved	11,396	10,948	16,318	-	-	-	-	-	-	-
Total General Purpose School Fund	<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>	<u>\$ 42,919</u>
All other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ -	\$ 249	\$ 200	\$ 233	\$ 294	\$ 193	\$ 180	\$ 224
Reserved	23,167	37,366	8,409	-	-	-	-	-	-	-
Restricted										
Education	-	-	-	4,989	5,348	4,853	4,089	4,271	4,339	4,348
Capital projects	-	-	-	1,482	30,144	4,287	13,719	34,697	14,990	29,844
Committed										
Education	-	-	-	1,000	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	(7,787)	10,049	3,549	-	-	-	-	-	-	-
Total all other School Funds	<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>	<u>\$ 35,416</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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,352	\$ 112,660	\$ 118,102	\$ 129,425
Licenses & Permits	1,688	1,263	1,295	1,276	1,421	1,643	1,702	1,923	2,224	2,513
Fines & Forfeitures	2,875	2,724	2,490	2,479	2,531	3,051	2,723	2,691	2,743	2,395
Charges for Service	12,283	11,998	12,511	10,856	11,750	11,564	12,410	12,852	15,658	16,778
Other Local Revenue	7,069	3,588	2,667	1,880	3,215	1,680	1,842	2,073	2,309	3,399
Fees from Co. Officials	7,147	6,559	6,621	9,407 (1)	10,232 (1)	10,904 (1)	10,254 (1)	10,603 (1)	9,938 (2)	10,740 (2)
State Revenues	11,382	10,518	9,162	9,856	11,259	11,529	10,160	11,566	12,441	13,114
Federal Revenues	432	602	1,297	1,817	2,080	1,836	1,657	1,823	1,556	1,289
Other Govt/Citizens	508	3,559	2,299	1,045	887	2,157	2,669	2,171	1,084	1,443
Total revenues	<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>	<u>\$ 181,096</u>
Expenditures										
General Government	\$ 7,492	\$ 7,333	\$ 7,090	\$ 7,943 (1)	\$ 8,757 (1)	\$ 9,754 (1)	\$ 9,446 (1)	\$ 9,270 (1)	\$ 9,421 (2)	\$ 10,453 (2)
Finance	6,876	6,968	7,065	7,437 (1)	7,993 (1)	8,439 (1)	8,987 (1)	9,335 (1)	8,900 (2)	9,892 (2)
Admin. Of Justice	6,206	6,311	6,487	6,700	6,803	7,674	7,906	7,808	8,229	10,208
Public Safety	34,455	35,961	35,072	37,477	41,091	42,411	46,708	47,955	49,929	51,332
Public Health/Welfare	16,656	15,843	15,867	16,639	17,387	17,460	19,579	18,928	19,589	21,409
Social, Cultural/Rec.	1,381	1,418	1,422	1,476	2,112	2,264	2,267	2,307	2,687	2,802
Agriculture & Natural	772	755	780	874	964	908	980	1,030	999	1,092
Other Operations	6,913	7,088	8,535	7,540	5,288	5,439	7,071	5,621	6,213	7,330
Highway & Bridge	8,928	7,688	7,811	7,395	8,659	7,850	7,690	8,622	7,684	10,887
Debt Service:										
Principal	24,515	22,670	22,375	31,935	23,115	30,177	44,430	27,906	29,017	28,574
Interest	16,341	16,441	17,815	14,277	15,339	14,587	14,119	13,693	13,739	14,188
Other charges	349	432	-	858	504	7,662	317	9,282	-	3,671
Capital Projects	54,019	85,202	4,709	1,062	52,130	4,853	22,181	39,639	9,358	87,954
	<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>	<u>\$ 259,792</u>
Excess of revenues over (under) expenditures	<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>	<u>\$ (78,696)</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.

(Continued)

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

Table 5

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other financing sources (uses)										
Transfers in	\$ 6,509	\$ 3,238	\$ 6,413	\$ 1,873	\$ 3,749	\$ 1,209	\$ 1,132	\$ 1,304	\$ 1,064	\$ 2,554
Transfers out	(6,130)	(2,843)	(5,997)	(1,389)	(3,254)	(678)	(566)	(748)	(514)	(1,962)
Insurance Recovery	-	100	12	49	14	253	43	48	71	64
Capital Lease Issued	-	-	-	-	-	947	-	341	-	-
Bond proceeds	42,700	41,325	-	-	49,259	-	24,270	33,864	-	101,000
Note proceeds	-	31,000	-	-	-	-	-	-	-	-
Other Loans Issued	-	-	-	-	-	-	-	-	-	2,163
Refunding Debt Issued	-	-	-	-	20,021	65,700	18,600	30,526	-	25,640
Proceeds on refunded bonds	-	-	-	140,275	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(153,003)	(21,420)	(60,420)	-	(25,730)	-	(27,320)
Premiums on Debt Issued	473	3,408	-	20,355	4,557	5,402	2,608	8,549	-	15,567
Sale of Capital Assets	47	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 43,599	\$ 76,228	\$ 428	\$ 8,160	\$ 52,926	\$ 12,413	\$ 46,087	\$ 48,154	\$ 621	\$ 117,706
 Net change in fund balances	 \$ (14,261)	 \$ (8,983)	 \$ 1,796	 \$ 4,017	 \$ 6,351	 \$ (47)	 \$ 8,175	 \$ 5,120	 \$ 911	 \$ 39,010
 Debt Service as a percentage of noncapital expenditures	 25.1%	 19.2%	 30.9%	 33.2%	 21.1%	 29.0%	 31.6%	 21.3%	 28.1%	 20.1%
Capital Expenditures	\$ 22,426	\$ 10,514	\$ 4,924	\$ 2,299	\$ 7,583	\$ 5,048	\$ 6,314	\$ 6,268	\$ 13,551	\$ 46,623

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Property Tax & PILOT	\$ 63,949	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212	\$ 84,076	\$ 90,540	\$ 91,753	\$ 93,712	\$ 99,664
Sales Tax	4,762	2,296	2,016	1,814	1,452	2,157	2,428	3,370	4,106	4,355
Hotel/Motel Tax	986	932	951	1,067	1,216	1,400	1,551	1,709	2,061	4,248
Wheel Tax	5,707	5,701	5,695	5,729	5,860	5,999	6,180	6,449	6,684	6,989
Litigation Tax	1,062	1,863	2,242	2,231	2,422	2,449	2,424	2,080	2,092	3,191
Business Tax	1,385	1,269	1,424	1,709	1,824	2,189	2,155	2,454	2,455	2,739
Mixed Drink Tax	-	-	-	-	-	-	-	17	17	9
Mineral Severance	642	359	232	221	257	249	328	346	433	478
Development Tax	3,960	2,579	1,395	866	2,051	3,210	3,719	3,353	5,188	6,196
Bank Excise Tax	307	342	219	77	68	86	135	152	283	461
Wholesale Beer Tax	845	861	837	811	825	832	883	969	1,064	1,089
Other Statutory Tax	54	14	8	1	5	7	8	8	7	6
	\$ 83,659	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,351	\$ 112,660	\$ 118,102	\$ 129,425

Table 5a

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 92,476	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961	\$ 123,915	\$ 141,531	\$ 146,700
Licenses & Permits	15	11	11	12	12	11	12	13	12	14
Charges for Service	6,428	7,111	6,594	6,591	6,702	6,595	6,844	6,466	6,661	7,183
Other Local Revenue	6,584	1,255	743	518	432	317	407	326	607	715
State Revenues	133,203	140,433	144,467	153,732	156,628	165,852	177,327	175,350	184,802	200,020
Federal Revenues	15,593	17,784	24,958	32,939	29,669	25,586	26,193	24,265	25,541	25,861
Other Govt/Citizens	35,322	71,724	-	-	48,257	947	17,755	35,625	-	45,406
Total revenues	<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>	<u>\$ 425,899</u>
Expenditures										
Education										
Instruction	\$ 155,364	\$ 161,908	\$ 167,761	\$ 186,041	\$ 183,565	\$ 192,389	\$ 206,228	\$ 206,071	\$ 219,513	\$ 224,316
Support Services	76,848	82,531	82,355	89,164	90,621	92,795	99,697	100,128	103,746	110,561
Operational Services	13,970	14,089	15,070	17,602	18,696	18,745	20,152	18,418	19,327	20,806
Capital Outlay	666	38	124	2	-	35	74	41	49	33
Debt Service										
Principal	561	581	601	673	933	-	-	-	-	-
Interest	129	109	89	73	75	-	-	-	-	-
Other Debt Service	-	-	-	13	-	1,124	550	550	510	424
Capital Projects	46,557	43,803	38,137	13,724	23,020	29,265	11,900	17,531	23,635	53,867
	<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>	<u>\$ 410,007</u>
Excess of revenues over (under) expenditures	<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>	<u>\$ 15,892</u>
Other financing sources (uses)										
Transfers in	\$ 7,433	\$ 1,836	\$ 724	\$ 907	\$ 244	\$ 278	\$ 847	\$ 223	\$ 148	\$ 19,307
Transfers out	(7,433)	(1,836)	(724)	(907)	(244)	(278)	(847)	(223)	(148)	(19,307)
Insurance Recovery	1	-	-	4	-	100	29	-	3	34
Note proceeds	-	-	-	1,609	-	-	-	-	-	-
Capital Leases Issued	-	-	-	-	514	-	-	-	-	-
Sale of Capital Assets	562	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	<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>	<u>\$ 34</u>
Net change in fund balances	<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>	<u>\$ 15,926</u>
Debt Service as a percentage of noncapital expenditures	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.2%	0.2%	0.1%	0.1%
Capital expenditures	\$ 38,735	\$ 30,257	\$ 30,607	\$ 8,243	\$ 21,028	\$ 26,066	\$ 14,800	\$ 14,800	\$ 21,388	\$ 47,181

(Continued)

Table 5a

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Property Tax & PILOT	\$ 50,971	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093	\$ 62,966	\$ 66,656	\$ 67,812	\$ 80,435	\$ 80,870
Sales Tax	37,056	36,381	35,359	37,676	40,313	43,563	45,970	49,976	54,616	59,027
Wheel Tax	3,202	3,215	3,214	3,255	3,321	3,430	3,538	3,654	3,787	3,965
Business Tax	1,227	1,077	1,120	1,360	1,442	1,750	1,726	1,960	2,272	2,395
Mixed Drink Tax	-	-	-	-	-	-	1,048	492	402	424
Other Statutory Tax	20	19	13	11	14	19	23	22	19	19
	<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>	<u>\$ 146,700</u>

Table 6

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

Fiscal Year Ending June 30	Tax Year	Tax Rate	Real Property		Personal Property		Public Utilities		Equalization Ratio	Total		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
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	2.6800	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%
2017	2016	2.6800	23,465,756,790	6,214,946,839	1,634,689,379	446,605,834	458,944,060	200,329,082	100.00%	25,559,390,229	6,861,881,755	26.85%

Sources: Trustee Tax Rolls, Assessor Geographic Tax Rolls, Public Service Commission, Comptroller's Tax Aggregate Report

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	
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
2017	2016	0.6982	1.3535	0.6283	2.6800	0.1490	2.4870	7.20%	1.2066	0.8840	0.9500	0.7282	6.4488

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 attend 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 sy

(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 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, 2017

Taxpayer	Type of Business	2016			Percentage of Total Taxes Levied (2)	2007			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2016 Tax Liability		Rank	Assessed Valuation	2007 Tax Liability	
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 607,123,982	\$ 5,513,365	3.00%	1	\$ 313,079,154	\$ 4,224,396 (1)	3.55%
Middle Tennessee Electric Public Utility-Electric Company		2	71,253,457	1,909,593	1.04%	2	48,359,616	1,179,974	0.99%
Pillsbury Co./General Mills Bakery Goods		3	76,184,753	1,869,967	1.02%	3	46,960,229	1,069,564	0.90%
Heins Global Reit Retail Mall (The Avenues)		4	56,739,680	1,520,964	0.83%				
Prologis Real Estate Development		5	47,808,120	1,281,258	0.70%				
Bridgestone Tire Maker		6	39,819,878	1,067,173	0.58%	4	43,504,763	1,061,517	0.89%
Swanson Development Commerical Properties		7	34,869,776	931,510	0.51%				
HCA Health Services Stone Crest Medical Center		8	23,854,530	639,302	0.35%	7	20,074,024	489,806	0.41%
Atmos Public Utility		9	19,273,974	516,542	0.28%				
CH Realty (formerly Southpark, Nashville, LLC) Warehousing						5	29,708,680	724,891	0.61%
BellSouth Public Utility-Telephone Co.		10	18,923,186	507,141	0.28%	6	23,391,989	570,765	0.48%
Ozburn Hessey Storage Co. Warehousing						8	18,071,960	440,956	0.37%
Transwestern Stones River Shopping Mall (Stones River Mall)						9	16,044,160	391,478	0.33%
Tennes/Mahle Retail						10	19,752,656	481,965	0.40%
					8.58%				
									8.94%

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 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, 2017

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
2007	\$	119,023,978	\$ 113,890,715	95.69%	\$ 5,040,373	\$ 118,931,088	99.92%	\$ 92,890	0.08%
2008		131,273,518	125,819,556	95.85%	5,343,882	131,163,438	99.92%	110,080	0.08%
2009		147,086,182	140,414,404	95.46%	6,441,048	146,855,452	99.84%	230,730	0.16%
2010		149,180,338	142,559,175	95.56%	6,432,339	148,991,514	99.87%	188,824	0.13%
2011		149,526,088	143,397,179	95.90%	5,973,474	149,370,653	99.90%	155,435	0.10%
2012		149,938,381	145,139,838	96.80%	4,628,580	149,768,418	99.89%	169,963	0.11%
2013		157,643,335	153,702,248	97.50%	3,697,694	157,399,942	99.85%	243,393	0.15%
2014		160,554,547	157,029,432	97.80%	3,251,124	160,280,556	99.83%	273,991	0.17%
2015		177,329,882	173,966,599	98.10%	2,774,205	176,740,804	99.67%	589,078	0.33%
2016		183,684,656	180,789,656	98.42%	(1)	180,789,656	98.42%	2,895,000	1.58%

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.

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
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
2017	2016	2,027,809,763	684,509,281		6,097,602

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 11 companies in 2016-2017. Nissan represents approximately 83.6% of the total estimated assessed values of properties under PILOTs and paid 75.73% 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.

Table 11

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

Fiscal Year	(3) General Bonded Debt		Less: Amounts Available in Debt Service Funds		Net Bonded Debt (3)		Assessed Value		% of Net Bonded Debt to Assessed Value	(1) Population	Bonded Debt per Capita	% of Bonded Debt to Total Personal Income (2)	Net Bonded Debt per Capita	% of Net Bonded Debt to Total Personal Income (2)
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%
2017		403,664,903		0		403,664,903		6,602,290,907	6.11%	308,251	1,310	3.59%	1,310	3.59%

Sources: 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 2017, 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, 2017

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded De	\$ 402,480,000		
County School District of Rutherford (Notes)	617,857		
County School District of Rutherford (Cap. Lease)	567,046		
County School District of Rutherford (Drawdown)	1,494,622		
Less: General Debt Service Funds (2)	<u>(41,008,544)</u>		
Total Direct Debt	\$ 364,150,981	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 233,289,980	45.44%	47.46%
Town of Smyrna	14,544,185	15.67%	16.52%
City of LaVergne	15,594,680	11.42%	11.85%
City of Eagleville	<u>244,647</u>	0.25%	0.24%
Total Overlapping Debt	<u>263,673,492</u>		
Total Direct and Overlapping Debt	<u>\$ 627,824,473</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
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%
2017	308,251	37,654	11,244,031,000	32.9	43,850	3.7%

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 2016-2017.

Table 14

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

Employer	2017			2008		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	8,500	1	5.25%	5,700	1	4.60%
Rutherford County Government & Board of Education	6,220	2	3.84%	4,223	2	3.41%
City of Murfreesboro & Board of Education	2,182	3	1.35%	1,088	9	0.88%
Middle Tennessee State University	2,132	4	1.32%	3,000	3	2.42%
Ingram Book Company	1,807	5	1.12%	1,658	5	1.34%
Alvin C. York Veterans Administration Medical Center	1,745	6	1.08%	1,150	7	0.93%
State Farm Insurance	1,650	7	1.02%	1,550	6	1.25%
Amazon Fulfillment Center	1,400	8	0.87%			
St. Thomas Rutherford	1,315	9	0.81%			
Bridgestone/Firestone, Inc.	1,007	10	0.62%	1,800	4	1.45%
Assurion				1,088	8	0.88%
Verizon				1,083	10	0.87%
Total			<u>17.28%</u>			<u>18.03%</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>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>2017</u>
Function:										
General Government	79	81	79	80	79	82	81	82	83	87
Finance	89	88	90	90	91	90	91	91	88	90
Justice	85	89	89	88	90	92	94	94	116	133
Public Safety	478	504	501	504	505	504	518	528	534	580
Health & Welfare	218	217	217	216	216	214	215	218	221	222
Agriculture	8	8	8	7	8	8	7	7	5	5
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	77	77	70	72	64	64	64	64	60	65
Total	1,037	1,067	1,057	1,060	1,056	1,057	1,073	1,087	1,110	1,185
COMPONENT UNIT:										
Education	3,987	4,129	4,332	4,555	4,609	4,681	4,841	4,912	4,981	5,095

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

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>General Government</u>										
Registered Voters (1)	132,477	141,090	144,150	142,856	148,849	149,445	153,131	151,276	158,899	158,723
Building Permits Issued										
Single Family Homes	623	314	388	305	410	582	581	638	634	739
All other permits	2,235	1,646	1,549	1,445	1,620	1,837	1,868	2,016	2,189	2,625
<u>Public Safety</u>										
Number of warrants										
State - Issued	N/A	N/A	N/A	13,436	13,568	14,200	14,707	15,557	14,708	14,227
State - Served	12,140	12,215	12,012	12,722	12,484	12,755	13,469	13,626	11,513	10,670
Civil - Issued	N/A	N/A	N/A	19,394	19,902	19,576	19,750	19,804	19,526	18,663
Civil - Served	19,101	19,966	19,795	19,069	19,054	19,273	19,240	19,542	12,108	12,308
Rural Fire - Call Volume	N/A	N/A	N/A	1,306	1,748	1,960	2,170	2,683	2,738	3,747
<u>Public Health</u>										
Ambulance- Call Volume	19,378	18,600	19,724	22,119	24,331	24,877	26,015	28,700	31,433	34,920
Response Time -avg. minutes	7.83	8.02	7.70	7.60	7.60	7.80	7.80	8.00	8.00	7.90
Animal Control										
Requests for service	16,415	16,824	16,539	14,328	15,920	16,430	18,628	18,707	18,681	18,837
Animals Impounded	9,193	9,220	8,616	8,208	8,403	7,982	7,740	6,876	6,949	6,701
Animals Adopted	2,457	2,009	2,010	1,658	1,471	1,701	1,754	1,939	2,516	3,104
<u>Road & Bridge</u>										
Street Resurfaced (miles)	62.3	54.4	57.4	55.9	56.2	37.9	52.3	35.1	36.5	48.1
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	110.9	105.7	106.3	103.8	104.1	100.3	123.0	113.1	120.8	112.4
Recyclables Collected	7.5	8.1	8.3	12.4	14.9	15.0	14.1	13.6	11.3	24.9
Tires Collected	N/A	N/A	N/A	N/A	N/A	N/A	8.8	13.7	9.8	10.1

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

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

(1) - The Election Commission purged 11,000 records in June 2017.

Table 17

Rutherford County, Tennessee
Capital Assets by Function

FUNCTION	<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>2017</u>
Highways and Streets										
Number of Streets in System	1,962	2,004	2,034	2,039	2,039	2,071	2,108	2,150	2,200	2,246
Number of Miles	956	959	964	965	963	967	976	971	973	980
Number of Bridges	163	163	164	165	165	166	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	12	12	12	12	12	12	12	12	12	12
Number of ambulance units	24	24	25	25	25	25	27	29	28	32
Sanitation/Landfill										
Number of SW trucks	16	16	16	17	17	19	19	17	18	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	3,988	4,129	4,332	4,555	4,609	4,681	4,841	4,912	4,981	5,095
Elementary Schools	23	23	24	24	24	24	24	24	24	24
Middle Schools	8	9	9	10	10	10	10	10	10	10
High Schools	7	7	7	7	7	7	8	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	1

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

SINGLE AUDIT SECTION



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

**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, 2017, 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, 2017. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

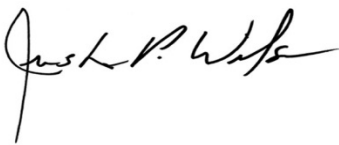
Compliance and Other Matters

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*.

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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 14, 2017

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, 2017. 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, 2017.

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.

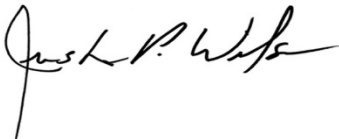
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2017, 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, 2017, 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, 2017

JPW/yu

Rutherford County, Tennessee, and the Rutherford County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2017

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: (4)			
School Breakfast Program	10.553	(3)	\$ 2,336,280
National School Lunch Program	10.555	(3)	8,131,253 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	559,513 (5)
Total U.S. Department of Agriculture			<u>\$ 11,027,046</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	\$ 170,970
Total U.S. Department of Housing and Urban Development			<u>\$ 170,970</u>
U.S. Department of Justice:			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 4,312
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	66,108
Equitable Sharing Program	16.922	N/A	149,272
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	(6)	89,234
Passed-through City of Murfreesboro:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-1085	31,749
Total U.S. Department of Justice			<u>\$ 340,675</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-16-GHS303	\$ 4,675
Alcohol Open Container Requirements	20.607	154AL-16-56	65,707
Total U.S. Department of Transportation			<u>\$ 70,382</u>
U.S. Department of Education:			
Passed-through Tennessee Alliance for Children and Families:			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	(3)	\$ 106,137
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	(3)	5,017,314
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	(3)	7,579,287
Special Education - Preschool Grants	84.173	(3)	75,994
Career and Technical Education - Basic Grants to States	84.048	(3)	682,019
Education for Homeless Children and Youth	84.196	(3)	156,428
English Language Acquisition Grants	84.365	(3)	221,958
Improving Teacher Quality State Grants	84.367	(3)	527,210
Total U.S. Department of Education			<u>\$ 14,366,347</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	34513-83814	\$ 28,624
Child Care Development Block Grant - Read to be Ready Summer Grant	93.575		17,490
Total U.S. Department of Health and Human Services			<u>\$ 46,114</u>

(Continued)

Rutherford County, Tennessee, and the Rutherford County School Department
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 Homeland Security:			
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	\$ 159,273
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-30715	29,946
Emergency Management Performance Grants	97.042	34101-17216	69,350
Assistance to Firefighters Grant	97.044	N/A	135,586
Homeland Security Grant Program	97.067	34101-21115	75,868
Total U.S. Department of Homeland Security			<u>\$ 470,023</u>
Total Expenditures of Federal Awards			<u>\$ 26,491,557</u>
		Contract Number	
<u>State Grants</u>			
Juvenile Court Prevention - State Department of Children Services	N/A	35910-20625	\$ 439,721
Rural Local Health Services - State Department of Health	N/A	GG-16-47123-00	1,882,313
Tennessee Certified Recovery Court Program - State Department of Finance and Administration	N/A	50217	107,499
Tennessee Veterans Treatment Court Initiative (TVTCI) - Tennessee Department of Mental Health and Substance Abuse Services	N/A	52069	70,000
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29989	9,000
Community Early Intervention Services - State Dept. of Children Services	N/A	34910-20605	38,864
Law Enforcement Training - State Department of Public Safety	N/A	(2)	141,000
Low Cost Sterilization of Dogs and Cats - State Department of Health	N/A	34339-08313	3,900
Litter Grant - State Department of Transportation	N/A	Z-15-LIT075	92,820
Recycling Program - State Department of Environment and Conservation	N/A	(2)	31,697
Early Childhood Education - State Department of Education	N/A	(2)	1,176,118
Read to be Ready - State Department of Education	N/A	(2)	4,886
Student Ticket Subsidy (STS) Grant - Tennessee Arts Commission	N/A	(2)	1,020
Coordinated School Health - State Department of Education	N/A	(2)	180,000
Safe Schools - State Department of Education	N/A	(2)	202,880
Total State Grants			<u>\$ 4,381,718</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) Child Nutrition Cluster total \$11,027,046. Special Education Cluster total \$7,655,281.
(5) Total for CFDA No. 10.555 is \$8,690,766.
(6) 26694: \$45,413; 26707: \$43,821.

Rutherford County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

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 Comprehensive Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2017.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
----------------	----------------	-------------------	------------------	----------------	----------------

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2016	316-317	2016-001	The office had accounting software deficiencies	N/A	Corrected
------	---------	----------	---	-----	-----------

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, 2017

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? **NO**
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: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$794,747**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings and recommendations, as a result of our audit of the financial statements of Rutherford County, Tennessee.

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, 2017.

Rutherford County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2017

The audit of Rutherford County did not report any findings and recommendations. Therefore, no management responses are 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).

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.