

COMPREHENSIVE ANNUAL FINANCIAL REPORT

RUTHERFORD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
RUTHERFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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RUTHERFORD COUNTY, TENNESSEE

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

RUTHERFORD COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Rutherford County, Tennessee
For the Year Ended June 30, 2018

Scope

We have audited the basic financial statements of Rutherford County as of and for the year ended June 30, 2018.

Results

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

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

Findings

The following is a summary of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ An Emergency Medical Service Department employee is currently under investigation.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ A cash shortage of \$200 existed in the Office of Circuit, General Sessions, and Juvenile Courts Clerk at June 30, 2018.

INTRODUCTORY SECTION



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

LETTER OF TRANSMITTAL

November 30, 2018

To the Honorable Bill Ketron, 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, 2018, 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, 2018, 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, 2018, 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 317,157 per the 2017 Census estimate which is 23.4% above the 2010 Census and 74.2% above the 2000 Census.

Our largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Adient, 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.

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. TrustPoint 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.

In April 2017, **Topre America** announced their plan to expand their operations at its manufacturing facility in Smyrna with an investment of approximately \$38.2 million and expectation to create 35 new jobs. They later announced in February 2018, a second expansion with an investment of \$37.8 million and the creation of 50 jobs. Topre America provides automotive stamping and body structure assemblies for Nissan, Honda and Toyota.

In April, 2018 **i3 Verticals**, an integrated payment and software solutions company, announced their plan to expand its Middle Tennessee operations by establishing a new facility in Murfreesboro. They expect to invest approximately \$500,000 and to create 42 new jobs in Rutherford County.

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 2018, Rutherford County had a labor force of 176,680 with 170,850 employed resulting in a 3.3 percent unemployment rate. Based on the unemployment data reported by the U.S. Department of Labor for June 2018, Rutherford County's unemployment rate was below both the state's average of 3.5 percent and the national average of 4.0 percent. These rates are lower than the June 2017 rates, which were reported as 3.4 percent for the county, 4.2 percent for the state, and 4.5 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 2018 when this revenue component increased 4.78 percent over the prior year to \$61.8 million. Rutherford County Board of Education depends on the education component of the local option sales tax to provide 16.79 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. School enrollment increased by 918 students (2% growth) from the prior year and has increased by 8,354 students (22.9% growth) in the past decade. 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 2016-2017 fiscal year, the Board of Education requested funding to build an annex to Oakland Middle School, to renovate David Youree Elementary School, to 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 approved these projects and funding was obtained in the 2017-2018 fiscal year. As the year progressed, the Board of Education requested funding for another elementary school to be built near Rocky Fork Middle School. Rockvale High School and Rocky Fork Elementary are scheduled to open August 2019. 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 four 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. To evaluate the situation, representatives from the county and cities of Murfreesboro, Eagleville, LaVergne and Town of Smyrna participated in a Solid Waste Advisory/Steering Council (SWAC) organized by the County and City of Murfreesboro. The GBB Project Team conducted a planning and public decision-making process that reviewed 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. In February, 2018 at its final meeting, the SWAC endorsed the organizational option of creating a solid waste management authority under the Tennessee Solid Waste Authority Act of 1991. At the same meeting the SWAC recommended the solid waste authority pursue two management options. The first being a plan to extend the available time for disposing of waste at the Middle Point landfill, delaying closure and the loss of economic benefits (referred to as Middle Point 2.0). The second was the idea to develop two transfer stations in the county allowing waste and recyclable to be consolidated and better marketed for disposal or processing (referred to as Max-Flex system). In April 2018, the Rutherford County Commission dismissed the recommendation for Middle Point 2.0 and tabled a decision regarding the recommendation for the creation of an Authority, but requested additional information regarding the Max-Flex system.

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 included the Judicial Building located on the square, Annex, Goldstein Building, Historic Health Department, Historic Courthouse, 309 West Main and 319 N. Maple Street. The goal was to include the best and highest use of the property not needed for office space. In February 2018, Property Management Committee voted on a plan that included the following: renovating the Judicial Center, Historic Health Department and the Goldstein Building; selling the Annex and Coin Buildings adjacent to Judicial Center; purchasing a building for Recovery Courts and creating a satellite office for the clerk. An additional phase in this scenario addresses an outlook of space needed beyond the five years of the current study and includes a two-story expansion at the 319 N. Maple building with a parking garage. Keeping ownership of the old Judicial Center and Goldstein Building would allow the County to control the outcome of these buildings and presence on the Square. Implementation of the plan will take several years to complete.

Long-term Financial Planning and Relevant Financial Policies

In addition to the initial construction costs for the above-named facilities, Rutherford County will incur significant additional recurring costs to staff, operate, and maintain the new facilities. The commissioners are aware of the significance of the additional costs and will prepare the operating budgets accordingly.

On June 26, 2018, the County Commission agreed to use nearly \$7.4 million of the unassigned fund balance to fund the General Fund operations for the 2018-2019 fiscal year. After the assignment, as of June 30, 2018, the unassigned fund balance in the General Fund totaled \$31.2 million, which was 32.5 percent of the 2017-2018 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, 2017. 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 23 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 more prominent.

Lisa A. Nolen, CPA, CGFM
Finance Director



Government Finance Officers Association

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Achievement
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**Rutherford County
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

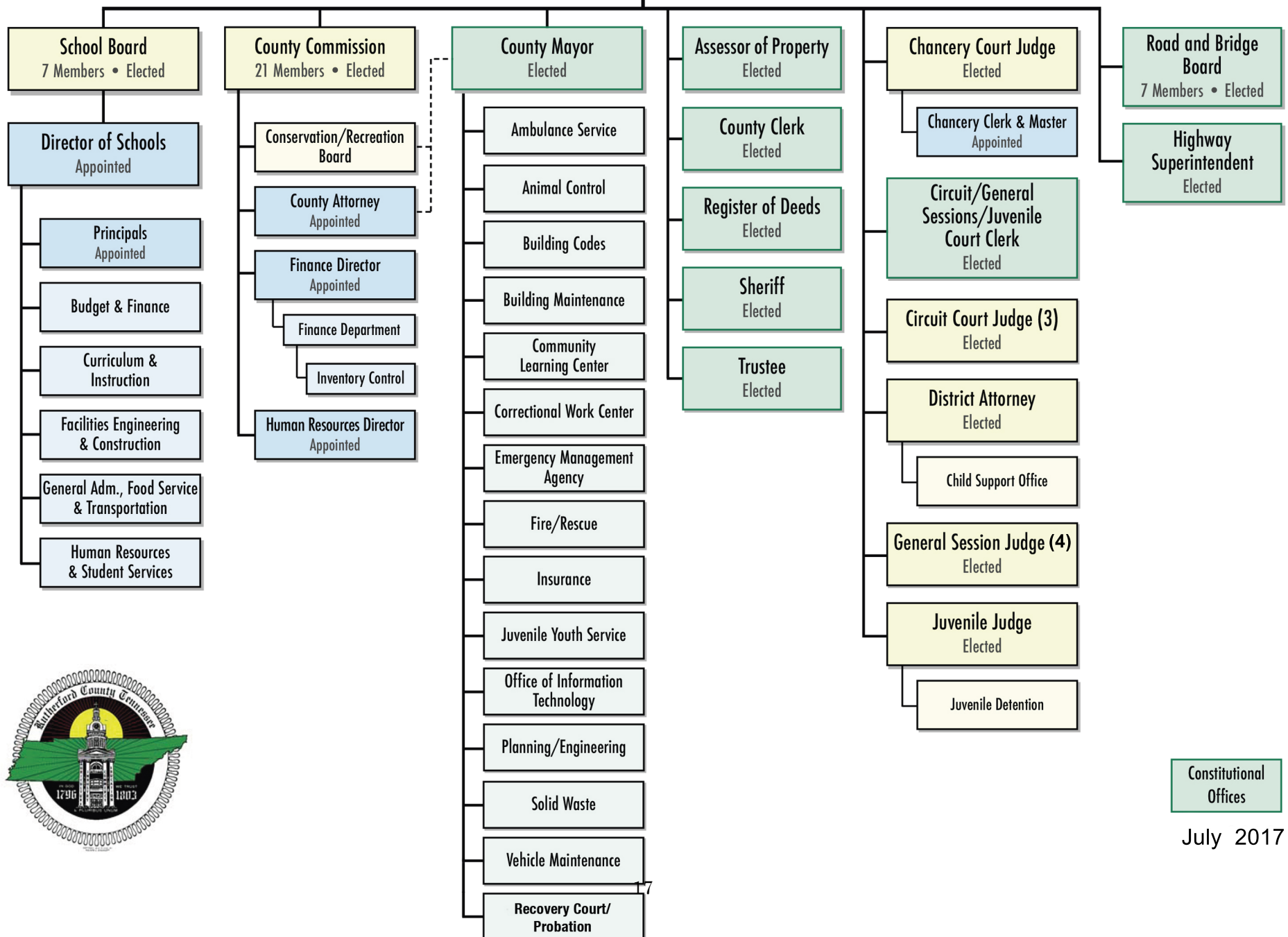
June 30, 2017

Christopher P. Morill

Executive Director/CEO

RUTHERFORD COUNTY GOVERNMENT ORGANIZATIONAL CHART

ELECTORATE



Constitutional
Offices

July 2017

Rutherford County Officials

June 30, 2018

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 Percy	Paul Johnson
Will Jordan	Charlie Baum
Robert Peay, Jr.	David Nipper
Carol Cook	Phil Dodd
Joe Frank Jernigan	Jeff Phillips
Mike Kusch	Allen McAdoo
Pettus Read	Joyce Ealy
Joe Gourley	Trey Gooch
Brad Turner	Chantho Sourinho

Highway Commissioners

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

(Continued)

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
Barbara Sutton
Coy Young

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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, 2018, 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, .5 percent, and 2.0 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Rutherford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note 1.D.10 to the financial statements, which describes restatements decreasing the beginning Governmental Activities net position by \$16,833,573 and \$81,967,644 for the primary government and discretely presented School Department, respectively. Additionally, we draw attention to Note VI.L and Note VII.J to the financial statements, which describe restatements decreasing the beginning net position of the discretely presented Community Care of Rutherford County, Inc., by \$1,377,059, and increasing the beginning net position of the discretely presented Emergency Communication District by \$84,737. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25 through 39 and the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate

share of the net pension liability, and schedule of funding progress - other postemployment benefit plan on pages 161 through 172 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 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 other information such as the introductory section, management's corrective action plan, and 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 also 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 not a required part of the basic financial statements.

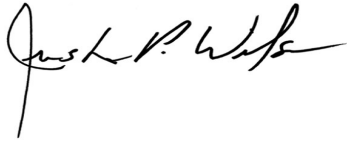
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Rutherford County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, management's corrective action plans, and statistical section 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 30, 2018, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2018

JPW/yu

**Rutherford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2018**

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

Financial Highlights

- The liabilities and deferred inflows of resources of Rutherford County Government exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$18,548 (net position). Part of the liabilities (\$359,395) is long-term debt that is attributable to the Rutherford County Board of Education (RCBOE), a component unit. The related capital assets are reported in the financial statements of the RCBOE.
- From yearly activity, the government's total net position decreased by \$31,950. Part of this decrease resulted from implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (referred to as OPEB). Net position at June 30, 2017 was reduced by \$16,834 to restate the actual OPEB liability calculated under GASB Statement No. 75.
- As of the close of the current fiscal year, the governmental funds of Rutherford County, Tennessee, reported combined ending fund balances of \$129,721, a decrease of \$6,623 in comparison with the prior year. Most of the decrease (\$22,306) was due to spending bond proceeds received in the prior year for current year capital project expenditures. Of the combined fund balances, \$113,768 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 \$7,400 in the General Fund. This will be used to fund operations in the 2018-2019 fiscal year. Unassigned fund balance for the General Fund was \$31,198 or 32.5 percent of total General Fund expenditures.
- The total debt of Rutherford County, Tennessee, increased by \$51,664 (12.75 percent) during the current fiscal year. In November 2017 the county issued \$81,530 of bonds to finance capital projects for the Board of Education. During the fiscal year, the county issued \$639 in capital outlay notes, retired \$29,985 bonded debt, and retired principal balances of \$520 for notes/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, and the Education Capital Projects Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$18,548 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, 2018, Rutherford County had outstanding debt totaling \$359,395 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.

Implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), required a restatement of the Net Position at June 30, 2017 with a reduction of \$16,834. For Rutherford County, the postemployment benefits refer to retiree health care. While there is no guarantee the benefits, or an employee's eligibility to receive them, could change in the future, the promise to provide OPEB was in place as of June 30, 2018. Therefore the liability has been calculated and included for financial reporting purposes as required by the above standard.

Rutherford County, Tennessee, Net Position

	Governmental Activities	
	2017	2018
Assets:		
Current and other assets	\$ 282,093	\$ 285,455
Capital assets	313,918	338,305
Total assets	\$ 596,011	\$ 623,760
Deferred outflows of resources:		
Deferred charge on refunding	\$ 9,799	\$ 7,823
Pension related	10,861	9,295
OPEB related	0	384
Total deferred outflows of resources	\$ 20,660	\$ 17,502
Liabilities:		
Long-term liabilities outstanding	\$ 444,959	\$ 509,786
Other liabilities	49,036	51,215
Total liabilities	\$ 493,995	\$ 561,001
Deferred inflows of resources:		
Deferred current property taxes	\$ 91,132	\$ 94,175
Pension related	1,309	1,153
OPEB related	0	3,480
Total deferred inflows of resources	\$ 92,441	\$ 98,808
Net position:		
Net investment in capital assets	\$ 203,279	\$ 234,473
Restricted	33,843	12,804
Unrestricted	(206,887)	(265,825)
Total net position	\$ 30,235	\$ (18,548)

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 \$234,473; 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 \$12,804 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 \$31,950. Key elements of this decrease are displayed on the Changes in Net Position Table. The following table also presents 2017-2018 revenues and expenditures as a percentage of total revenues and expenditures.

CHANGES IN NET POSITION

	Governmental Activities		
	2017	2018	
Revenues:			
Program revenues:			
Charges for services	\$ 90,777	\$ 98,377	39%
Operating grants and contributions	9,277	10,119	4%
Capital grants and contributions	5,170	3,877	2%
General revenues:			
Property taxes	91,240	96,209	38%
Payment in-lieu-of taxes	8,399	7,780	3%
Local option sales taxes	4,252	4,379	2%
Hotel/Motel tax	4,248	4,517	2%
Wheel tax	6,988	7,232	3%
Business tax	2,739	2,814	1%
Mixed drink tax	10	0	0%
Litigation tax	3,191	3,378	1%
Development tax	6,196	5,807	2%
Mineral severance tax	478	445	0%
Bank excise tax	461	513	0%
Wholesale beer tax	1,089	1,019	0%
Interstate telecommunications tax	6	0	0%
Grants and contributions not restricted to specific programs	1,174	1,147	0%
Unrestricted investment income	1,712	3,636	1%
Other	124	125	0%
Total revenues	<u>\$ 237,531</u>	<u>\$ 251,374</u>	<u>100%</u>
Expenses:			
General government	\$ 20,668	\$ 16,560	6%
Finance	9,927	10,038	4%
Administration of justice	10,043	9,834	3%
Public safety	50,725	53,328	19%
Public health and welfare	21,775	22,638	8%
Social, cultural, and recreation services	2,802	2,920	1%
Agriculture and natural resources	1,268	1,278	0%
Highways	12,683	11,622	4%
Education	98,912	138,705	49%
Interest on long-term debt	10,924	16,400	6%
Total expenses	<u>\$ 239,727</u>	<u>\$ 283,323</u>	<u>100%</u>
Increase (Decrease) in net position	\$ (2,196)	\$ (31,949)	
Net position, July 1	32,431	30,235	
Restatement	0	(16,834)	
Net position, June 30	<u>\$ 30,235</u>	<u>\$ (18,548)</u>	

Governmental Program Expenses

The cost of all governmental activities was \$283,323. However, as shown on the previous page, 39.66 percent of these costs (\$112,373) was either paid by those who directly benefited from the programs (\$98,377), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$10,119) and capital grants and contributions (\$3,877). 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.

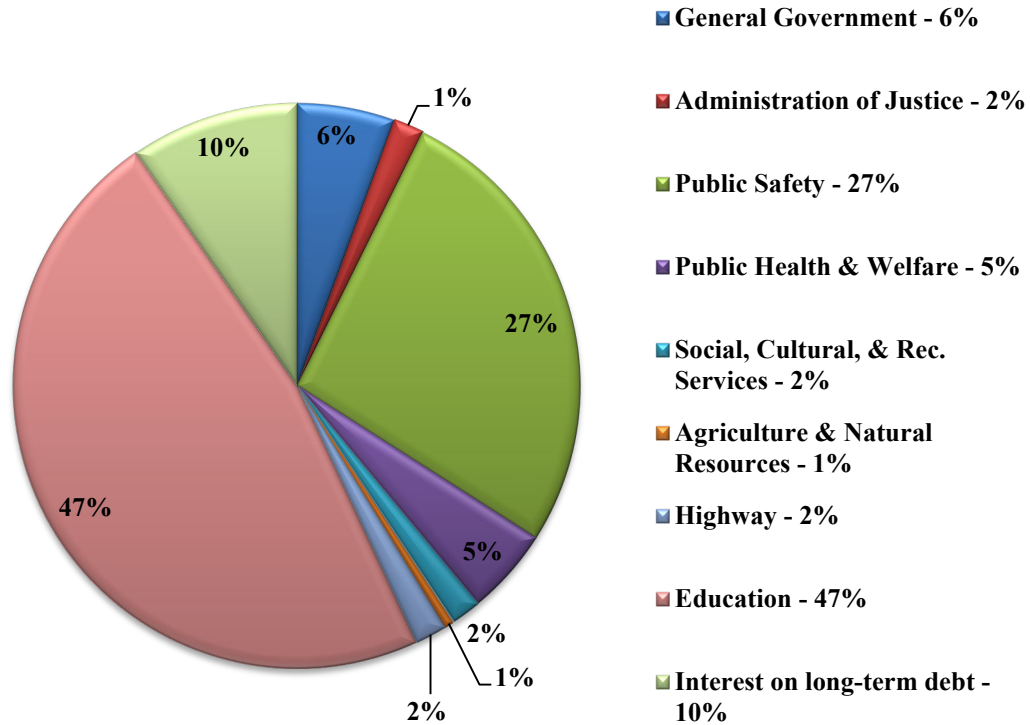
Education expenses of \$138,705, Public Safety expenses of \$53,328, and Public Health and Welfare expenses of \$22,638 comprise the largest categories of expenses of Rutherford County, which when combined (\$214,671) comprise 75.77 percent of total expenses. Of the \$214,671, \$76,481 was recovered by charges for services, \$2,822 from operating grants/contributions, and \$254 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 2018, compared to the prior year, was the result of such a borrowing in the current fiscal year. In November 2017, the county issued \$81,530 general obligation debt, all of which was on behalf of schools.

Expenses by Governmental Activities. The following table shows the “net (expense) 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	\$ 7,073	\$ 16,560	\$ (9,487)	3.3%
Finance	10,094	10,038	56	0.0%
Administration of Justice	6,829	9,834	(3,005)	1.1%
Public Safety	7,602	53,328	(45,726)	16.1%
Public Health & Welfare	14,165	22,638	(8,473)	3.0%
Social, Cultural, & Rec. Service	0	2,920	(2,920)	1.0%
Agriculture & Natural Resourc	327	1,278	(951)	0.3%
Highway	8,494	11,622	(3,128)	1.1%
Education	57,789	138,705	(80,916)	28.6%
Interest on long-term debt	-	16,400	(16,400)	5.8%
Total Governmental Activities	<u>\$ 112,373</u>	<u>\$ 283,323</u>	<u>\$ (170,950)</u>	<u>60.3%</u>

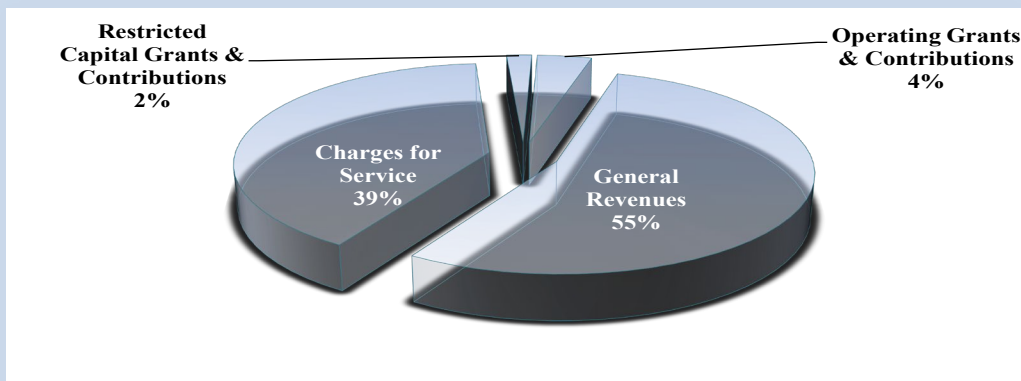
Unlike the preceding table, the next illustration does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a percentage. For example, during the 2017-2018 fiscal year, 27 percent of the local citizen tax base was spent for Public Safety and 47% was spent for Education.

Allocation of the Citizen Tax Base to Governmental Activities



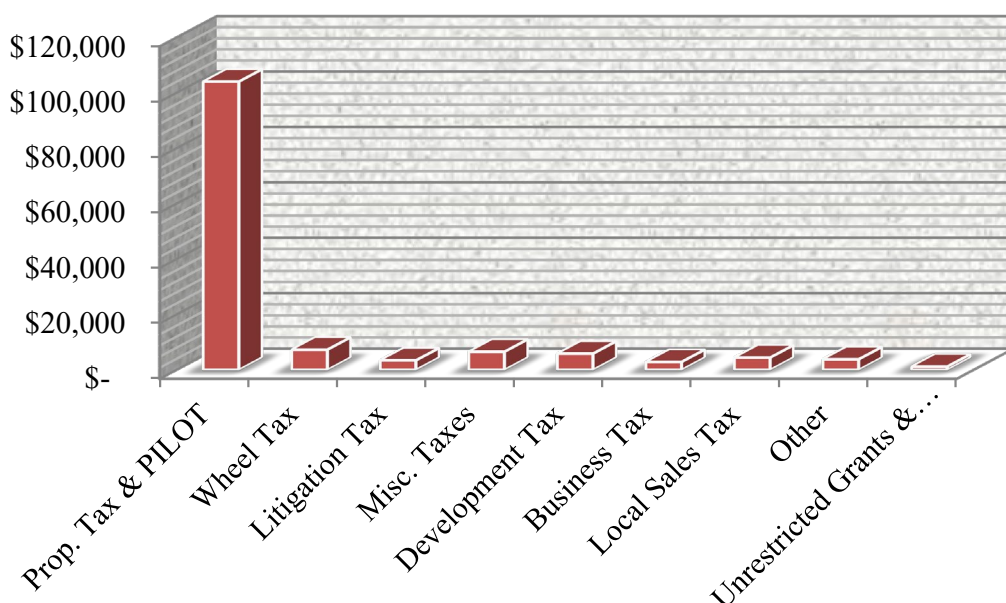
Revenues

Revenues on the government-wide statement of activities are broken into two major categories: program and general revenues. Of the total revenues, 45 percent is received from program revenues and 55 percent from general revenues.



Program revenues are of three types: charges for services/exchange type transactions (arise from charges to customers), operating grants and contributions that are restricted for a specific purpose, and capital grants and contributions that are restricted for a specific purpose. 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, \$37 – 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, \$9,137 – 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, \$6,779 – 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, \$82,570 – 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, \$31,198 – 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 \$129,721, which was a decrease of \$6,623 in comparison with the prior year. The majority of the decrease was attributable to the General Capital Projects Fund where bond proceeds received in the prior fiscal year were expended in the current year for costs associated with the new Judicial Building. This new facility was open for business in May, 2018.

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 \$5,771. Revenues exceed final estimates by \$2,360 (mostly from local taxes and fees received from county officials). The current property tax levy is estimated at 95.5% collected as of fiscal year end; however the County Trustee's office actually collected 98% of this tax by year end. Unspent appropriations totaled \$5,774 (mostly resulting from unspent salary, wages and related benefits); and other financing sources (primarily transfers from other funds) were \$58 less than expected.

On a GAAP basis, the unassigned fund balance was \$31,198 while total General Fund balance was \$45,026, which is an increase of \$6,308 over the prior fiscal year. Assigned fund balance was \$7,400 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 32.5 percent of total General Fund expenditures, while total fund balance represents 46.95 percent of that same amount. It should be noted that when the original budget for 2017-2018 was adopted, the unassigned fund balance was estimated at \$24,344 by June 30, 2018. The General Fund's unassigned fund balance

actually increased by \$6,854 over the estimate during the 2017-2018 fiscal year, which was primarily due to actual revenues from local taxes (current levy, development tax and payment in-lieu-of tax), fees from county officials, and interest income performing much better than anticipated and by departments not spending all their appropriations. Wages and related benefits are budgeted as if all positions would be filled for the entire year, which is rarely the case.

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 \$47,538 while total fund balance was \$49,359. 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 97.9 percent of total expenditures for debt service.

In November 2017, the county issued \$81,530 of bonds to finance capital projects for the Board of Education, which included a new high school for Rockvale. By the end of the fiscal year, the county increased a capital outlay note with the State of Tennessee for \$639 for an energy efficiency school project. During the fiscal year, bonded debt of \$29,985 was retired and \$520 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

	2017	2018
General Government	\$ 817	\$ 2,970
Finance	15	230
Administration of Justice	358	358
Public Safety	2,150	626
Public Health and Welfare	364	457
Social, Cultural, and Recreational Services	15	40
Agriculture and Natural Resources	141	46
Other Operations	1,500	133
Total Increase in Appropriations	\$ 5,360	\$ 4,860

There were several departments with significant changes to their original budget. For General Government, an increase of \$2,410 in the County Mayor's budget was for the purchase of two separate buildings. One building will be used by the Sheriff's Department (\$1,295) and the other will be the home for the Recovery Courts (\$1,105). The Planning Department requested additional funds (\$430) to purchase software that could be used by their department as well as the Building Codes Department since many areas of their

operations were utilizing pencil and paper technology. Additional appropriation was needed to pay dues (\$14). The budget for Building Maintenance Department needed amending for utilities related to the opening of the new Judicial Building (\$100), renovations on the new Recovery Court building (\$47.5) and for engineering & architect expenses related to replacing the HVAC system in the Historic Courthouse (\$32). The reductions occurring in the Geographical Information System (GIS) (\$140) budget was in fact a transfer of funds to the Data Processing budget to properly classify the expenditures.

The increase in Finance was caused primarily from the transfer of appropriations from the GIS budget noted above. The increase in the Accounting and Budget Department related to a payout of accrued leave for a retiring employee (\$8) and the need to pay funds received from the State of Tennessee Unclaimed Property Division to the appropriate individuals (\$66). The County Clerk also needed additional funds (\$24) to purchase software specifically for their probate court.

The largest change in appropriations for Administration of Justice was for the Drug Court (renamed Recovery Court) needed because of grants totaling \$319 that were awarded to them for enhancing their programs. For other departments within this category, an additional \$35.30 was needed to provide sufficient funds to pay employee health benefits.

The increase in Public Safety mostly related to local, state, and federal grants awarded to three departments in this category as noted: Sheriff-\$113 (Governor's Highway Safety and Teen Driver Safety); Jail-\$66 (JAG and Greenhouse Ministries); and Disaster Relief -\$130 (Homeland Security). The increase in the Jail budget was needed to pay for the increase in off-site medical expenses for inmates (\$234) and for security equipment needed in the new Judicial Building (\$35). The Rural Fire Department requested additional funds to pay part-time employees (\$20) and to purchase additional air tanks (\$25).

The increase in Public Health and Welfare was related to grants received during the fiscal year totaling \$124 for the Pet Adoption and Welfare Services (PAWS) to enhance their programs and to improve their facility. An amendment was needed for the Alcohol and Drug Program to carry-forward grant funds unspent from the prior year for tobacco cessation (\$85). The Other Local Health Services was amended (\$133) to include two new positions and to fund additional programs for tobacco cessation. Lastly, the number of required autopsies by law enforcement continues to exceed the estimates. This budget was amended by \$90 near the end of the fiscal year.

Programs in Parks and Fair Boards (Social, Cultural and Recreational Services) and Tourism (Other Operations) are funded from the County's hotel/motel tax. Increases to these budgets, \$40 and \$120 respectively, were needed since actual hotel/motel tax revenue exceeded estimates.

Amendments to increase appropriations in Agriculture and Natural Resources were needed to provide additional equipment for the Agricultural Extension Service (\$25) and to convert a part time position to full time for the Soil Conservation District (\$21).

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

	2017	2018
General Government	\$ 598	\$ 847
Finance	520	737
Administration of Justice	484	784
Public Safety	3,259	2,065
Public Health and Welfare	760	744
Social, Cultural, and Recreational Services	51	125
Agriculture and Natural Resources	95	75
Other Operations	658	397
Total Results	<u>\$ 6,425</u>	<u>\$ 5,774</u>

On a budgetary basis, at the close of the fiscal year, actual expenditures were \$5,774 less than budgetary estimates. Most of the unspent appropriations were in the personnel and benefit line items, totaling \$3,376. 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 \$1,185.

Capital Assets and Debt Administration

Capital Assets. Rutherford County Government's investment in capital assets for its governmental funds as of June 30, 2018, totaled \$338,305 (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 \$24,387, which represented a 7.77 percent increase over the prior year.

	Governmental Activities	
	2017	2018
Land	\$ 37,858	\$ 38,722
Intangibles (Right of Way)	46,834	46,315
Buildings and improvements	66,845	67,159
Infrastructure	97,260	97,601
Intangibles (other)	1,521	1,646
Other capital assets	12,676	20,789
Construction in progress	50,924	66,073
Total	<u>\$ 313,918</u>	<u>\$ 338,305</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 \$456,824. 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	
	2017	2018	2017	2018	2017	2018
Notes	\$ 2,113	\$ 2,452	\$ -	\$ -	\$ 2,113	\$ 2,452
Cap. Lease	567	347	-	-	567	347
Bonds	300,190	356,596	102,290	97,429	402,480	454,025
Total	<u>\$ 302,870</u>	<u>\$ 359,395</u>	<u>\$ 102,290</u>	<u>\$ 97,429</u>	<u>\$ 405,160</u>	<u>\$ 456,824</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 \$51,664 (12.75 percent) during the 2017-2018 fiscal year by issuing \$81,530 in bonded debt, issuing \$639 in capital outlay notes, retiring \$29,985 bonded debt, and retiring principal balances of \$520 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, 2019, on June 26, 2018. 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.

Calendar Year 2018 is a reappraisal year for Rutherford County. This means that the appraised and assessed value of all real property is to be adjusted to reflect changes that have occurred in the market value of property within that location. The goal of this process is to achieve an equalization of assessed value at least every four years. The assessor's

office projected an average increase in all assessed value of real property of approximately 33%. State law requires that in a reappraisal year, a certified tax rate be calculated and submitted to the State Board of Equalization for review. This certified rate is the calculated rate that will provide the same tax revenue from properties that were on the tax roll the previous year, given their increased assessed value. The County Commission adopted the certified rate of \$2.0994 on June 26, 2018. As displayed below, the certified tax rate was allocated to the various funds in the same ratio as the 2017 property tax rate.

Distribution of the County Property Tax Rate

Fund	2017 Adopted		<i>Change</i>	<i>Reappraisal</i> 2018 Adopted	
	Rate	Ratio		Rate	Ratio
County General	\$ 0.6195	23.12%	\$ (0.1342)	\$ 0.4853	23.12%
Ambulance	0.0661	2.47%	(0.0143)	0.0518	2.47%
Highway/Roads	0.0126	0.47%	(0.0027)	0.0099	0.47%
Education	1.2835	47.89%	(0.2781)	1.0054	47.89%
Ed. Capital Projects	0.0600	2.24%	(0.0130)	0.0470	2.24%
General Debt Service	0.6383	23.82%	(0.1383)	0.5000	23.82%
All Funds	\$ 2.6800	100.00%	\$ (0.5806)	\$ 2.0994	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 \$7,400 for spending in the 2018-2019 fiscal year. This is reflected as the Assigned for Other Purposes in the Balance Sheet of the Governmental Funds as of June 30, 2018. Unassigned fund balance in the General Fund is projected at \$31,246 as of June 30, 2019, which is 30.3 percent of the original 2018-2019 General Fund appropriations.

In August 2018, Rutherford County issued \$40.68 million in general obligation bonds, which will be used 100% for school construction, improvement and related architect and engineering fees. Assigned fund balance in the General Debt Service Fund is estimated to decrease by \$1,067 by the next fiscal year-end. Projected assigned fund balance in the General Debt Service Fund as of June 30, 2019, is expected to be \$46,470, or 87.26 percent of budgeted debt service expenditures.

Request for Information

This financial report is designed to provide a general overview of the Rutherford County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Rutherford County Government, Historic Courthouse Suite 201, 1 Public Square, Murfreesboro, TN 37130.

BASIC FINANCIAL STATEMENTS

Exhibit A

Rutherford County, Tennessee
Statement of Net Position
June 30, 2018

			Component Units		
	Primary	Rutherford	Community		
	Government	County	Care of		
	Governmental	School	Rutherford	Emergency	
	Activities	Department	County, Inc.	Communications	
				District	
<u>ASSETS</u>					
Cash	\$ 3,905,291	\$ 1,402,329	\$ 2,696,763	\$	4,435,241
Equity in Pooled Cash and Investments	158,647,777	138,348,717	0		0
Inventories	0	242,951	32,495		0
Accounts Receivable	13,757,969	130,211	1,664,596		0
Allowance for Uncollectibles	(1,558,824)	0	(525,000)		0
Property Taxes Receivable	100,133,937	86,200,240	0		0
Allowance for Uncollectible Property Taxes	(4,970,070)	(4,279,084)	0		0
Accrued Interest Receivable	0	0	0		739
Due from Other Governments	3,494,346	21,640,997	0		0
Due from Component Units	2,891,069	0	0		0
Due from Fiduciary Funds	150,000	0	0		0
Prepaid Items	36,818	12,593	11,556		84,091
Notes Receivable - Long-term	4,330,491	0	0		0
Net Pension Asset - Agent Plan	4,635,844	3,042,622	311,613		0
Net Pension Asset - Teacher Retirement Plan	0	1,019,719	0		0
Net Pension Asset - Teacher Legacy Plan	0	1,356,408	0		0
Capital Assets:					
Assets Not Depreciated:					
Land	38,722,082	17,634,620	113,184		17,500
Intangible Assets (Right-of-Ways)	46,315,422	0	0		0
Construction in Progress	66,072,888	44,689,322	0		0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	67,157,820	443,693,112	609,789		738,924
Infrastructure	97,601,309	0	0		0
Intangible Assets	1,646,398	61,461	0		0
Other Capital Assets	20,788,717	6,100,285	320,946		1,423,918
Total Assets	\$ 623,759,284	\$ 761,296,503	\$ 5,235,942	\$	6,700,413
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Amount on Refunding	\$ 7,823,235	\$ 0	\$ 0	\$	0
Pension Changes in Experience	637,731	1,272,035	42,867		62,774
Pension Changes in Investment Earnings	0	205,899	0		0
Pension Contribution after Measurement Date	5,866,361	19,034,651	366,016		0
Pension Other Deferrals	0	2,713,128	0		32,436
Pension Changes in Assumptions	2,790,859	13,409,280	187,597		15,118
OPEB Benefits Paid After Measurement Date	383,446	939,198	796		0
Total Deferred Outflows of Resources	\$ 17,501,632	\$ 37,574,191	\$ 597,276	\$	110,328
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,275,024	\$ 5,103,134	\$ 66,896	\$	20,473
Accrued Payroll	662,132	27,734,440	177,021		0
Accrued Interest Payable	4,356,336	0	0		0
Payroll Deductions Payable	4,320	6,525	39,136		0
Due to Primary Government	0	2,798,705	92,364		0
Other Current Liabilities	0	0	26,643		58,078
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	1,214,742	0	0		0
Noncurrent Liabilities:					
Due Within One Year	43,702,242	47,316	169,870		0
Due in More Than One Year	509,786,218	157,302,483	2,652,800		164,684
Total Liabilities	\$ 561,001,014	\$ 192,992,603	\$ 3,224,730	\$	243,235

(Continued)

Exhibit A

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

		Component Units		
	Primary Government Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 94,174,661	\$ 81,068,317	\$ 0	\$ 0
Pension Changes in Experience	1,075,660	28,786,112	72,304	0
Pension Changes in Investment Earnings	77,534	105,758	5,212	566
Pension Other Deferrals	0	13,440	0	0
OPEB Changes in Assumptions	3,479,919	16,535,638	281,575	0
Total Deferred Inflows of Resources	<u>\$ 98,807,774</u>	<u>\$ 126,509,265</u>	<u>\$ 359,091</u>	<u>\$ 566</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 234,473,291	\$ 563,928,839	\$ 1,043,919	\$ 2,180,342
Restricted for:				
General Government	603,364	0	0	0
Finance	129,091	0	0	0
Administrative of Justice	768,031	0	0	0
Public Safety	859,751	0	0	0
Public Health and Welfare	52,714	0	0	0
Capital Projects	3,195,683	15,675,741	0	0
Debt Service	2,559,460	0	0	0
Education	0	4,054,587	0	0
Pensions	4,635,844	5,418,749	311,613	0
Unrestricted	<u>(265,825,101)</u>	<u>(109,709,090)</u>	<u>893,865</u>	<u>4,386,598</u>
Total Net Position	<u>\$ (18,547,872)</u>	<u>\$ 479,368,826</u>	<u>\$ 2,249,397</u>	<u>\$ 6,566,940</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, 2018

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	\$ 16,560,225	\$ 5,408,497	\$ 1,664,980	\$ 0	\$ (9,486,748)	\$ 0	\$ 0	\$ 0
Finance	10,038,366	10,093,595	0	0	55,229	0	0	0
Administration of Justice	9,833,842	6,068,304	760,967	0	(3,004,571)	0	0	0
Public Safety	53,328,439	6,754,942	593,460	254,087	(45,725,950)	0	0	0
Public Health and Welfare	22,638,146	11,936,245	2,228,536	0	(8,473,365)	0	0	0
Social, Cultural, and Recreational Services	2,919,739	0	0	0	(2,919,739)	0	0	0
Agriculture and Natural Resources	1,278,460	326,538	0	0	(951,922)	0	0	0
Highways/Public Works	11,621,881	0	4,870,983	3,622,610	(3,128,288)	0	0	0
Education	138,704,527	57,789,367	0	0	(80,915,160)	0	0	0
Interest on Long-term Debt	16,399,954	0	0	0	(16,399,954)	0	0	0
Total Primary Government	\$ 283,323,579	\$ 98,377,488	\$ 10,118,926	\$ 3,876,697	\$ (170,950,468)	\$ 0	\$ 0	\$ 0
Component Units:								
Rutherford County School Department	\$ 397,174,355	\$ 7,728,063	\$ 24,824,121	\$ 556,300	\$ 0	\$ (364,065,871)	\$ 0	\$ 0
Community Care of Rutherford County, Inc.	9,846,914	9,972,338	220,207	0	0	0	345,631	0
Emergency Communications District	1,675,263	1,736,058	85,299	0	0	0	0	146,094
Total Component Units	\$ 408,696,532	\$ 19,436,459	\$ 25,129,627	\$ 556,300	\$ 0	\$ (364,065,871)	\$ 345,631	\$ 146,094

(Continued)

Exhibit B

Rutherford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Rutherford County School Department	Community Care of Rutherford County, Inc.	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 50,271,553	\$ 82,810,213	\$ 0	\$ 0
Property Taxes Levied for Debt Service					45,938,289	0	0	0
Payments in-Lieu-of Tax					7,779,789	941,440	0	0
Local Option Sales Tax					4,379,301	62,304,244	0	0
Hotel/Motel Tax					4,517,355	0	0	0
Wheel Tax					7,231,688	4,095,813	0	0
Business Tax					2,813,705	2,422,072	0	0
Mixed Drink Tax					0	493,752	0	0
Litigation Tax					3,377,989	0	0	0
Adequate Facilities/Development Tax					5,807,400	0	0	0
Mineral Severance Tax					444,859	0	0	0
Bank Excise Tax					512,790	0	0	0
Wholesale Beer Tax					1,019,043	0	0	0
Grants and Contributions Not Restricted to Specific Programs					1,146,506	305,865,264	0	0
Unrestricted Investment Income					3,635,993	856,192	4,027	25,891
Miscellaneous					124,688	74,355	0	0
Gain on Disposal of Capital Asset					0	0	0	27,306
Total General Revenues					\$ 139,000,948	\$ 459,863,345	\$ 4,027	\$ 53,197
Change in Net Position					\$ (31,949,520)	\$ 95,797,474	\$ 349,658	\$ 199,291
Prior-period Adjustment - See Note VII.J.					0	0	0	55,506
Net Position, July 1, 2017					30,235,221	465,538,996	3,276,798	6,227,406
Restatement - See Notes I.D.10, VI.L, and VII.J.					(16,833,573)	(81,967,644)	(1,377,059)	84,737
Net Position, June 30, 2018					\$ (18,547,872)	\$ 479,368,826	\$ 2,249,397	\$ 6,566,940

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, 2018

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
		General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>	General			
Cash	\$ 2,770	\$ 0	\$ 1,883,584	\$ 1,886,354
Equity in Pooled Cash and Investments	43,429,853	47,271,036	30,463,391	121,164,280
Accounts Receivable	8,994,306	168,688	4,572,314	13,735,308
Allowance for Uncollectibles	0	0	(1,558,824)	(1,558,824)
Due from Other Governments	2,221,131	38,659	1,220,106	3,479,896
Due from Other Funds	581,798	0	35,000	616,798
Due from Component Units	2,299	0	0	2,299
Property Taxes Receivable	46,413,577	47,819,508	5,900,852	100,133,937
Allowance for Uncollectible Property Taxes	(2,303,706)	(2,373,501)	(292,863)	(4,970,070)
Prepaid Items	36,818	0	0	36,818
Notes Receivable - Long-term	0	1,820,785	2,509,706	4,330,491
Total Assets	<u>\$ 99,378,846</u>	<u>\$ 94,745,175</u>	<u>\$ 44,733,266</u>	<u>\$ 238,857,287</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 761,710	\$ 0	\$ 178,900	\$ 940,610
Accrued Payroll	284,857	0	377,275	662,132
Payroll Deductions Payable	4,216	0	104	4,320
Due to Other Funds	35,000	0	581,798	616,798
Current Liabilities Payable From Restricted Assets	1,214,742	0	0	1,214,742
Total Liabilities	<u>\$ 2,300,525</u>	<u>\$ 0</u>	<u>\$ 1,138,077</u>	<u>\$ 3,438,602</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 43,651,350	\$ 44,973,572	\$ 5,549,739	\$ 94,174,661

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	
		General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	General			
DEFERRED INFLOWS OF RESOURCES (Cont.)				
Deferred Delinquent Property Taxes	\$ 400,732	\$ 412,893	\$ 50,908	\$ 864,533
Other Deferred/Unavailable Revenue	8,000,332	0	2,658,115	10,658,447
Total Deferred Inflows of Resources	<u>\$ 52,052,414</u>	<u>\$ 45,386,465</u>	<u>\$ 8,258,762</u>	<u>\$ 105,697,641</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	\$ 36,818	\$ 0	\$ 0	\$ 36,818
Restricted:				
Restricted for General Government	603,364	0	0	603,364
Restricted for Finance	129,091	0	0	129,091
Restricted for Administration of Justice	768,031	0	0	768,031
Restricted for Public Safety	35,377	0	824,374	859,751
Restricted for Public Health and Welfare	52,714	0	0	52,714
Restricted for Debt Service	0	0	2,559,460	2,559,460
Restricted for Capital Projects	2,150,064	0	2,014,622	4,164,686
Committed:				
Committed for General Government	1,200,472	0	0	1,200,472
Committed for Finance	201,460	0	0	201,460
Committed for Administration of Justice	12,542	0	0	12,542
Committed for Public Safety	660,802	0	0	660,802
Committed for Public Health and Welfare	84,153	0	0	84,153
Committed for Agriculture and Natural Resources	492,609	0	0	492,609
Committed for Other Operations	539	0	0	539
Committed for Highways/Public Works	0	0	2,305,634	2,305,634
Committed for Debt Service	0	1,820,785	0	1,820,785

(Continued)

Exhibit C-1

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
			<u>Other</u>	
	<u>General</u>	<u>General Debt Service</u>	<u>Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES (Cont.)</u>				
Assigned:				
Assigned for General Government	\$ 0	\$ 0	\$ 175,254	\$ 175,254
Assigned for Finance	0	0	525,000	525,000
Assigned for Administration of Justice	0	0	602,088	602,088
Assigned for Public Health and Welfare	0	0	12,711,506	12,711,506
Assigned for Other Operations	0	0	166,319	166,319
Assigned for Highways/Public Works	0	0	13,452,170	13,452,170
Assigned for Debt Service	0	47,537,925	0	47,537,925
Assigned for Other Purposes	7,399,969	0	0	7,399,969
Unassigned	31,197,902	0	0	31,197,902
Total Fund Balances	<u>\$ 45,025,907</u>	<u>\$ 49,358,710</u>	<u>\$ 35,336,427</u>	<u>\$ 129,721,044</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 99,378,846</u>	<u>\$ 94,745,175</u>	<u>\$ 44,733,266</u>	<u>\$ 238,857,287</u>

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

Exhibit C-2

Rutherford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2018

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)		\$	129,721,044
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	38,722,082	
Add: intangible assets – right-of-ways		46,315,422	
Add: construction in progress		66,072,888	
Add: buildings and improvements net of accumulated depreciation		67,157,820	
Add: infrastructure net of accumulated depreciation		97,601,309	
Add: intangible assets net of accumulated depreciation		1,646,398	
Add: other capital assets net of accumulated depreciation		<u>20,788,717</u>	338,304,636
(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.			27,272,857
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(454,025,000)	
Less: capital leases payable		(346,443)	
Less: other loans payable		(2,452,262)	
Add: deferred amount on refunding		7,823,235	
Add: debt to be contributed by the School Department		2,798,705	
Less: unamortized premium on debt		(43,952,591)	
Less: other postemployment benefits liability		(32,782,293)	
Less: landfill closure/postclosure care costs		(2,461,576)	
Less: compensated absences payable		(5,295,956)	
Less: accrued interest on bonds, notes & capital leases		<u>(4,356,336)</u>	(535,050,517)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to OPEB	\$	383,446	
Less: deferred inflows of resources related to OPEB		(3,479,919)	
Add: deferred outflows of resources related to pensions		9,294,951	
Less: deferred inflows of resources related to pensions		<u>(1,153,194)</u>	5,045,284
(5) Net pension assets of the county agent plan are not current financial resources and therefore are not reported in the governmental funds.			4,635,844
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>11,522,980</u>
Net position of governmental activities (Exhibit A)		\$	<u>(18,547,872)</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, 2018

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 68,953,073	\$ 52,137,874	\$ 0	\$ 13,304,475	\$ 134,395,422
Licenses and Permits	2,590,311	0	0	0	2,590,311
Fines, Forfeitures, and Penalties	1,968,514	0	0	590,063	2,558,577
Charges for Current Services	2,983,002	0	0	14,952,512	17,935,514
Other Local Revenues	2,938,660	1,696,760	0	912,681	5,548,101
Fees Received From County Officials	11,040,150	0	0	0	11,040,150
State of Tennessee	9,465,752	0	0	6,667,998	16,133,750
Federal Government	1,005,105	0	0	39,048	1,044,153
Other Governments and Citizens Groups	708,739	547,687	0	41,933	1,298,359
Total Revenues	\$ 101,653,306	\$ 54,382,321	\$ 0	\$ 36,508,710	\$ 192,544,337
<u>Expenditures</u>					
Current:					
General Government	\$ 11,427,766	\$ 1,001,071	\$ 0	\$ 698,848	\$ 13,127,685
Finance	7,871,278	0	0	2,087,393	9,958,671
Administration of Justice	8,512,053	0	0	1,800,037	10,312,090
Public Safety	52,907,433	0	0	621,495	53,528,928
Public Health and Welfare	5,193,203	0	0	17,504,668	22,697,871
Social, Cultural, and Recreational Services	2,919,739	0	0	0	2,919,739
Agriculture and Natural Resources	1,087,536	0	0	0	1,087,536
Other Operations	5,973,433	0	0	93,585	6,067,018
Highways	0	0	0	10,154,439	10,154,439
Debt Service:					
Principal on Debt	0	30,504,842	0	0	30,504,842
Interest on Debt	0	16,542,422	15,098	0	16,557,520
Other Debt Service	0	499,103	0	0	499,103

(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	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 87,348,606	\$ 22,996,854	\$ 110,345,460
Total Expenditures	\$ 95,892,441	\$ 48,547,438	\$ 87,363,704	\$ 55,957,319	\$ 287,760,902
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,760,865	\$ 5,834,883	\$ (87,363,704)	\$ (19,448,609)	\$ (95,216,565)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 499,103	\$ 81,030,897	\$ 0	\$ 81,530,000
Premiums on Debt Sold	0	0	5,693,784	0	5,693,784
Other Loans Issued	0	0	639,023	0	639,023
Insurance Recovery	84,565	0	0	42,284	126,849
Transfers In	1,143,970	195,395	0	686,081	2,025,446
Transfers Out	(681,700)	0	0	(739,776)	(1,421,476)
Total Other Financing Sources (Uses)	\$ 546,835	\$ 694,498	\$ 87,363,704	\$ (11,411)	\$ 88,593,626
Net Change in Fund Balances	\$ 6,307,700	\$ 6,529,381	\$ 0	\$ (19,460,020)	\$ (6,622,939)
Fund Balance, July 1, 2017	38,718,207	42,829,329	0	54,796,447	136,343,983
Fund Balance, June 30, 2018	\$ 45,025,907	\$ 49,358,710	\$ 0	\$ 35,336,427	\$ 129,721,044

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

Rutherford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (6,622,939)

- (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	\$ 30,148,594	
Less: current-year depreciation expense	<u>(7,469,720)</u>	22,678,874

- (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	\$ 2,300,280	
Less: book value of capital assets disposed	<u>(592,199)</u>	1,708,081

- (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, 2018	\$ 11,522,980	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(11,932,002)</u>	(409,022)

- (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	\$ 59,552	
Add: principal payments on other loans	239,688	
Add: principal payments on bonds	29,985,000	
Add: principal payments on capital leases	220,602	
Less: bond proceeds	(81,530,000)	
Less: loan proceeds	(639,023)	
Less: change in premium on debt issuances	(1,877,831)	
Add: loan proceeds contributed to the School Department	639,023	
Less: contributions from the School Department for notes, lease, and loan	(519,842)	
Less: change in deferred amount on refunding debt	<u>(1,976,200)</u>	(55,399,031)

- (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	\$ (1,682,187)	
Change in landfill closure/postclosure care costs	157,979	
Change in other postemployment benefits liability, net of restatement	2,180,125	
Change in deferred outflows of resources related to OPEB	383,446	
Change in deferred inflows of resources related to OPEB	(3,479,919)	
Change in compensated absences payable	(387,238)	
Change in net pension asset	3,503,958	
Change in deferred outflows of resources related to pensions	(1,565,948)	
Change in deferred inflows of resources related to pensions	<u>155,924</u>	(733,860)

- (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.

6,828,377

Change in net position of governmental activities (Exhibit B)

\$ (31,949,520)

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 68,953,073	\$ 0	\$ 0	\$ 68,953,073	\$ 63,860,819	\$ 68,638,065	\$ 315,008
Licenses and Permits	2,590,311	0	0	2,590,311	2,272,450	2,515,500	74,811
Fines, Forfeitures, and Penalties	1,968,514	0	0	1,968,514	1,698,900	1,832,786	135,728
Charges for Current Services	2,983,002	0	0	2,983,002	2,392,400	2,957,288	25,714
Other Local Revenues	2,938,660	0	0	2,938,660	1,034,400	2,431,850	506,810
Fees Received From County Officials	11,040,150	0	0	11,040,150	9,085,000	10,065,000	975,150
State of Tennessee	9,465,752	0	0	9,465,752	6,886,681	8,961,878	503,874
Federal Government	1,005,105	0	0	1,005,105	625,967	1,114,105	(109,000)
Other Governments and Citizens Groups	708,739	0	0	708,739	685,000	776,868	(68,129)
Total Revenues	\$ 101,653,306	\$ 0	\$ 0	\$ 101,653,306	\$ 88,541,617	\$ 99,293,340	\$ 2,359,966
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 215,531	\$ 0	\$ 0	\$ 215,531	\$ 259,720	\$ 259,720	\$ 44,189
Board of Equalization	14,638	0	0	14,638	27,150	27,150	12,512
County Mayor/Executive	3,026,393	(29,521)	4,446	3,001,318	614,210	3,024,110	22,792
Personnel Office	366,258	0	6	366,264	375,047	375,047	8,783
County Attorney	263,275	0	0	263,275	263,861	263,861	586
Election Commission	827,430	(65)	3,008	830,373	909,674	984,808	154,435
Register of Deeds	337,409	0	0	337,409	362,767	363,767	26,358
Planning	866,279	(1,012)	505,423	1,370,690	1,013,794	1,456,144	85,454
Codes Compliance	408	0	0	408	600	600	192
Geographical Information Systems	1,043,595	(89,162)	414,540	1,368,973	1,667,512	1,527,512	158,539
County Buildings	2,714,092	(541,587)	272,933	2,445,438	2,503,804	2,683,304	237,866
Other General Administration	274,489	(180)	92	274,401	295,160	295,160	20,759
Preservation of Records	162,121	0	0	162,121	178,438	180,938	18,817
Risk Management	1,315,848	(10)	25	1,315,863	1,371,612	1,371,612	55,749
<u>Finance</u>							
Accounting and Budgeting	1,283,307	(12,126)	0	1,271,181	1,247,904	1,320,979	49,798
Property Assessor's Office	1,007,637	0	20	1,007,657	1,167,799	1,167,819	160,162

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 1,133,392	\$ 0	\$ 0	\$ 1,133,392	\$ 1,249,928	\$ 1,249,928	\$ 116,536
County Trustee's Office	785,351	0	0	785,351	906,010	906,010	120,659
County Clerk's Office	872,311	(368)	652	872,595	921,080	945,080	72,485
Data Processing	2,789,280	(224,569)	200,788	2,765,499	2,850,164	2,982,664	217,165
<u>Administration of Justice</u>							
Circuit Court	1,129,809	(2,426)	7,200	1,134,583	1,284,830	1,306,330	171,747
Circuit Court Judge	262,490	(408)	0	262,082	275,432	275,432	13,350
General Sessions Court	1,841,084	0	0	1,841,084	1,911,896	1,920,296	79,212
Drug Court	821,961	0	1,436	823,397	726,220	1,045,108	221,711
Chancery Court	964,258	0	0	964,258	1,030,771	1,033,171	68,913
Juvenile Court	551,700	(270)	2,871	554,301	649,323	652,333	98,032
District Attorney General	170,182	0	0	170,182	182,382	182,382	12,200
Office of Public Defender	147,032	0	0	147,032	148,712	148,712	1,680
Other Administration of Justice	1,464,893	(1,000)	536	1,464,429	1,534,623	1,534,623	70,194
Probation Services	954,086	0	0	954,086	980,511	984,261	30,175
Victim Assistance Programs	204,558	(390)	500	204,668	221,497	221,497	16,829
<u>Public Safety</u>							
Sheriff's Department	23,237,872	(285,671)	267,420	23,219,621	24,378,219	24,520,342	1,300,721
Special Patrols	37,903	0	0	37,903	41,010	41,010	3,107
Traffic Control	10,458	0	0	10,458	20,000	20,000	9,542
Administration of the Sexual Offender Registry	71,885	0	264	72,149	80,170	80,170	8,021
Jail	17,638,307	(106,475)	305,912	17,837,744	17,887,952	18,137,985	300,241
Workhouse	4,004,183	(1,341)	21,087	4,023,929	4,157,896	4,191,375	167,446
Juvenile Services	2,349,490	(7,887)	6,804	2,348,407	2,465,903	2,484,855	136,448
Rural Fire Protection	3,681,152	(36,890)	34,022	3,678,284	3,682,841	3,749,841	71,557
Disaster Relief	884,631	(124,501)	59,474	819,604	743,754	873,856	54,252
Inspection and Regulation	991,552	(720)	1,193	992,025	1,021,218	1,005,913	13,888
<u>Public Health and Welfare</u>							
Local Health Center	606,015	(6,061)	7,039	606,993	663,668	677,078	70,085

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 1,909,859	\$ (90,192)	\$ 1,224	\$ 1,820,891	\$ 1,788,986	\$ 1,923,479	\$ 102,588
Dental Health Program	8,333	0	870	9,203	11,850	11,850	2,647
Alcohol and Drug Programs	81,267	(3,000)	0	78,267	0	85,405	7,138
Other Local Health Services	2,081,681	0	0	2,081,681	2,486,319	2,619,800	538,119
General Welfare Assistance	55,000	0	0	55,000	55,000	55,000	0
Sanitation Management	36,103	0	0	36,103	36,110	36,110	7
Other Public Health and Welfare	414,945	0	0	414,945	348,000	438,000	23,055
<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	1,600,000	0	0	1,600,000	1,600,000	1,600,000	0
Parks and Fair Boards	490,772	0	0	490,772	576,035	616,035	125,263
Other Social, Cultural, and Recreational	790,967	0	0	790,967	790,967	790,967	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	783,556	(28,000)	0	755,556	768,508	793,508	37,952
Soil Conservation	87,973	0	0	87,973	87,853	108,833	20,860
Storm Water Management	216,007	(1,245)	12,819	227,581	243,509	243,509	15,928
<u>Other Operations</u>							
Tourism	739,603	0	0	739,603	677,000	797,000	57,397
Industrial Development	231,500	0	0	231,500	231,500	231,500	0
Other Economic and Community Development	154,791	0	0	154,791	160,120	160,120	5,329
Other Charges	252,469	(1,615)	539	251,393	267,602	272,752	21,359
Employee Benefits	865,725	0	0	865,725	798,300	869,770	4,045
Payments to Cities	2,003,479	0	0	2,003,479	2,010,000	2,010,000	6,521
Miscellaneous	1,725,866	0	0	1,725,866	2,091,800	2,028,500	302,634
Total Expenditures	\$ 95,892,441	\$ (1,596,692)	\$ 2,133,143	\$ 96,428,892	\$ 97,342,521	\$ 102,202,921	\$ 5,774,029
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,760,865	\$ 1,596,692	\$ (2,133,143)	\$ 5,224,414	\$ (8,800,904)	\$ (2,909,581)	\$ 8,133,995

(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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 84,565	\$ 0	\$ 0	\$ 84,565	\$ 0	\$ 84,539	\$ 26
Transfers In	1,143,970	0	0	1,143,970	711,900	1,201,900	(57,930)
Transfers Out	(681,700)	0	0	(681,700)	0	(681,700)	0
Total Other Financing Sources	<u>\$ 546,835</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 546,835</u>	<u>\$ 711,900</u>	<u>\$ 604,739</u>	<u>\$ (57,904)</u>
Net Change in Fund Balance	\$ 6,307,700	\$ 1,596,692	\$ (2,133,143)	\$ 5,771,249	\$ (8,089,004)	\$ (2,304,842)	\$ 8,076,091
Fund Balance, July 1, 2017	<u>38,718,207</u>	<u>(1,596,692)</u>	<u>0</u>	<u>37,121,515</u>	<u>32,432,814</u>	<u>32,432,814</u>	<u>4,688,701</u>
Fund Balance, June 30, 2018	<u>\$ 45,025,907</u>	<u>\$ 0</u>	<u>\$ (2,133,143)</u>	<u>\$ 42,892,764</u>	<u>\$ 24,343,810</u>	<u>\$ 30,127,972</u>	<u>\$ 12,764,792</u>

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, 2018

	Governmental Activities - Internal Service Funds
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 281,937
Equity in Pooled Cash and Investments	37,483,497
Cash with Paying Agent	1,737,000
Accounts Receivable	22,661
Due from Other Governments	14,450
Due from Component Units	90,065
Due from Fiduciary Funds	150,000
Total Assets	<u>\$ 39,779,610</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 334,414
Claims and Judgments Payable	9,531,272
Total Current Liabilities	<u>\$ 9,865,686</u>
Noncurrent Liabilities:	
Claims and Judgments Payable	<u>\$ 2,641,067</u>
Total Liabilities	<u>\$ 12,506,753</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 27,272,857</u>
Total Net Position	<u>\$ 27,272,857</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, 2018

	Governmental Activities - Internal Service Funds
<hr/>	
<u>Operating Revenues</u>	
Charges for Current Services:	
Self-Insurance Premiums/Contributions	\$ 63,831,402
Other Employee Benefits Charges/Contributions	2,248,168
Service Charges	2,400
Other Local Revenues:	
Retirees' Insurance Payments	5,555,339
Cobra Insurance Payments	200,084
State of Tennessee:	
On-Behalf Contributions for OPEB	169,188
Total Operating Revenues	<u>\$ 72,006,581</u>
<u>Operating Expenses</u>	
General Government:	
Furniture and Fixtures	\$ 22,226
Employee Benefits:	
Handling Charges and Administrative Costs	2,711,263
Disability Insurance	512,992
Bank Charges	2,000
Consultants	117,767
Contracts with Private Agencies	2,910,003
Other Contracted Services	11,350
Medical Claims	57,907,831
Premiums on Corporate Surety Bonds	7,500
Liability Claims	1,418,167
Other Self-Insured Claims	771,229
Other Charges	30,790
Total Operating Expenses	<u>\$ 66,423,118</u>
Operating Income (Loss)	<u>\$ 5,583,463</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 1,848,884
Total Nonoperating Revenues (Expenses)	<u>\$ 1,848,884</u>
Income (Loss) Before Transfers	\$ 7,432,347
Transfers Out	<u>(603,970)</u>
Change in Net Position	\$ 6,828,377
Net Position, July 1, 2017	<u>20,444,480</u>
Net Position, June 30, 2018	<u><u>\$ 27,272,857</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, 2018

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 72,085,112
Payments to Suppliers	(6,297,348)
Claims Paid	(62,342,501)
Insurance Recovery	1,848,884
Net Cash Provided By (Used In) Operating Activities	<u>\$ 5,294,147</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (603,970)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (603,970)</u>
Net Increase (Decrease) in Cash	\$ 4,690,177
Cash, July 1, 2017	<u>34,812,257</u>
Cash, June 30, 2018	<u><u>\$ 39,502,434</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 5,583,463
Insurance Recovery	1,848,884
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	71,878
(Increase) Decrease in Due from Other Governments	(975)
(Increase) Decrease in Due from Component Units	7,628
Increase (Decrease) in Accounts Payable	28,543
Increase (Decrease) in Claims and Judgments Payable	<u>(2,245,274)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 5,294,147</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 34,057,811
Equity in Pooled Cash and Investments Per Net Position	<u>5,444,623</u>
Cash, June 30, 2018	<u><u>\$ 39,502,434</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, 2018

	Other Employee Benefit Trust Fund	
	Flexible Benefits Fund	Agency Funds
<u>ASSETS</u>		
Cash	\$ 206,783	\$ 8,224,398
Equity in Pooled Cash and Investments	184,256	633,179
Cash with Paying Agents	57,436	0
Investments	0	7,440
Accounts Receivable	0	1,573
Due from Other Governments	0	13,688,989
Due from Component Units	870	0
Taxes Receivable	0	14,450,268
Allowance for Uncollectible Taxes	0	(716,662)
Cash Shortage	0	200
Total Assets	<u>\$ 449,345</u>	<u>\$ 36,289,385</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 24
Accrued Payroll	0	315
Due to Other Taxing Units	0	27,637,515
Due to Joint Ventures	0	10,959
Due to Litigants, Heirs, and Others	0	8,640,572
Due to Other Funds	150,000	0
Total Liabilities	<u>\$ 150,000</u>	<u>\$ 36,289,385</u>
<u>NET POSITION</u>		
Held in Trust for Other Employee Benefits	<u>\$ 299,345</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, 2018

	Other Employee Benefit Trust Fund
	<hr/>
	Flexible Benefits Fund
	<hr/>
<u>ADDITIONS</u>	
Charges for Services:	
Other Employee Benefit Charges/Contributions	\$ 1,475,242
Total Additions	<u>\$ 1,475,242</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 1,381,445
Total Deductions	<u>\$ 1,381,445</u>
Change in Net Position	\$ 93,797
Net Position, July 1, 2017	<u>205,548</u>
Net Position, June 30, 2018	<u><u>\$ 299,345</u></u>

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

RUTHERFORD COUNTY, TENNESSEE
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RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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 \$87,348,606 were contributed by the county to the School Department during the year ended June 30, 2018.

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.

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 type:

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.

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 \$7,700,000 of payments in-lieu-of property taxes for certain local businesses. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable is reported as a deferred inflow of resources as of June 30.

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

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

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

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the

following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the primary government funds represent deposits placed with Rutherford County for building codes certificates of occupancy \$130,685, deposits in-lieu-of bonds for developments \$1,035,997, software license deposits \$13,300, agricultural facilities rentals \$33,275, and animal adoption fees \$1,485.

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, pension changes in proportionate share of contributions, pension changes in assumptions, and employer contributions made to the pension plan after the measurement date; as well as OPEB benefits paid 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, pension changes in experience, pension changes in investment earnings, and pension changes in proportionate share of contributions; as well as OPEB changes in assumptions.

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 \$12,803,938 of restricted net position for the primary government, of which \$2,150,064 is restricted by enabling legislation.

As of June 30, 2018, Rutherford County had \$359,394,530 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, 2018, the most significant restriction of fund balance is for the retirement of airport debt.

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

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, 2018, the most significant assignment of fund balance is \$47,537,925 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.

10. Restatements

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Rutherford County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the Primary Government and the Discretely Presented Rutherford County School Department totaling \$16,833,573 and \$81,967,644, respectively, have been recognized to account for the transitional requirements.

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.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) provide OPEB benefits to their retirees through a single commercial insurance plan administered by Cigna Insurance Company. For reporting purposes the plan is considered a single-employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Rutherford County. For this purpose, Rutherford County recognizes benefit payments when due and payable in accordance with benefit terms. Rutherford County's OPEB plan is not administered through a trust.

Discretely Presented Rutherford County School Department

Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) provide OPEB benefits to their retirees through a single commercial insurance plan administered by Cigna Insurance Company. For reporting purposes the plan is considered a single-employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Rutherford County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

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, 2018, Rutherford County and the Rutherford County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
General	\$ 2,133,143
Nonmajor Governmental	591,601
Total	<u>\$ 2,724,744</u>
School Department:	
General Purpose School	\$ 3,250,700
Nonmajor Governmental	1,542,888
Total	<u>\$ 4,793,588</u>

B. Investigation

An investigation is ongoing of an employee for the Rutherford County Emergency Medical Service department by the Comptroller's Division of Investigation. Findings, if any, resulting from this investigation will be included in a subsequent report.

C. Cash Shortage

A cash shortage of \$200 existed in the Office of Circuit, General Sessions, and Juvenile Courts Clerk at June 30, 2018. This cash shortage resulted from missing cash collections of \$100 from Juvenile Court on July 12, 2017, and missing cash collections of \$100 from Circuit Court on July 18, 2017. The Circuit, General Sessions, and Juvenile Courts Clerk liquidated the shortage subsequent to June 30, 2018, by deposing personal funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Rutherford County and the Rutherford County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net 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, 2018, 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.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
Nonpooled:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
State Treasurer's Investment Pool	2 to 113	N/A	<u>\$ 7,440</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, 2018, 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 \$199,706 and \$2,310,000 on June 30, 2018, 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, 2018, 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, 2018, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 37,857,517	\$ 864,565	\$ 0	\$ 38,722,082
Intangible Assets (Right-of-Ways)	46,834,157	0	(518,735)	46,315,422
Construction in Progress	50,924,299	22,699,612	(7,551,023)	66,072,888
Total Capital Assets Not Depreciated	\$ 135,615,973	\$ 23,564,177	\$ (8,069,758)	\$ 151,110,392
Capital Assets Depreciated:				
Buildings and Improvements	\$ 105,760,413	\$ 2,491,817	\$ 0	\$ 108,252,230
Infrastructure	143,448,793	2,300,280	0	145,749,073
Intangible Assets	4,277,362	367,560	0	4,644,922
Other Capital Assets	38,781,955	11,276,063	(2,041,572)	48,016,446
Total Capital Assets Depreciated	\$ 292,268,523	\$ 16,435,720	\$ (2,041,572)	\$ 306,662,671
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 38,916,143	\$ 2,178,267	\$ 0	\$ 41,094,410
Infrastructure	46,188,565	1,959,199	0	48,147,764
Intangible Assets	2,756,163	242,361	0	2,998,524
Other Capital Assets	26,105,944	3,089,893	(1,968,108)	27,227,729
Total Accumulated Depreciation	\$ 113,966,815	\$ 7,469,720	\$ (1,968,108)	\$ 119,468,427
Total Capital Assets Depreciated, Net	\$ 178,301,708	\$ 8,966,000	\$ (73,464)	\$ 187,194,244
Governmental Activities Capital Assets, Net	\$ 313,917,681	\$ 32,530,177	\$ (8,143,222)	\$ 338,304,636

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

Governmental Activities:

General Government	\$ 571,089
Finance	472,259
Administration of Justice	47,550
Public Safety	3,001,040
Public Health and Welfare	900,981
Agriculture and Natural Resources	199,681
Highways	<u>2,277,120</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,469,720</u></u>
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Discretely Presented Rutherford County School Department**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 17,634,620	\$ 0	\$ 0	\$ 17,634,620
Construction in Progress	39,435,869	41,052,445	(35,798,992)	44,689,322
Total Capital Assets Not Depreciated	<u>\$ 57,070,489</u>	<u>\$ 41,052,445</u>	<u>\$ (35,798,992)</u>	<u>\$ 62,323,942</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 576,474,967	\$ 48,355,903	\$ 0	\$ 624,830,870
Intangible Assets	416,167	0	0	416,167
Other Capital Assets	19,841,799	1,129,761	(639,983)	20,331,577
Total Capital Assets Depreciated	<u>\$ 596,732,933</u>	<u>\$ 49,485,664</u>	<u>\$ (639,983)</u>	<u>\$ 645,578,614</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 167,970,824	\$ 13,166,934	\$ 0	\$ 181,137,758
Intangible Assets	341,688	13,018	0	354,706
Other Capital Assets	13,677,143	1,178,827	(624,678)	14,231,292
Total Accumulated Depreciation	<u>\$ 181,989,655</u>	<u>\$ 14,358,779</u>	<u>\$ (624,678)</u>	<u>\$ 195,723,756</u>
Total Capital Assets Depreciated, Net	<u>\$ 414,743,278</u>	<u>\$ 35,126,885</u>	<u>\$ (15,305)</u>	<u>\$ 449,854,858</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 471,813,767</u></u>	<u><u>\$ 76,179,330</u></u>	<u><u>\$ (35,814,297)</u></u>	<u><u>\$ 512,178,800</u></u>

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

Governmental Activities:

Instruction	\$ 13,018
Support Services	14,004,848
Operation of Non-instructional Services	<u>340,913</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 14,358,779</u></u>

D. Construction Commitments

At June 30, 2018, the primary government had uncompleted construction contracts of approximately \$601,735 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, 2018, the discretely presented Rutherford County School Department had uncompleted construction contracts of approximately \$46,800,576 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, 2018, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 581,798
Nonmajor governmental	General	35,000
Internal Service:	Other Employee Benefit Trust:	
Employee Insurance - Health	Flexible Benefits	150,000

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	Community Care of Rutherford Co., Inc.	\$ 2,299
Internal Service Fund	Community Care of Rutherford Co., Inc.	90,065
Primary Government	Rutherford County School Department for Contributions for Debt Service	2,798,705

The \$2,798,705 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, 2018, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 681,700
Nonmajor governmental funds	540,000	195,395	4,381
Internal Service Funds	603,970	0	0
Total	\$ 1,143,970	\$ 195,395	\$ 686,081

Discretely Presented Rutherford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Other Capital Projects Fund
Nonmajor governmental funds	\$ 221,428	\$ 0
General Purpose School Fund	0	4,541,758

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, 2018, were as follows:

Year Ending June 30	Governmental Funds
2019	\$ 239,561
2020	119,781
Total Minimum Lease Payments	\$ 359,342
Less: Amount Representing Interest	(12,899)
Present Value of Minimum Lease Payments	<u>\$ 346,443</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 and other loans outstanding were issued for original terms of up to 20 years for bonds, and up to eight 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 and other loans included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

The annual requirements to amortize all general obligation bonds and other loans as of June 30, 2018, including interest payments, are presented in the following tables:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2019	463,752	21,612	485,364
2020	468,000	17,364	485,364
2021	358,913	13,359	372,272
2022	305,496	10,224	315,720
2023	308,568	7,152	315,720
2024-2025	547,533	5,019	552,552
Total	\$ 2,452,262	\$ 74,730	\$ 2,526,992

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 32,455,000	\$ 17,415,016	\$ 49,870,016
2020	33,305,000	16,068,614	49,373,614
2021	33,505,000	14,743,613	48,248,613
2022	31,070,000	13,302,251	44,372,251
2023	30,760,000	11,786,928	42,546,928
2024-2028	136,710,000	39,801,399	176,511,399
2029-2033	102,035,000	17,297,563	119,332,563
2034-2038	54,185,000	3,964,803	58,149,803
Total	\$ 454,025,000	\$ 134,380,187	\$ 588,405,187

There is \$49,358,710 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,729, based on the 2010 federal census. Total debt per capita, including bonds, other loans, capital leases, and unamortized debt premiums, totaled \$1,907, 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 6-30-18</u>
<u>Contributions from the General Purpose School Fund</u>	
<u>Other Loans</u>	
Energy Efficiency Loan	\$ 392,273
Energy Efficiency Loan	2,059,989
<u>Capital Lease Payable</u>	
Energy Efficient Water Upgrade	<u>346,443</u>
Total	<u>\$ 2,798,705</u>

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Note</u>
Balance, July 1, 2017	\$ 402,480,000	\$ 59,552
Additions	81,530,000	0
Reductions	<u>(29,985,000)</u>	<u>(59,552)</u>
Balance, June 30, 2018	<u>\$ 454,025,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 32,455,000</u>	<u>\$ 0</u>
	<u>Other Loans</u>	<u>Capital Lease</u>
Balance, July 1, 2017	\$ 2,052,927	\$ 567,045
Additions	639,023	0
Reductions	<u>(239,688)</u>	<u>(220,602)</u>
Balance, June 30, 2018	<u>\$ 2,452,262</u>	<u>\$ 346,443</u>
Balance Due Within One Year	<u>\$ 463,752</u>	<u>\$ 228,840</u>

	Compensated Absences	Landfill Closure/ Postclosure Care Costs
Balance, July 1, 2017	\$ 4,908,718	\$ 2,619,555
Additions	6,353,970	43,525
Reductions	(5,966,732)	(201,504)
Balance, June 30, 2018	<u>\$ 5,295,956</u>	<u>\$ 2,461,576</u>
Balance Due Within One Year	<u>\$ 158,878</u>	<u>\$ 864,500</u>
	Claims and Judgments	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 14,417,613	\$ 34,962,418
Additions	0	2,100,434
Reductions	(2,245,274)	(4,280,559)
Balance, June 30, 2018	<u>\$ 12,172,339</u>	<u>\$ 32,782,293</u>
Balance Due Within One Year	<u>\$ 9,531,272</u>	<u>\$ 0</u>

*OPEB balance at July 1, 2017, was restated. See Note I.D.10.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 509,535,869
Less: Due Within One Year	(43,702,242)
Add: Unamortized Premium on Debt	<u>43,952,591</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 509,786,218</u>

The internal service funds primarily serve the governmental funds. Accordingly, long-term obligations for the internal service funds are included as part of the above totals for governmental activities. At year end, \$12,172,339 of claims and judgments is included in the above amounts. Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Solid Waste/Sanitation, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Defeasance of Prior Debt

In prior years, Rutherford County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2018, the following outstanding bonds are considered defeased:

	<u>Amount</u>
2009 School Facilities and Public Improvements	\$ 27,320,000

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, 2018, was as follows:

	Compensated Absences	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 1,464,271	\$ 166,131,961
Additions	1,413,347	9,980,701
Reductions	(1,300,416)	(20,340,065)
Balance, June 30, 2018	<u>\$ 1,577,202</u>	<u>\$ 155,772,597</u>
Balance Due Within One Year	<u>\$ 47,316</u>	<u>\$ 0</u>
	Net Pension Liability - Legacy Plan	
Balance, July 1, 2017	\$ 25,163,682	
Additions	15,449,117	
Reductions	(41,969,207)	
Balance, June 30, 2018	<u>\$ (1,356,408)</u>	
Balance Due Within One Year	<u>\$ 0</u>	

*OPEB balance at July 1, 2017, was restated. See Note I.D.10.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 157,349,799
Less: Due Within One Year	<u>(47,316)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 157,302,483</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. 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, 2018, interest earned and expended totaled \$330 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
2016-17	\$	1,588,565	\$	2,896,408	\$	(1,969,873)	\$	2,515,100
2017-18		2,515,100		1,418,167		(3,156,320)		776,947

Employee Insurance - Health Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
2016-17	\$	10,198,450	\$	60,246,034	\$	(59,913,971)	\$	10,530,513
2017-18		10,530,513		57,907,831		(58,272,452)		10,165,892

Workers' Compensation Fund

		Beginning of Fiscal Year Liability		Current-year Claims and Estimates		Payments		Balance at Fiscal Year-end
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Workers' Compensation Program

2016-17	\$	941,000	\$	183,861	\$	(36,861)	\$	1,088,000
2017-18		1,088,000		103,611		(286,611)		905,000

On-the-Job Injury Program

2016-17	\$	180,000	\$	805,235	\$	(701,235)	\$	284,000
2017-18		284,000		667,618		(627,118)		324,500

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

C. Contingent Liabilities

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

D. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Rutherford County closed its sanitary landfill in 2000. The \$2,461,576 reported as postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Linebaugh Public Library System is jointly owned by Rutherford County and the cities of Murfreesboro and Smyrna and is operated by an appointed board. The board comprises 14 members, seven of whom are appointed by the Rutherford County Commission, with two being residents of Smyrna. The remaining seven members are appointed by the City of Murfreesboro. Rutherford County has control over budgeting and financing the joint venture only to the extent of representation by the seven board members appointed. Rutherford County contributed \$1,600,000 to the operations of the libraries during the year ended June 30, 2018.

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, 2018.

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

F. 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 comprise 58.02 percent, the non-certified employees of the discretely presented School Department comprise 38.08 percent, and the discretely presented Community Care of Rutherford County, Inc., comprise 3.9 percent of the plan based on contribution 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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	894
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	2,039
Active Employees	2,667
Total	<u><u>5,600</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. 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, 2018, the employer contributions were \$5,866,361, \$4,119,936, and \$366,016, for the primary government, the non-certified employees of the discretely presented school department, and the discretely presented Community Care of Rutherford County, respectively, 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, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69	%
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 (Asset) (a)-(b)
Primary Government			
Balance, July 1, 2016	\$ 136,749,049	\$ 137,911,592	\$ (1,162,543)
Changes for the Year:			
Service Cost	\$ 4,017,655	\$ 0	\$ 4,017,655
Interest	10,414,556	0	10,414,556
Differences Between Expected and Actual Experience	148,760	0	148,760
Changes in Assumptions	3,256,002	0	3,256,002
Contributions-Employer	0	5,701,929	(5,701,929)
Contributions-Employees	0	300	(300)
Net Investment Income	0	15,737,798	(15,737,798)
Benefit Payments, Including Refunds of Employee Contributions	(3,811,933)	(3,811,933)	0
Administrative Expense	0	(129,923)	129,923
Other Changes	0	171	(171)
Net Changes	\$ 14,025,040	\$ 17,498,342	\$ (3,473,302)
Balance, June 30, 2017	\$ 150,774,089	\$ 155,409,934	\$ (4,635,845)

School Department	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2016	\$ 89,751,875	\$ 90,514,881	\$ (763,006)
Changes for the Year:			
Service Cost	\$ 2,636,889	\$ 0	\$ 2,636,889
Interest	6,835,338	0	6,835,338
Differences Between Expected and Actual Experience	97,635	0	97,635
Changes in Assumptions	2,136,997	0	2,136,997
Contributions-Employer	0	3,742,321	(3,742,321)
Contributions-Employees	0	197	(197)
Net Investment Income	0	10,329,117	(10,329,117)
Benefit Payments, Including Refunds of Employee Contributions	(2,501,869)	(2,501,869)	0
Administrative Expense	0	(85,272)	85,272
Other Changes	0	112	(112)
Net Changes	\$ 9,204,990	\$ 11,484,606	\$ (2,279,616)
Balance, June 30, 2017	\$ 98,956,865	\$ 101,999,487	\$ (3,042,622)

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability	Fiduciary Net Position	Liability (Asset)
Community Care	(a)	(b)	(a)-(b)
Balance, July 1, 2016	\$ 9,192,025	\$ 9,270,169	\$ (78,144)
Changes for the Year:			
Service Cost	\$ 270,060	\$ 0	\$ 270,060
Interest	700,047	0	700,047
Differences Between Expected and Actual Experience	9,999	0	9,999
Changes in Assumptions	218,863	0	218,863
Contributions-Employer	0	383,273	(383,273)
Contributions-Employees	0	20	(20)
Net Investment Income	0	1,057,867	(1,057,867)
Benefit Payments, Including Refunds of Employee Contributions	(256,231)	(256,231)	0
Administrative Expense	0	(8,733)	8,733
Other Changes	0	11	(11)
Net Changes	\$ 942,738	\$ 1,176,207	\$ (233,469)
Balance, June 30, 2017	\$ 10,134,763	\$ 10,446,376	\$ (311,613)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following tables present the net pension liability (asset) of Rutherford County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	Current Discount Rate		
	1% Decrease 6.25%	7.25%	1% Increase 8.25%
Primary Government			
Net Pension Liability	\$ 18,117,381	\$ (4,635,844)	\$ (23,344,587)

	1% Decrease	Current Discount Rate	1% Increase
School Department	6.25%	7.25%	8.25%

Net Pension Liability \$ 11,890,898 \$ (3,042,622) \$ (15,321,646)

	1% Decrease	Current Discount Rate	1% Increase
Community Care	6.25%	7.25%	8.25%

Net Pension Liability \$ 1,217,818 \$ (311,613) \$ (1,569,181)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Rutherford County recognized pension expense of \$3,888,755, \$2,552,288, and \$261,395, for the primary government, the non-certified employees of the discretely presented school department, and the discretely presented Community Care of Rutherford County, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, 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
Primary Government		
Difference Between Expected and Actual Experience	\$ 637,731	\$ 1,075,660
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	77,534
Changes in Assumptions	2,790,859	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	5,866,361	N/A
Total	<u>\$ 9,294,951</u>	<u>\$ 1,153,194</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

School Department	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 418,559	\$ 705,983
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	50,888
Changes in Assumptions	1,831,712	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	4,119,936	N/A
Total	\$ 6,370,207	\$ 756,871

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Community Care	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 42,867	\$ 72,304
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,212
Changes in Assumptions	187,597	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	366,016	N/A
Total	\$ 596,480	\$ 77,516

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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:

Primary Government

Year Ending June 30	Amount
2019	\$ (263,519)
2020	1,665,932
2021	544,796
2022	(746,401)
2023	588,196
Thereafter	486,395

School Department

Year Ending June 30	Amount
2019	\$ (172,954)
2020	1,093,393
2021	357,563
2022	(489,882)
2023	386,048
Thereafter	319,233

Community Care

Year Ending June 30	Amount
2019	\$ (17,713)
2020	111,981
2021	36,620
2022	(50,172)
2023	39,537
Thereafter	32,695

In the tables 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 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 58.02 percent, the non-certified employees of the discretely presented School Department comprise 38.08 percent, and the employees of the discretely presented Community Care of Rutherford County comprise 3.9 percent of the plan based on contribution 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 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. 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, 2018, to the Teacher Retirement Plan were \$1,447,156, 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, 2018, the School Department reported an asset of \$1,019,719 for its proportionate share of the net

pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, 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 School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was 3.864995 percent. The proportion as of June 30, 2016, was 3.748250 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$461,006.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the 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	\$ 35,738	\$ 76,691
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	54,870
Changes in Assumptions	89,587	0
Changes in Proportion of Net Pension Liability (Asset)	0	13,440
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	1,447,156	N/A
Total	\$ 1,572,481	\$ 145,001

The School Department's employer contributions of \$1,447,156, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. 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
2019	\$ (6,391)
2020	(6,391)
2021	(9,534)
2022	(23,647)
2023	2,227
Thereafter	24,061

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the

TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$ 203,447	\$ (1,019,719)	\$ (1,916,933)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Rutherford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a 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. 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, 2018, to the Teacher Legacy Pension Plan were \$13,467,559, which is 9.08 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 (Assets). At June 30, 2018, the School Department reported an asset of \$1,356,408 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was

measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was 4.145713 percent. The proportion measured at June 30, 2016, was 4.026546 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$924,280.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the 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	\$ 817,738	\$ 28,003,438
Changes in Assumptions	11,487,981	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	205,899	0
Changes in Proportion of Net Pension Liability (Asset)	2,713,128	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	13,467,559	N/A
Total	<u>\$ 28,692,305</u>	<u>\$ 28,003,438</u>

The School Department's employer contributions of \$13,467,559 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. 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
2019	\$ (8,797,192)
2020	5,079,113
2021	(2,587,046)
2022	(6,473,566)
2023	0
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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the

TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$ 121,708,407	\$ (1,356,408)	\$ (103,077,587)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

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.

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$1,809,363 and teachers contributed \$801,697 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) provide OPEB benefits to their retirees through a single commercial insurance plan administered by Cigna Insurance Company. For reporting purposes the plan is considered a single-employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. The actuary excluded the Rutherford County Emergency Communications District from their actuarial report due to materiality calculations and therefore no amounts are presented for the district.

Plan Description. All full-time employees and eligible retirees of Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) are eligible to participate in the health insurance plan accounted for in the Employee Insurance – Health Fund (internal service fund).

The premium requirements of plan members are established and may be amended by the insurance committee comprised of 15 members, which include the County Mayor, three County Commissioners, four members at large, one highway representative, three employee representatives, two Board of Education representatives, and one Rutherford Education Association representative. 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. While the County Risk Management committee recommends the contribution policy, the County Commission approves and authorizes the policy in terms of subsidizing active employees or retired employees' premiums. During the year plan members paid the following amounts to the plan for OPEB benefits as they became due: Primary Government \$554,760, School Department \$2,750,350, Community Care \$56,406, and Airport \$0.

Benefits Provided:

Employees after December 31, 2010

All full-time employees and eligible retirees of Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) are eligible to retire with medical insurance at 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.

Employees Hired on or Before December 31, 2010

On December 31, 2010, if employees had worked full-time at Rutherford County, the Smyrna-Rutherford County Airport (a joint venture), and the discretely presented Rutherford County School Department, Community Care of Rutherford County, Inc., and the Rutherford County Emergency Communications District (component units) for a total of:

Less than six months of service, the eligibility requirements to retire with medical insurance at 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.

1. 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.
2. 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.

3. 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.
4. 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.
5. 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.
6. 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.

Employees Covered by Benefit Terms

At the valuation date of January 1, 2016, the following employees were covered by the benefit terms:

Active Employees Eligible for Retirement	
Benefits	584
Active Employees Not Eligible for Retirement	
Benefits	5,201
Inactive Employees or Beneficiaries Currently	
Receiving Benefits	757
Total	<u>6,542</u>

Total OPEB Liability

The plan's total OPEB liability was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2017, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.58%
Inflation Rate	3.00%
Salary Increases	4.25%
Healthcare Cost Trend Rate	5.7% for medical and 10% for Rx in 2017 trending downward to an ultimate rate of 5% for both medical and Rx in 2028.
Retirees share of Benefit Related Cost	25% to 50% depending upon years of service and employment classification.
Future Participation Rates	40% to 80% depending on employment classification and whether grandfathered

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates for the plan were based on an experience study of the Tennessee Consolidated Retirement System.

The actuarial assumptions used for the June 30, 2018, fiscal year end were based on plan data and costs presented by Rutherford County with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 2.85 percent as of the beginning of the measurement period to 3.58 percent as of the measurement date of July 1, 2017.

Changes in the Total OPEB Liability

	Share of Collective Liability		
	Primary Government	School Department	Community Care
Balance July 1, 2016	\$ 34,962,418	\$ 166,131,961	\$ 2,828,952
Changes for the Year:			
Service Cost	\$ 1,079,238	\$ 5,128,250	\$ 87,325
Interest	1,021,196	4,852,451	82,630
Change in Assumptions	(3,854,910)	(18,317,496)	(311,916)
Benefit Payments	(425,649)	(2,022,569)	(34,441)
Net Changes	\$ (2,180,125)	\$ (10,359,364)	\$ (176,402)
Balance June 30, 2017	\$ 32,782,293	\$ 155,772,597	\$ 2,652,550

	Share of Collective Liability	
	Airport	Total
Balance July 1, 2016	\$ 80,660	\$ 204,003,991
Changes for the Year:		
Service Cost	\$ 2,490	\$ 6,297,303
Interest	2,356	5,958,633
Change in Assumptions	(8,894)	(22,493,216)
Benefit Payments	(982)	(2,483,641)
Net Changes	\$ (5,030)	\$ (12,720,921)
Balance June 30, 2017	\$ 75,630	\$ 191,283,070

During the year, the plan member's proportionate share of the collective OPEB liability was as follows: Primary Government 17.138%, School Department 81.436%, Community Care 1.387%, and Airport .04%. The proportionate share of each plan member was allocated based on actual benefit payments paid by the group.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the plan recognized OPEB expense of \$10,067,880 which was allocated as follows: primary government (\$1,725,443); School Department (\$8,198,843); Community Care (\$139,612), Airport (\$3,962). At June 30, 2018, the plan reported deferred outflows of resources and deferred inflows of resources related to their proportionate share of OPEB from the following sources:

Primary Government

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	3,479,919
Benefits Paid After the Measurement Date	383,446	0
Total	<u>\$ 383,446</u>	<u>\$ 3,479,919</u>

School Department

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	16,535,638
Benefits Paid After the Measurement Date	939,198	0
Total	<u>\$ 939,198</u>	<u>\$ 16,535,638</u>

Community Care

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	281,575
Benefits Paid After the Measurement Date	796	0
Total	<u>\$ 796</u>	<u>\$ 281,575</u>

Airport	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	8,028
Benefits Paid After the Measurement Date	0	0
Total	<u>\$ 0</u>	<u>\$ 8,028</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	Primary Government
2019	\$ (374,991)
2020	(374,991)
2021	(374,991)
2022	(374,991)
2023	(374,991)
Thereafter	(1,604,963)

<u>Year Ending June 30</u>	School Department
2019	\$ (1,781,857)
2020	(1,781,857)
2021	(1,781,857)
2022	(1,781,857)
2023	(1,781,857)
Thereafter	(7,626,350)

<u>Year Ending June 30</u>	Community Care
2019	\$ (30,342)
2020	(30,342)
2021	(30,342)
2022	(30,342)
2023	(30,342)
Thereafter	(129,864)

Year Ending June 30	Airport
2019	\$ (865)
2020	(865)
2021	(865)
2022	(865)
2023	(865)
Thereafter	(3,703)

In the tables shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the proportionate share of the total OPEB liability of the plan members calculated using the discount rate of 3.58 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Primary Government			
Total OPEB Liability	\$ 38,220,479	\$ 32,782,293	\$ 28,359,143

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
School Department			
Total OPEB Liability	\$ 181,613,386	\$ 155,772,597	\$ 134,754,980

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Community Care			
Total OPEB Liability	\$ 3,092,576	\$ 2,652,550	\$ 2,294,655

Airport	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
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Total OPEB Liability	\$	88,176	\$	75,630	\$	65,426
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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the proportionate share of the total OPEB liability of the plan members calculated using the healthcare cost trend rate of 5.7 to 10 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher (than the current rate:

Primary Government	1% Decrease 4.7 to 9%	Current Trend Rates 5.7 to 10%	1% Increase 6.7 to 11%
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Total OPEB Liability	\$	28,333,138	\$	32,782,293	\$	38,358,444
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School Department	1% Decrease 4.7 to 9%	Current Trend Rates 5.7 to 10%	1% Increase 6.7 to 11%
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Total OPEB Liability	\$	134,631,413	\$	155,772,597	\$	182,268,958
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Community Care	1% Decrease 4.7 to 9%	Current Trend Rates 5.7 to 10%	1% Increase 6.7 to 11%
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Total OPEB Liability	\$	2,292,551	\$	2,652,550	\$	3,103,739
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Airport	1% Decrease 4.7 to 9%	Current Trend Rates 5.7 to 10%	1% Increase 6.7 to 11%
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Total OPEB Liability	\$	65,366	\$	75,630	\$	88,494
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H. Office of Central Accounting and Budgeting

Office of Director of Finance

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

I. Purchasing Laws

Office of County Mayor

Rutherford County Purchasing Act of 2017, 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 \$25,000 (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.

J. Subsequent Events

On July 1, 2018, Don Odom left the Office of Director of Schools and was succeeded by Bill Spurlock.

On August 30, 2018, Rutherford County issued \$40,680,000 in general obligation bonds for school construction and improvements.

On August 31, 2018, Earnest G. Burgess left the Office of County Mayor and was succeeded by Bill Ketron.

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

A. Summary of Significant Accounting Policies

The summary of significant accounting policies of Community Care of Rutherford County, Inc., (the nursing home) is presented to assist in understanding the nursing home's financial statements. The financial statements and notes are representations of the nursing home's management who is responsible for their integrity and objectivity. These accounting policies conform with Generally Accepted Accounting Principles.

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 net investment in capital assets, restricted for pensions, 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, 2018, 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 reported at cost 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 two items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. Contributions for the pension plan and other postemployment benefit plan (OPEB) were made during the fiscal year but after the measurement dates of the actuarial reports.

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 and OPEB, such as differences between projected and actual earnings on pension plan investments and changes in pension plan assumptions as well as changes in OPEB 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, 2018, amounted to \$205,074 and \$414,804, 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.

Implementation of Accounting Pronouncement – GASB No. 75 – During the fiscal year ended June 30, 2018, the nursing home implemented GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

GASB Statement No. 75 replaces GASB Statements No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and No. 57 *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

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, 2018, 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, 2018, the carrying amount of cash was \$2,420,481, and the bank balance was \$2,543,762. In addition, the nursing home held patient funds in trust with a carrying amount of \$26,276 and a bank balance of \$27,994 at June 30, 2018. 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, 2018. 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 \$300 respectively, of cash on hand not included in cash deposits above.

C. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

Description	Balance 7-1-17	Additions	Retirements	Balance 6-30-18
Capital assets not being depreciated:				
Land improvements	\$ 0	\$ 113,184	\$ 0	\$ 113,184
Capital assets being depreciated:				
Land improvements	\$ 126,130	\$ (126,130)	\$ 0	\$ 0
Buildings and improvements	868,308	83,586	0	951,894
Transportation equipment	87,295	2,608	0	89,903
Furniture, fixtures, and equipment	884,944	87,301	(16,393)	955,852
Total	<u>\$ 1,966,677</u>	<u>\$ 47,365</u>	<u>\$ (16,393)</u>	<u>\$ 1,997,649</u>
Accumulated depreciation:				
Land improvements	\$ 8,823	\$ (8,823)	\$ 0	\$ 0
Buildings and improvements	290,783	51,322	0	342,105
Transportation equipment	84,186	1,277	0	85,463
Furniture, fixtures, and equipment	578,720	75,499	(14,873)	639,346
Total	<u>\$ 962,512</u>	<u>\$ 119,275</u>	<u>\$ (14,873)</u>	<u>\$ 1,066,914</u>
Capital assets being depreciated, net	<u>\$ 1,004,165</u>	<u>\$ (71,910)</u>	<u>\$ (1,520)</u>	<u>\$ 930,735</u>
Capital Assets, net	<u>\$ 1,004,165</u>	<u>\$ 41,274</u>	<u>\$ (1,520)</u>	<u>\$ 1,043,919</u>

Depreciation expense for the fiscal year ended June 30, 2018, totaled \$119,275.

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, 2018, are as follows:

	Balance 7-1-17	Additions	Reductions	Balance 6-30-18	Due Within One Year
Compensated absences	\$ 214,783	\$ 187,434	\$ (232,347)	\$ 169,870	\$ 169,870
Total OPEB obligation	2,828,952	0	(176,402)	2,652,550	0
	<u>\$ 3,043,735</u>	<u>\$ 187,434</u>	<u>\$ (408,749)</u>	<u>\$ 2,822,420</u>	<u>\$ 169,870</u>

E. Patient Funds Held in Trust

At June 30, 2018, the nursing home had a fiduciary responsibility for funds totaling \$26,643 on behalf of patients. Of this amount, \$26,276 was held in a separate interest-bearing cash account, \$300 was held as cash on hand as patient trust petty cash, and \$67 was due from the facility's operating cash account as of June 30, 2018.

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

The nursing home has a lease agreement with Rutherford County for the rental of the building, which it occupies. Under the lease terms, the nursing home 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 agreement was renewed June 16, 2016, for an additional five year period commencing July 1, 2016, and ending June 30, 2021, and may be terminated by either party upon a 90-day written notice. For the year ended June 30, 2018, medical, hospital and life insurance premiums in the amount of \$980,445 were paid timely.

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	35 %
Medicare	41
Private	11
Insurance	13

Approximately 89 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 the nursing home 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 the nursing home 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 3.9 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, 2018, employer contributions for Community Care of Rutherford County, Inc., were \$366,016 based on a rate of 10.66 percent of covered payroll, which was higher than the employer actuarially determined contribution rate of 8.64 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, 2018, Community Care of Rutherford County, Inc., reported an asset of \$311,613 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017, 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, 2018, Community Care of Rutherford County, Inc.'s proportion was 3.9 percent.

Pension Expense. For the year ended June 30, 2018, Community Care of Rutherford County, Inc., recognized pension expense of \$261,395.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, 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	\$ 42,867	\$ 72,304
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,212
Changes in Assumptions	187,597	0
Contributions Subsequent to the Measurement Date of June 30, 2017	366,016	N/A
Total	<u>\$ 596,480</u>	<u>\$ 77,516</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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
2019	\$ (17,713)
2020	111,981
2021	36,620
2022	(50,172)
2023	39,537
Thereafter	32,695

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.45% Based on Age, Including Inflation, Averaging 4.00%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 7.25 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 (6.25%) or one percentage point higher (8.25%) than the current rate:

	1%	Current Discount Rate	1%
Community Care of Rutherford County	Decrease 6.25%	7.25%	Increase 8.25%
Net Pension Liability	\$ 1,217,818	\$ (311,613)	\$ (1,569,181)

Payable to the Pension Plan. At June 30, 2018, the nursing home reported a payable of \$25,886 for outstanding contributions due to the pension plan at June 30, 2018.

J. Other Postemployment Benefits (OPEB)

Community Care of Rutherford County, Inc. provides OPEB benefits to their retirees through a single commercial insurance plan of Rutherford County (the County) administered by Cigna Insurance Company. For reporting purposes the plan is considered a single-employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Plan Description. All full-time employees and eligible retirees of the nursing home are eligible to participate in the health insurance plan accounted for in the Employee Insurance – Health Fund (internal service fund) of the County.

The premium requirements of plan members are established and may be amended by the insurance committee comprised of 15 members, which include the County Mayor, three county commissioners, four members at large, one highway representative, three employee representatives, two Board of Education representatives, and one Rutherford Education Association representative. 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. While the County Risk Management committee recommends the contribution policy, the County Commission approves and authorizes the policy in terms of subsidizing active employees or retired employees' premiums. During the year, Community Care of Rutherford County, Inc. paid \$56,406 to the plan for OPEB benefits as they became due.

Benefits Provided:

Employees after December 31, 2010

All full-time employees and eligible retirees of Community Care of Rutherford County, Inc. are eligible to retire with medical insurance at 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.

Employees Hired on or Before December 31, 2010

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

1. Less than six months of service, the eligibility requirements to retire with medical insurance at 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.

Total OPEB Liability

The plan's total OPEB liability was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Methods. The total OPEB liability on the July 1, 2017, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Discount Rate	3.58%
Inflation Rate	3.00%
Salary Increases	4.25%
Healthcare Cost Trend Rate	5.7% for medical and 10% for Rx in 2017 trending downward to an ultimate rate of 5% for both medical and Rx in 2028.
Retirees share of Benefit Related Cost	25% to 50% depending upon years of service and employment classification.
Future Participation Rates	40% to 80% depending on employment classification and whether grandfathered

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates for the plan were based on an experience study of the Tennessee Consolidated Retirement System.

The actuarial assumptions used for the June 30, 2018 fiscal year end were based on plan data and costs presented by Rutherford County with concurrence by the actuary.

Changes in Assumptions. The discount rate changed from 2.85 percent as of the beginning of the measurement period to 3.58 percent as of the measurement date of July 1, 2017.

During the year, the nursing home's proportionate share of the collective OPEB liability was 1.387%. The proportionate share of each plan member was allocated based on actual benefit payments paid by the group.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the nursing home's portion of OPEB expense recognized by the plan was \$139,612. At June 30, 2018, the nursing home reported its proportionate share of deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	281,575
Benefits Paid After the Measurement Date	796	0
Total	<u>\$ 796</u>	<u>\$ 281,575</u>

Benefits paid after the measurement date in the amount of \$796 included in deferred outflows of resources will be included as a reduction of the nursing home's portion of the collective total OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30		
2019	\$	(30,342)
2020		(30,342)
2021		(30,342)
2022		(30,342)
2023		(30,342)
Thereafter		(129,865)

In the tables shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of the Nursing Home's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following presents the nursing home's proportionate share of the total OPEB liability calculated using the discount rate of 3.58 percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate:

		1%	Current	1%
		Decrease	Discount	Increase
		2.58%	Rate	3.58%
				4.58%
Community Care				
Total OPEB Liability	\$	3,092,576	\$	2,652,550
			\$	2,294,655

Sensitivity of the Nursing Home's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the nursing home's proportionate share of the total OPEB liability calculated using the healthcare cost trend rate of 5.7 to 10 percent, as well as what the nursing home's proportionate share of the total OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher (than the current rate:

		1%	Current	1%
		Decrease	Trend	Increase
		4.7 to 9%	Rates	6.7 to 11%
			5.7 to 10%	
Community Care				
Total OPEB Liability	\$	2,292,551	\$	2,652,550
			\$	3,103,739

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. Change in Accounting Principle/ Restatement

The nursing home adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for the year ended June 30, 2018. See Note VI.J. As a result, beginning net position was restated in the amount of \$1,377,059 to adjust the total OPEB liability at the beginning of the measurement period.

M. 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).

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. Two of these are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. 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, 2018, 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.

As a component unit of Rutherford County, 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) is 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, 2018, 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, 2018, prepaid insurance and service contract costs were \$84,091.

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, 2018, and is \$58,078.

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.

Implementation of Accounting Pronouncement – GASB No. 75 – During the fiscal year ended June 30, 2018, the district implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

GASB Statement No. 75 replaces the requirements of GASB Statements No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions," as amended, and No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," GASB Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected payments to their actuarial present value, and attribute the present value to periods of employee service.

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 one item that qualifies for reporting in this category related to pension changes in investment earnings.

B. Cash and Certificates of Deposit Investments

The district follows state statutes requiring all deposits with financial institutions to be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. 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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial risk exposure. 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.

The district does not have a formal policy regarding types of investments authorized. State Statutes authorize the district 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. 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 government.

During the year ended June 30, 2018, the Board of Directors chose to limit the investment of funds to demand deposits and certificates of deposits at banking institutions.

At June 30, 2018, the carrying amount of cash deposits was \$1,685,232, and the bank balance was \$1,845,316, as listed below. All bank accounts earn a variable rate of interest. At June 30, 2018, 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%	\$ 1,434,978	\$ 1,595,062
SunTrust Bank cash investment	0.04	250,254	250,254
Total		<u>\$ 1,685,232</u>	<u>\$ 1,845,316</u>

The district's 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.

Certificates of Deposit – At June 30, 2018, 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	8-20-19	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			<u>\$ 2,750,009</u>

C. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-17	Additions	Reductions	Balance 6-30-18
<u>Depreciable Assets</u>				
Buildings and Improvements	\$ 1,200,456	\$ 29,227	\$ 0	\$ 1,229,683
Furniture and Fixtures	45,757	69,661	0	115,418
Office Equipment	25,642	0	0	25,642
Communications Equipment	1,690,655	325,293	0	2,015,948
Vehicle	48,775	0	0	48,775
Other Capital Assets	588,202	0	(141,585)	446,617
Total	<u>\$ 3,599,487</u>	<u>\$ 424,181</u>	<u>\$ (141,585)</u>	<u>\$ 3,882,083</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	\$ (460,017)	\$ (30,742)	\$ 0	\$ (490,759)
Furniture and Fixtures	(45,757)	(2,903)	0	(48,660)
Office Equipment	(25,642)	0	0	(25,642)
Communications Equipment	(618,429)	(156,573)	0	(775,002)
Vehicle	(37,741)	(3,894)	0	(41,635)
Other Capital Assets	(402,920)	(73,848)	139,225	(337,543)
Total	<u>\$ (1,590,506)</u>	<u>\$ (267,960)</u>	<u>\$ 139,225</u>	<u>\$ (1,719,241)</u>
<u>Non-depreciable Assets</u>				
Land	\$ 17,500	\$ 0	\$ 0	\$ 17,500
Construction in Progress	0	0	0	0
Total	<u>\$ 17,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,500</u>
Total Capital Assets	<u>\$ 2,026,481</u>	<u>\$ 156,221</u>	<u>\$ (2,360)</u>	<u>\$ 2,180,342</u>

D. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Balance 7-1-17	Additions	Reductions	Balance 6-30-18
Net Pension Liability	\$ 158,680	\$ 6,004	\$ 0	\$ 164,684

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.

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, 2018, the employer contributions for Rutherford County Emergency Communications District were \$32,436 based on a rate of 10.62 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.

Net Pension Liability (Asset)

Rutherford County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.46 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes in assumptions – In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost of living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

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, 2016, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce 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 expected inflation of 2.50 percent. The best estimates of geometric real rates of return and the TCRS investment target asset allocation 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	5.69 %	31 %
Developed market international equity	5.29	14
Emerging market international equity	6.36	4
Private equity and strategic lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
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 7.25 percent based on a blending of the factors described above.

Discount Rate – The discount rate used to measure the total pension liability was 7.25 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.

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, 2016	\$ 813,701	\$ 655,021	\$ 158,680
Changes for the year:			
Service Cost	\$ 14,376	\$ 0	\$ 14,376
Interest	61,695	0	61,695
Differences Between Expected and Actual Experience	18,111	0	18,111
Changes in Assumptions	18,142	0	18,142
Contributions-Employer	0	31,300	(31,300)
Contributions-Employees	0	0	0
Net Investment Income	0	75,359	(75,359)
Benefit Payments, Including Refunds of Employee Contributions	(10,944)	(10,944)	0
Administrative Expense	0	(339)	339
Net Changes	\$ 101,380	\$ 95,376	\$ 6,004
Balance, June 30, 2017	\$ 915,081	\$ 750,397	\$ 164,684

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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rutherford County Emergency Communications District	6.3%	7.3%	8.3%

Net Pension Liability (Asset)	\$ 316,222	\$ 164,684	\$ 40,277
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Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense – For the year ended June 30, 2018, Rutherford County Emergency Communications District recognized pension expense of \$42,129.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2018, Rutherford County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 62,774	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	566
Changes in Assumptions	15,118	0
Contributions Subsequent to the Measurement Date of June 30, 2017	32,436	0
Total	<u>\$ 110,328</u>	<u>\$ 566</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2017,” 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:	
2019	\$ 15,596
2020	24,598
2021	19,347
2022	10,398
2023	7,393

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, 2018.

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

Plan Description – The district is included under Rutherford County’s postretirement health insurance plan. Rutherford County’s plan is a single employer defined benefit OPEB plan. The Rutherford County Plan 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. In lieu of benefits described above, pre-Medicare participants are allowed to choose a \$500 per month HRA as an alternative to existing plans. Eligible retirees and dependents are required to share in the cost of health insurance. Benefits are established and amended by an insurance committee established by the Rutherford County Commission. Detailed information about the other postemployment benefits plans is available in a separately issued publicly available Rutherford County financial report that can be obtained at www.rutherfordcountyttn.gov/finance/budget.htm.

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 retires from the 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. 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 50 percent of the adequate premium for themselves and their spouses until reaching age 65 and after age 65 will be required to contribute 25 percent of the adequate premium for themselves and 50 percent of the adequate premium for their spouses. Effective January 1, 2010, all retirees that are retirement eligible as of December 31, 2010, or have at least 20 years of service as of December 31, 2010, upon attaining age 65, will be required to contribute 50 percent of the adequate premium for themselves and their spouses. This structure was phased in over four years (2010-2013) such that contributions were 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 post age 65 and contributions will be 50 percent of the adequate premium rate for themselves and their spouses, (2) employees with at least seven years of service but less than ten years of service as of December 31, 2010-no prescription drug coverage will be provided post age 65 and contributions will be 50 percent of the adequate premium rate for themselves and 75 percent of the adequate premium rate for their spouses, (3) employees hired prior to February 12, 2009, with less than seven years of service as of December 31, 2010 - no prescription drug coverage will be provided post age 65 and the county contribution will be limited to the lesser of \$500 or the actual cost of coverage.

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

During the year ended June 30, 2018, the district did not make any contributions for postemployment benefits. As a component unit of the county, the district's share of the Rutherford County OPEB liability was based on the district's percentage of contributions to the plan to the total contributions to the plan. Accordingly, at June 30, 2018, the district's percentage of the liability was zero and accordingly no OPEB liability or expense has been recorded.

H. Transactions with Primary Government

Amounts paid to Rutherford County for mapping services and maintenance agreements totaled \$47,940. Rutherford County also administers the payroll reporting for the district. The district reimbursed Rutherford County \$395,466 for salaries and benefits paid on the district's behalf.

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, beginning 10/15/2014) for disaster recovery services. The future payments for the years ending June 30, 2019, and 2020 are \$12,756, and \$4,252, respectively.

J. Prior-Period Adjustment and Restatement

Due to the implementation of GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits other Than Pensions” a restatement was made in the amount of \$84,737 that increased beginning net position and decreased net OPEB liability to zero. See Note VII.G. for additional information. Additionally, a prior-period adjustment was made in the amount of \$55,506, which represents a receipt from the TCEB received in July of 2017, which should have been accrued as of June 30, 2017, as a receivable. The details of the prior-period adjustment are as follows:

	Investment in Unrestricted		
	Capital Assets	Net Position	Total
Prior year net position as originally stated	\$ 2,026,481	\$ 4,200,925	\$ 6,227,406
GASB 75 adjustment	0	84,737	84,737
Prior year receivable from TCEB	0	55,506	55,506
Prior year net position, restated	\$ 2,026,481	\$ 4,341,168	\$ 6,367,649

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	2017
Total Pension Liability				
Service Cost	\$ 2,569,896	\$ 3,618,341	\$ 3,686,202	\$ 4,017,655
Interest	6,111,706	8,816,901	9,357,749	10,414,555
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	2,079	(1,836,333)	693,814	148,760
Changes in Assumptions	0	0	0	3,256,002
Benefit Payments, Including Refunds of Employee Contributions	(2,070,807)	(3,075,600)	(3,357,210)	(3,811,933)
Other	0	28,910,338	(239,049)	3,606,102
Net Change in Total Pension Liability	\$ 6,612,874	\$ 36,433,646	\$ 10,141,507	\$ 17,631,142
Total Pension Liability, Beginning	79,954,920	86,567,794	123,001,440	133,142,947
Total Pension Liability, Ending (a)	\$ 86,567,794	\$ 123,001,440	\$ 133,142,947	\$ 150,774,089
Plan Fiduciary Net Position				
Contributions - Employer	\$ 4,371,110	\$ 5,590,866	\$ 5,826,912	\$ 5,701,929
Contributions - Employee	3,738	292	5,879	300
Net Investment Income	12,888,992	3,808,129	3,440,094	15,737,798
Benefit Payments, Including Refunds of Employee Contributions	(2,070,807)	(3,075,600)	(3,357,210)	(3,811,933)
Administrative Expense	(41,246)	(72,007)	(108,787)	(129,923)
Other	0	30,659,881	(250,160)	3,636,930
Net Change in Plan Fiduciary Net Position	\$ 15,151,787	\$ 36,911,560	\$ 5,556,728	\$ 21,135,101
Plan Fiduciary Net Position, Beginning	76,654,756	91,806,544	128,718,104	134,274,833
Plan Fiduciary Net Position, Ending (b)	\$ 91,806,544	\$ 128,718,104	\$ 134,274,833	\$ 155,409,934
Net Pension Liability (Asset), Ending (a - b)	\$ (5,238,749)	\$ (5,716,664)	\$ (1,131,886)	\$ (4,635,845)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%	103.07%
Covered Payroll	\$ 46,712,485	\$ 48,858,829	\$ 53,670,979	\$ 55,032,657
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%

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

Exhibit F-2

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
Discretely Presented Rutherford County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 3,177,998	\$ 2,465,714	\$ 2,512,934	\$ 2,636,889
Interest	7,557,888	6,008,266	6,379,305	6,835,337
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	2,571	(1,251,367)	472,982	97,635
Changes in Assumptions	0	0	0	2,136,997
Benefit Payments, Including Refunds of Employee Contributions	(2,560,812)	(2,095,864)	(2,288,655)	(2,501,869)
Other	0	(28,359,471)	(130,390)	(1,013,480)
Net Change in Total Pension Liability	\$ 8,177,646	\$ (23,232,722)	\$ 6,946,176	\$ 8,191,510
Total Pension Liability, Beginning	98,874,255	107,051,901	83,819,179	90,765,355
Total Pension Liability, Ending (a)	\$ 107,051,901	\$ 83,819,179	\$ 90,765,355	\$ 98,956,865
Plan Fiduciary Net Position				
Contributions - Employer	\$ 5,405,424	\$ 3,809,889	\$ 3,972,285	\$ 3,742,321
Contributions - Employee	4,623	199	4,008	197
Net Investment Income	15,938,851	2,595,045	2,345,158	10,329,117
Benefit Payments, Including Refunds of Employee Contributions	(2,560,812)	(2,095,864)	(2,288,655)	(2,501,869)
Administrative Expense	(51,006)	(49,069)	(74,162)	(85,272)
Other	0	(30,075,677)	(136,450)	(1,021,984)
Net Change in Plan Fiduciary Net Position	\$ 18,737,080	\$ (25,815,478)	\$ 3,822,185	\$ 10,462,510
Plan Fiduciary Net Position, Beginning	94,793,190	113,530,270	87,714,792	91,536,977
Plan Fiduciary Net Position, Ending (b)	\$ 113,530,270	\$ 87,714,792	\$ 91,536,977	\$ 101,999,487
Net Pension Liability (Asset), Ending (a - b)	\$ (6,478,369)	\$ (3,895,613)	\$ (771,622)	\$ (3,042,622)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%	103.07%
Covered Payroll	\$ 31,820,841	\$ 33,273,947	\$ 35,214,136	\$ 38,648,492
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%

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

Exhibit F-3

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
Discretely Presented Community Care of Rutherford County
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 308,896	\$ 308,774	\$ 326,270	\$ 270,060
Interest	734,615	752,396	828,266	700,048
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	250	(156,705)	61,410	9,999
Changes in Assumptions	0	0	0	218,863
Benefit Payments, Including Refunds of Employee Contributions	(248,907)	(262,458)	(297,151)	(256,231)
Other	0	(550,867)	369,438	(2,592,622)
Net Change in Total Pension Liability	\$ 794,854	\$ 91,140	\$ 1,288,234	\$ (1,649,884)
Total Pension Liability, Beginning	9,610,419	10,405,273	10,496,413	11,784,647
Total Pension Liability, Ending (a)	\$ 10,405,273	\$ 10,496,413	\$ 11,784,647	\$ 10,134,763
Plan Fiduciary Net Position				
Contributions - Employer	\$ 525,399	\$ 477,100	\$ 515,747	\$ 383,273
Contributions - Employee	449	25	520	20
Net Investment Income	1,549,231	324,969	304,487	1,057,866
Benefit Payments, Including Refunds of Employee Contributions	(248,907)	(262,458)	(297,151)	(256,231)
Administrative Expense	(4,958)	(6,145)	(9,629)	(8,733)
Other	0	(584,204)	386,609	(2,614,651)
Net Change in Plan Fiduciary Net Position	\$ 1,821,214	\$ (50,713)	\$ 900,584	\$ (1,438,455)
Plan Fiduciary Net Position, Beginning	9,213,746	11,034,960	10,984,248	11,884,832
Plan Fiduciary Net Position, Ending (b)	\$ 11,034,960	\$ 10,984,248	\$ 11,884,832	\$ 10,446,376
Net Pension Liability (Asset), Ending (a - b)	\$ (629,687)	\$ (487,835)	\$ (100,185)	\$ (311,613)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.05%	104.65%	100.85%	103.07%
Covered Payroll	\$ 3,988,436	\$ 4,320,309	\$ 3,610,253	\$ 3,433,547
Net Pension Liability (Asset) as a Percentage of Covered Payroll	15.21%	12.24%	2.33%	(8.67)%

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

Exhibit F-4

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

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 5,591,490	\$ 5,843,440	\$ 5,720,040	\$ 5,866,361
Less Contributions in Relation to the				
Actuarially Determined Contribution	(5,591,490)	(5,843,440)	(5,720,040)	(5,866,361)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 46,712,485	\$ 48,858,829	\$ 53,670,979	\$ 55,032,657
Contributions as a Percentage of				
Covered Payroll	11.97%	11.97%	10.66%	10.66%

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

Exhibit F-5

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

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 3,808,948	\$ 3,982,892	\$ 3,753,831	\$ 4,119,936
Less Contributions in Relation to the				
Actuarially Determined Contribution	(3,808,948)	(3,982,892)	(3,753,831)	(4,119,936)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 31,820,841	\$ 33,273,947	\$ 35,214,136	\$ 38,648,492
Contributions as a Percentage of				
Covered Payroll	11.97%	11.97%	10.66%	10.66%

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

Exhibit F-6

Rutherford County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Discretely Presented Community Care of Rutherford County
For the Fiscal Year Ended June 30

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 513,236	\$ 517,141	\$ 384,853	\$ 366,016
Less Contributions in Relation to the				
Actuarially Determined Contribution	(513,236)	(517,141)	(384,853)	(366,016)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,988,436	\$ 4,320,309	\$ 3,610,253	\$ 3,433,547
Contributions as a Percentage of				
Covered Payroll	11.97%	11.97%	10.66%	10.66%

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

Exhibit F-7

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	2018
Contractually Required Contribution	\$ 316,382	\$ 659,699	\$ 1,014,698	\$ 1,447,156
Less Contributions in Relation to the				
Contractually Required Contribution	(316,382)	(659,699)	(1,014,698)	(1,447,156)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,827,905	\$ 36,178,724
Contributions as a Percentage of Covered Payroll	4.0%	4.0%	3.93%	4.0%

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

Exhibit F-8

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	2018
Contractually Required Contribution	\$ 13,375,185	\$ 13,266,310	\$ 13,139,659	\$ 13,248,019	\$ 13,467,559
Less Contributions in Relation to the					
Contractually Required Contribution	(13,375,185)	(13,266,310)	(13,139,659)	(13,248,019)	(13,467,559)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 150,621,457	\$ 146,751,255	\$ 145,350,015	\$ 146,087,228	\$ 148,321,247
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.07%	9.08%

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

Exhibit F-9

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 *

	2016	2017	2018
School Department's Proportion of the Net Pension Asset	3.806811%	3.748250%	3.864995%
School Department's Proportionate Share of the Net Pension Liability Asset	\$ (153,146)	\$ (390,205)	\$ (1,019,719)
Covered Payroll	\$ 7,909,475	\$ 16,492,393	\$ 25,830,753
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.95)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

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

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

Exhibit F-10

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	2018
School Department's Proportion of the Net Pension Asset	3.837498%	3.920158%	4.026546%	4.145713%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (623,576) \$	1,605,831 \$	25,163,682 \$	(1,356,408)
Covered Payroll	\$ 150,621,457 \$	146,751,255 \$	145,350,015 \$	146,086,516
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094253%	17.310000%	(.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

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

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

Rutherford County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Single-Employer Defined Benefit Plan
Primary Government, Discretely Presented Rutherford County School Department, Discretely Presented
Community Care of Rutherford County, and Rutherford County Airport (joint venture)
For the Fiscal Year Ended June 30 *

	<u>2018 *</u>
Total OPEB Liability	
Service Cost	\$ 6,297,303
Interest	5,958,633
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(22,493,216)
Benefit Payments	(2,483,641)
Net Change in Total OPEB Liability	<u>\$ (12,720,921)</u>
Total OPEB Liability, Beginning	204,003,991
Total OPEB Liability, Ending	<u><u>\$ 191,283,070</u></u>
Proportionate Share of Total OPEB Liability:	
Primary Government	\$ 32,782,293
School Department	155,772,597
Community Care	2,652,550
Airport	75,630
Covered Employee Payroll:	
Primary Government	\$ 50,967,314
School Department	207,129,268
Community Care	4,793,494
Airport	303,923
Net OPEB Liability as a Percentage of Covered Employee Payroll:	
Primary Government	64.32%
School Department	75.21%
Community Care	55.34%
Airport	24.88%

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

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.85%
2018	3.58%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

RUTHERFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
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.

Capital Projects Fund

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

General Capital Projects Fund – 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.

Exhibit G-1

Rutherford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees
<u>ASSETS</u>						
Cash	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,883,184
Equity in Pooled Cash and Investments	8,563,647	3,611,359	216,073	148,447	674,656	0
Accounts Receivable	96,682	4,456,148	0	261	1,010	942
Allowance for Uncollectibles	0	(1,558,824)	0	0	0	0
Due from Other Governments	499,386	4,010	0	0	0	0
Due from Other Funds	0	0	0	0	0	0
Property Taxes Receivable	0	4,954,070	0	0	0	0
Allowance for Uncollectible Property Taxes	0	(245,883)	0	0	0	0
Notes Receivable - Long-term	0	0	2,509,706	0	0	0
Total Assets	<u>\$ 9,160,115</u>	<u>\$ 11,220,880</u>	<u>\$ 2,725,779</u>	<u>\$ 148,708</u>	<u>\$ 675,666</u>	<u>\$ 1,884,126</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 3,627	\$ 54,336	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll	23,851	301,312	0	0	0	0
Payroll Deductions Payable	104	0	0	0	0	0
Due to Other Funds	0	10	0	0	0	581,784
Total Liabilities	<u>\$ 27,582</u>	<u>\$ 355,658</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 581,784</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 4,659,263	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	42,758	0	0	0	0

(Continued)

Exhibit G-1

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

Special Revenue Funds						
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu - tional Officers - Fees
DEFERRED INFLOWS OF RESOURCES (Cont.)						
Other Deferred/Unavailable Revenue	\$ 277,723	\$ 2,306,505	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 277,723	\$ 7,008,526	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 148,708	\$ 675,666	\$ 0
Restricted for Debt Service	0	0	2,559,460	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Highways/Public Works	0	0	0	0	0	0
Assigned:						
Assigned for General Government	0	0	0	0	0	175,254
Assigned for Finance	0	0	0	0	0	525,000
Assigned for Administration of Justice	0	0	0	0	0	602,088
Assigned for Public Health and Welfare	8,854,810	3,856,696	0	0	0	0
Assigned for Other Operations	0	0	166,319	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0	0
Total Fund Balances	\$ 8,854,810	\$ 3,856,696	\$ 2,725,779	\$ 148,708	\$ 675,666	\$ 1,302,342
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,160,115	\$ 11,220,880	\$ 2,725,779	\$ 148,708	\$ 675,666	\$ 1,884,126

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
<u>ASSETS</u>				
Cash	\$ 0	\$ 1,883,584	\$ 0	\$ 1,883,584
Equity in Pooled Cash and Investments	15,269,590	28,483,772	1,979,619	30,463,391
Accounts Receivable	17,268	4,572,311	3	4,572,314
Allowance for Uncollectibles	0	(1,558,824)	0	(1,558,824)
Due from Other Governments	716,710	1,220,106	0	1,220,106
Due from Other Funds	0	0	35,000	35,000
Property Taxes Receivable	946,782	5,900,852	0	5,900,852
Allowance for Uncollectible Property Taxes	(46,980)	(292,863)	0	(292,863)
Notes Receivable - Long-term	0	2,509,706	0	2,509,706
Total Assets	\$ 16,903,370	\$ 42,718,644	\$ 2,014,622	\$ 44,733,266
<u>LIABILITIES</u>				
Accounts Payable	\$ 120,937	\$ 178,900	\$ 0	\$ 178,900
Accrued Payroll	52,112	377,275	0	377,275
Payroll Deductions Payable	0	104	0	104
Due to Other Funds	4	581,798	0	581,798
Total Liabilities	\$ 173,053	\$ 1,138,077	\$ 0	\$ 1,138,077
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 890,476	\$ 5,549,739	\$ 0	\$ 5,549,739
Deferred Delinquent Property Taxes	8,150	50,908	0	50,908

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Highway / Public Works</u>	<u>Total</u>	<u>General Capital Projects</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 73,887	\$ 2,658,115	\$ 0	\$ 2,658,115
Total Deferred Inflows of Resources	<u>\$ 972,513</u>	<u>\$ 8,258,762</u>	<u>\$ 0</u>	<u>\$ 8,258,762</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 824,374	\$ 0	\$ 824,374
Restricted for Debt Service	0	2,559,460	0	2,559,460
Restricted for Capital Projects	0	0	2,014,622	2,014,622
Committed:				
Committed for Highways/Public Works	2,305,634	2,305,634	0	2,305,634
Assigned:				
Assigned for General Government	0	175,254	0	175,254
Assigned for Finance	0	525,000	0	525,000
Assigned for Administration of Justice	0	602,088	0	602,088
Assigned for Public Health and Welfare	0	12,711,506	0	12,711,506
Assigned for Other Operations	0	166,319	0	166,319
Assigned for Highways/Public Works	13,452,170	13,452,170	0	13,452,170
Total Fund Balances	<u>\$ 15,757,804</u>	<u>\$ 33,321,805</u>	<u>\$ 2,014,622</u>	<u>\$ 35,336,427</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,903,370</u>	<u>\$ 42,718,644</u>	<u>\$ 2,014,622</u>	<u>\$ 44,733,266</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, 2018

	Special Revenue Funds						Constitu -
	Solid	Ambulance	Industrial /	Special	Drug		tional
	Waste /	Service	Economic	Purpose	Control		Officers -
	Sanitation		Development				Fees
<u>Revenues</u>							
Local Taxes	\$ 2,557,548	\$ 4,901,108	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	0	0	590,063	0	0
Charges for Current Services	1,812,635	8,384,986	0	0	1,125	4,753,766	0
Other Local Revenues	484,721	13,873	84,433	2,779	11,087	0	0
State of Tennessee	461,719	12,966	0	0	0	0	0
Federal Government	0	0	0	39,048	0	0	0
Other Governments and Citizens Groups	41,933	0	0	0	0	0	0
Total Revenues	\$ 5,358,556	\$ 13,312,933	\$ 84,433	\$ 41,827	\$ 602,275	\$ 4,753,766	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 698,848	
Finance	0	0	0	0	0	2,087,393	
Administration of Justice	0	0	0	0	0	1,800,037	
Public Safety	0	0	0	101,652	519,843	0	
Public Health and Welfare	4,140,193	13,364,475	0	0	0	0	
Other Operations	92,741	0	844	0	0	0	
Highways	0	0	0	0	0	0	
Capital Projects	0	0	0	0	0	0	
Total Expenditures	\$ 4,232,934	\$ 13,364,475	\$ 844	\$ 101,652	\$ 519,843	\$ 4,586,278	
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,125,622	\$ (51,542)	\$ 83,589	\$ (59,825)	\$ 82,432	\$ 167,488	

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Constitu -
	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	tional Officers - Fees
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,484	\$ 0
Transfers In	0	0	0	0	0	0
Transfers Out	0	(4,381)	(195,395)	0	(540,000)	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (4,381)</u>	<u>\$ (195,395)</u>	<u>\$ 0</u>	<u>\$ (499,516)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,125,622	\$ (55,923)	\$ (111,806)	\$ (59,825)	\$ (417,084)	\$ 167,488
Fund Balance, July 1, 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>	<u>1,134,854</u>
Fund Balance, June 30, 2018	<u>\$ 8,854,810</u>	<u>\$ 3,856,696</u>	<u>\$ 2,725,779</u>	<u>\$ 148,708</u>	<u>\$ 675,666</u>	<u>\$ 1,302,342</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
<u>Revenues</u>				
Local Taxes	\$ 5,845,819	\$ 13,304,475	\$ 0	\$ 13,304,475
Fines, Forfeitures, and Penalties	0	590,063	0	590,063
Charges for Current Services	0	14,952,512	0	14,952,512
Other Local Revenues	311,460	908,353	4,328	912,681
State of Tennessee	6,193,313	6,667,998	0	6,667,998
Federal Government	0	39,048	0	39,048
Other Governments and Citizens Groups	0	41,933	0	41,933
Total Revenues	\$ 12,350,592	\$ 36,504,382	\$ 4,328	\$ 36,508,710
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 698,848	\$ 0	\$ 698,848
Finance	0	2,087,393	0	2,087,393
Administration of Justice	0	1,800,037	0	1,800,037
Public Safety	0	621,495	0	621,495
Public Health and Welfare	0	17,504,668	0	17,504,668
Other Operations	0	93,585	0	93,585
Highways	10,154,439	10,154,439	0	10,154,439
Capital Projects	0	0	22,996,854	22,996,854
Total Expenditures	\$ 10,154,439	\$ 32,960,465	\$ 22,996,854	\$ 55,957,319
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,196,153	\$ 3,543,917	\$ (22,992,526)	\$ (19,448,609)

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,800	\$ 42,284	\$ 0	\$ 42,284
Transfers In	0	0	686,081	686,081
Transfers Out	0	(739,776)	0	(739,776)
Total Other Financing Sources (Uses)	<u>\$ 1,800</u>	<u>\$ (697,492)</u>	<u>\$ 686,081</u>	<u>\$ (11,411)</u>
Net Change in Fund Balances	\$ 2,197,953	\$ 2,846,425	\$ (22,306,445)	\$ (19,460,020)
Fund Balance, July 1, 2017	<u>13,559,851</u>	<u>30,475,380</u>	<u>24,321,067</u>	<u>54,796,447</u>
Fund Balance, June 30, 2018	<u>\$ 15,757,804</u>	<u>\$ 33,321,805</u>	<u>\$ 2,014,622</u>	<u>\$ 35,336,427</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,557,548	\$ 0	\$ 0	\$ 2,557,548	\$ 2,000,000	\$ 2,350,000	\$ 207,548
Charges for Current Services	1,812,635	0	0	1,812,635	1,400,000	1,807,000	5,635
Other Local Revenues	484,721	0	0	484,721	330,000	443,445	41,276
State of Tennessee	461,719	0	0	461,719	477,200	467,903	(6,184)
Other Governments and Citizens Groups	41,933	0	0	41,933	0	100,000	(58,067)
Total Revenues	\$ 5,358,556	\$ 0	\$ 0	\$ 5,358,556	\$ 4,207,200	\$ 5,168,348	\$ 190,208
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Education/Information	\$ 222,680	\$ 0	\$ 10,450	\$ 233,130	\$ 249,590	\$ 273,374	\$ 40,244
Convenience Centers	2,002,212	(14,516)	167,760	2,155,456	2,567,591	2,700,287	544,831
Other Waste Collection	197,361	(18,385)	48,638	227,614	219,495	269,495	41,881
Landfill Operation and Maintenance	1,265,111	(59,726)	16,114	1,221,499	1,342,192	1,340,992	119,493
Postclosure Care Costs	452,829	(80,025)	205,645	578,449	482,500	735,500	157,051
<u>Other Operations</u>							
Employee Benefits	25,000	0	0	25,000	25,000	25,000	0
Miscellaneous	67,741	0	0	67,741	73,680	75,680	7,939
Total Expenditures	\$ 4,232,934	\$ (172,652)	\$ 448,607	\$ 4,508,889	\$ 4,960,048	\$ 5,420,328	\$ 911,439
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,125,622	\$ 172,652	\$ (448,607)	\$ 849,667	\$ (752,848)	\$ (251,980)	\$ 1,101,647
Net Change in Fund Balance	\$ 1,125,622	\$ 172,652	\$ (448,607)	\$ 849,667	\$ (752,848)	\$ (251,980)	\$ 1,101,647
Fund Balance, July 1, 2017	7,729,188	(172,652)	0	7,556,536	7,556,536	7,556,536	0
Fund Balance, June 30, 2018	\$ 8,854,810	\$ 0	\$ (448,607)	\$ 8,406,203	\$ 6,803,688	\$ 7,304,556	\$ 1,101,647

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,901,108	\$ 0	\$ 0	\$ 4,901,108	\$ 4,736,552	\$ 4,903,452	\$ (2,344)
Charges for Current Services	8,384,986	0	0	8,384,986	7,909,000	8,294,000	90,986
Other Local Revenues	13,873	0	0	13,873	3,500	12,300	1,573
State of Tennessee	12,966	0	0	12,966	0	11,000	1,966
Total Revenues	\$ 13,312,933	\$ 0	\$ 0	\$ 13,312,933	\$ 12,649,052	\$ 13,220,752	\$ 92,181
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 13,364,475	\$ (41,540)	\$ 35,030	\$ 13,357,965	\$ 14,110,952	\$ 14,277,702	\$ 919,737
Total Expenditures	\$ 13,364,475	\$ (41,540)	\$ 35,030	\$ 13,357,965	\$ 14,110,952	\$ 14,277,702	\$ 919,737
Excess (Deficiency) of Revenues Over Expenditures	\$ (51,542)	\$ 41,540	\$ (35,030)	\$ (45,032)	\$ (1,461,900)	\$ (1,056,950)	\$ 1,011,918
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (4,381)	\$ 0	\$ 0	\$ (4,381)	\$ 0	\$ (4,381)	\$ 0
Total Other Financing Sources	\$ (4,381)	\$ 0	\$ 0	\$ (4,381)	\$ 0	\$ (4,381)	\$ 0
Net Change in Fund Balance	\$ (55,923)	\$ 41,540	\$ (35,030)	\$ (49,413)	\$ (1,461,900)	\$ (1,061,331)	\$ 1,011,918
Fund Balance, July 1, 2017	3,912,619	(41,540)	0	3,871,079	3,919,730	3,919,730	(48,651)
Fund Balance, June 30, 2018	\$ 3,856,696	\$ 0	\$ (35,030)	\$ 3,821,666	\$ 2,457,830	\$ 2,858,399	\$ 963,267

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 84,433	\$ 84,433	\$ 84,433	\$ 0
Total Revenues	\$ 84,433	\$ 84,433	\$ 84,433	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 844	\$ 196,250	\$ 855	\$ 11
Total Expenditures	\$ 844	\$ 196,250	\$ 855	\$ 11
Excess (Deficiency) of Revenues Over Expenditures	\$ 83,589	\$ (111,817)	\$ 83,578	\$ 11
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (195,395)	\$ 0	\$ (195,395)	\$ 0
Total Other Financing Sources	\$ (195,395)	\$ 0	\$ (195,395)	\$ 0
Net Change in Fund Balance	\$ (111,806)	\$ (111,817)	\$ (111,817)	\$ 11
Fund Balance, July 1, 2017	2,837,585	162,779	162,779	2,674,806
Fund Balance, June 30, 2018	\$ 2,725,779	\$ 50,962	\$ 50,962	\$ 2,674,817

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 2,779	\$ 0	\$ 0	\$ 2,779	\$ 0	\$ 0	\$ 2,779
Federal Government	39,048	0	0	39,048	0	39,048	0
Total Revenues	<u>\$ 41,827</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,827</u>	<u>\$ 0</u>	<u>\$ 39,048</u>	<u>\$ 2,779</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 101,652	\$ (12,712)	\$ 12,044	\$ 100,984	\$ 10,000	\$ 221,548	\$ 120,564
Total Expenditures	<u>\$ 101,652</u>	<u>\$ (12,712)</u>	<u>\$ 12,044</u>	<u>\$ 100,984</u>	<u>\$ 10,000</u>	<u>\$ 221,548</u>	<u>\$ 120,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (59,825)</u>	<u>\$ 12,712</u>	<u>\$ (12,044)</u>	<u>\$ (59,157)</u>	<u>\$ (10,000)</u>	<u>\$ (182,500)</u>	<u>\$ 123,343</u>
Net Change in Fund Balance	\$ (59,825)	\$ 12,712	\$ (12,044)	\$ (59,157)	\$ (10,000)	\$ (182,500)	\$ 123,343
Fund Balance, July 1, 2017	208,533	(12,712)	0	195,821	195,821	195,821	0
Fund Balance, June 30, 2018	<u>\$ 148,708</u>	<u>\$ 0</u>	<u>\$ (12,044)</u>	<u>\$ 136,664</u>	<u>\$ 185,821</u>	<u>\$ 13,321</u>	<u>\$ 123,343</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 590,063	\$ 0	\$ 0	\$ 590,063	\$ 346,000	\$ 352,000	\$ 238,063
Charges for Current Services	1,125	0	0	1,125	0	125	1,000
Other Local Revenues	11,087	0	0	11,087	4,500	9,050	2,037
Total Revenues	<u>\$ 602,275</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 602,275</u>	<u>\$ 350,500</u>	<u>\$ 361,175</u>	<u>\$ 241,100</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 519,843	\$ (29,642)	\$ 95,920	\$ 586,121	\$ 535,160	\$ 725,644	\$ 139,523
Total Expenditures	<u>\$ 519,843</u>	<u>\$ (29,642)</u>	<u>\$ 95,920</u>	<u>\$ 586,121</u>	<u>\$ 535,160</u>	<u>\$ 725,644</u>	<u>\$ 139,523</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 82,432</u>	<u>\$ 29,642</u>	<u>\$ (95,920)</u>	<u>\$ 16,154</u>	<u>\$ (184,660)</u>	<u>\$ (364,469)</u>	<u>\$ 380,623</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 40,484	\$ 0	\$ 0	\$ 40,484	\$ 0	\$ 40,484	\$ 0
Transfers Out	(540,000)	0	0	(540,000)	(50,000)	(540,000)	0
Total Other Financing Sources	<u>\$ (499,516)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (499,516)</u>	<u>\$ (50,000)</u>	<u>\$ (499,516)</u>	<u>\$ 0</u>
Net Change in Fund Balance	<u>\$ (417,084)</u>	<u>\$ 29,642</u>	<u>\$ (95,920)</u>	<u>\$ (483,362)</u>	<u>\$ (234,660)</u>	<u>\$ (863,985)</u>	<u>\$ 380,623</u>
Fund Balance, July 1, 2017	<u>1,092,750</u>	<u>(29,642)</u>	<u>0</u>	<u>1,063,108</u>	<u>1,063,108</u>	<u>1,063,108</u>	<u>0</u>
Fund Balance, June 30, 2018	<u><u>\$ 675,666</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (95,920)</u></u>	<u><u>\$ 579,746</u></u>	<u><u>\$ 828,448</u></u>	<u><u>\$ 199,123</u></u>	<u><u>\$ 380,623</u></u>

Exhibit G-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,845,819	\$ 5,247,331	\$ 5,639,431	\$ 206,388
Other Local Revenues	311,460	80,000	348,500	(37,040)
State of Tennessee	6,193,313	4,167,000	6,050,730	142,583
Total Revenues	<u>\$ 12,350,592</u>	<u>\$ 9,494,331</u>	<u>\$ 12,038,661</u>	<u>\$ 311,931</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 784,325	\$ 800,412	\$ 828,697	\$ 44,372
Highway and Bridge Maintenance	5,771,355	6,200,850	6,250,850	479,495
Operation and Maintenance of Equipment	1,028,329	1,180,100	1,180,100	151,771
Other Charges	525,885	599,142	603,637	77,752
Employee Benefits	184,215	227,905	227,905	43,690
Capital Outlay	1,860,330	385,860	1,943,260	82,930
Total Expenditures	<u>\$ 10,154,439</u>	<u>\$ 9,394,269</u>	<u>\$ 11,034,449</u>	<u>\$ 880,010</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,196,153</u>	<u>\$ 100,062</u>	<u>\$ 1,004,212</u>	<u>\$ 1,191,941</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,800	\$ 0	\$ 1,800	\$ 0
Total Other Financing Sources	<u>\$ 1,800</u>	<u>\$ 0</u>	<u>\$ 1,800</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 2,197,953	\$ 100,062	\$ 1,006,012	\$ 1,191,941
Fund Balance, July 1, 2017	<u>13,559,851</u>	<u>11,331,968</u>	<u>11,331,968</u>	<u>2,227,883</u>
Fund Balance, June 30, 2018	<u><u>\$ 15,757,804</u></u>	<u><u>\$ 11,432,030</u></u>	<u><u>\$ 12,337,980</u></u>	<u><u>\$ 3,419,824</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 52,137,874	\$ 49,492,190	\$ 52,012,245	\$ 125,629
Other Local Revenues	1,696,760	569,150	1,579,150	117,610
Other Governments and Citizens Groups	547,687	0	547,687	0
Total Revenues	<u>\$ 54,382,321</u>	<u>\$ 50,061,340</u>	<u>\$ 54,139,082</u>	<u>\$ 243,239</u>
<u>Expenditures</u>				
<u>General Government</u>				
Other General Administration	\$ 1,001,071	\$ 1,093,520	\$ 1,053,520	\$ 52,449
<u>Principal on Debt</u>				
General Government	4,861,140	4,861,140	4,861,140	0
Education	25,643,702	25,123,860	25,643,702	0
<u>Interest on Debt</u>				
General Government	3,959,051	3,959,051	3,959,051	0
Education	12,583,371	13,030,897	12,583,371	0
<u>Other Debt Service</u>				
Education	499,103	0	499,103	0
Total Expenditures	<u>\$ 48,547,438</u>	<u>\$ 48,068,468</u>	<u>\$ 48,599,887</u>	<u>\$ 52,449</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,834,883</u>	<u>\$ 1,992,872</u>	<u>\$ 5,539,195</u>	<u>\$ 295,688</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 499,103	\$ 0	\$ 499,103	\$ 0
Transfers In	195,395	195,395	195,395	0
Total Other Financing Sources	<u>\$ 694,498</u>	<u>\$ 195,395</u>	<u>\$ 694,498</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 6,529,381	\$ 2,188,267	\$ 6,233,693	\$ 295,688
Fund Balance, July 1, 2017	<u>42,829,329</u>	<u>41,008,544</u>	<u>41,008,544</u>	<u>1,820,785</u>
Fund Balance, June 30, 2018	<u>\$ 49,358,710</u>	<u>\$ 43,196,811</u>	<u>\$ 47,242,237</u>	<u>\$ 2,116,473</u>

Proprietary Funds

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

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

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

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

Exhibit I-1

Rutherford County, Tennessee
Combining Statement of Net Position
Proprietary Funds
June 30, 2018

	Internal Service Funds			Total
	Self- Insurance	Employee Insurance - Health	Workers' Compensation	Proprietary Funds
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 135,009	\$ 0	\$ 146,928	\$ 281,937
Equity in Pooled Cash and Investments	2,426,046	33,775,874	1,281,577	37,483,497
Cash with Paying Agent	0	1,737,000	0	1,737,000
Accounts Receivable	15,000	5,145	2,516	22,661
Due from Other Governments	0	14,450	0	14,450
Due from Component Units	0	90,065	0	90,065
Due from Fiduciary Funds	0	150,000	0	150,000
Total Assets	<u>\$ 2,576,055</u>	<u>\$ 35,772,534</u>	<u>\$ 1,431,021</u>	<u>\$ 39,779,610</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 290,939	\$ 43,475	\$ 334,414
Claims and Judgments Payable	621,558	8,132,714	777,000	9,531,272
Total Current Liabilities	<u>\$ 621,558</u>	<u>\$ 8,423,653</u>	<u>\$ 820,475</u>	<u>\$ 9,865,686</u>
Noncurrent Liabilities:				
Claims and Judgments Payable	\$ 155,389	\$ 2,033,178	\$ 452,500	\$ 2,641,067
Total Liabilities	<u>\$ 155,389</u>	<u>\$ 2,033,178</u>	<u>\$ 452,500</u>	<u>\$ 2,641,067</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 1,799,108</u>	<u>\$ 25,315,703</u>	<u>\$ 158,046</u>	<u>\$ 27,272,857</u>
Total Net Position	<u>\$ 1,799,108</u>	<u>\$ 25,315,703</u>	<u>\$ 158,046</u>	<u>\$ 27,272,857</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, 2018

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Operating Revenues</u>				
Charges for Current Services:				
Self-Insurance Premiums/Contributions	\$ 960,836	\$ 61,480,498	\$ 1,390,068	\$ 63,831,402
Other Employee Benefit Charges/Contributions	0	2,248,168	0	2,248,168
Service Charges	0	2,400	0	2,400
Other Local Revenues:				
Retirees' Insurance Payments	0	5,555,339	0	5,555,339
Cobra Insurance Payments	0	200,084	0	200,084
State of Tennessee:				
On-Behalf Contributions for OPEB	0	169,188	0	169,188
Total Operating Revenues	\$ 960,836	\$ 69,655,677	\$ 1,390,068	\$ 72,006,581
<u>Operating Expenses</u>				
General Government:				
Furniture and Fixtures	\$ 0	\$ 22,226	\$ 0	\$ 22,226
Employee Benefits:				
Handling Charges and Administrative Costs	57,235	2,612,288	41,740	2,711,263
Disability Insurance	0	0	512,992	512,992
Bank Charges	0	2,000	0	2,000
Consultants	0	117,767	0	117,767
Contracts with Private Agencies	0	2,910,003	0	2,910,003
Other Contracted Services	0	0	11,350	11,350
Medical Claims	0	57,907,831	0	57,907,831
Premiums on Corporate Surety Bonds	0	0	7,500	7,500
Liability Claims	1,418,167	0	0	1,418,167
Other Self-Insured Claims	0	0	771,229	771,229
Other Charges	0	30,790	0	30,790
Total Operating Expenses	\$ 1,475,402	\$ 63,602,905	\$ 1,344,811	\$ 66,423,118
Operating Income (Loss)	\$ (514,566)	\$ 6,052,772	\$ 45,257	\$ 5,583,463
<u>Nonoperating Revenues (Expenses)</u>				
Insurance Recovery	\$ 1,794,379	\$ 17,666	\$ 36,839	\$ 1,848,884
Total Nonoperating Revenues (Expenses)	\$ 1,794,379	\$ 17,666	\$ 36,839	\$ 1,848,884
Income (Loss) Before Transfers	\$ 1,279,813	\$ 6,070,438	\$ 82,096	\$ 7,432,347
Transfers Out	0	(301,985)	(301,985)	(603,970)
Change in Net Position	\$ 1,279,813	\$ 5,768,453	\$ (219,889)	\$ 6,828,377
Net Position, July 1, 2017	519,295	19,547,250	377,935	20,444,480
Net Position, June 30, 2018	\$ 1,799,108	\$ 25,315,703	\$ 158,046	\$ 27,272,857

Exhibit I-3

Rutherford County, Tennessee
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Internal Service Funds			
	Self -	Employee	Workers'	Total
	Insurance	Insurance - Health	Compensation	
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 952,102	\$ 69,745,458	\$ 1,387,552	\$ 72,085,112
Payments to Suppliers	(57,235)	(5,710,006)	(530,107)	(6,297,348)
Claims Paid	(3,156,320)	(58,272,452)	(913,729)	(62,342,501)
Insurance Recovery	1,794,379	17,666	36,839	1,848,884
Net Cash Provided By (Used In) Operating Activities	\$ (467,074)	\$ 5,780,666	\$ (19,445)	\$ 5,294,147
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers to Other Funds	\$ 0	\$ (301,985)	\$ (301,985)	\$ (603,970)
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 0	\$ (301,985)	\$ (301,985)	\$ (603,970)
Net Increase (Decrease) in Cash	\$ (467,074)	\$ 5,478,681	\$ (321,430)	\$ 4,690,177
Cash, July 1, 2017	3,028,129	30,034,193	1,749,935	34,812,257
Cash, June 30, 2018	\$ 2,561,055	\$ 35,512,874	\$ 1,428,505	\$ 39,502,434
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (514,566)	\$ 6,052,772	\$ 45,257	\$ 5,583,463
Insurance Recovery	1,794,379	17,666	36,839	1,848,884
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	(8,734)	83,128	(2,516)	71,878
(Increase) Decrease in Due from Other Governments	0	(975)	0	(975)
(Increase) Decrease in Due from Component Units	0	7,628	0	7,628
Increase (Decrease) in Accounts Payable	0	(14,932)	43,475	28,543
Increase (Decrease) in Claims and Judgments Payable	(1,738,153)	(364,621)	(142,500)	(2,245,274)
Net Cash Provided By (Used In) Operating Activities	\$ (467,074)	\$ 5,780,666	\$ (19,445)	\$ 5,294,147
<u>Reconciliation of Cash With Statement of Net Position</u>				
Cash Per Net Position	\$ 135,009	\$ 0	\$ 146,928	\$ 281,937
Equity in Pooled Cash and Investments Per Net Position	2,426,046	33,775,874	1,281,577	37,483,497
Cash with Paying Agent Per Net Position	0	1,737,000	0	1,737,000
Cash, June 30, 2018	\$ 2,561,055	\$ 35,512,874	\$ 1,428,505	\$ 39,502,434

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.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for the property taxes of the City of Smyrna. These collections are remitted to the city monthly.

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, 2018

	Agency Funds						
	Cities - Sales Tax	Cities - Property Tax	City School ADA - Murfreesboro	Joint Venture	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,224,398	\$ 0	\$ 8,224,398
Equity in Pooled Cash and Investments	0	14,886	215,485	10,959	0	391,849	633,179
Investments	0	0	0	0	7,440	0	7,440
Accounts Receivable	0	0	0	0	1,573	0	1,573
Due from Other Governments	11,646,942	0	2,026,596	0	0	15,451	13,688,989
Taxes Receivable	0	0	14,450,268	0	0	0	14,450,268
Allowance for Uncollectible Taxes	0	0	(716,662)	0	0	0	(716,662)
Cash Shortage	0	0	0	0	200	0	200
Total Assets	\$ 11,646,942	\$ 14,886	\$ 15,975,687	\$ 10,959	\$ 8,233,611	\$ 407,300	\$ 36,289,385
<u>LIABILITIES</u>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24	\$ 24
Accrued Payroll	0	0	0	0	0	315	315
Due to Other Taxing Units	11,646,942	14,886	15,975,687	0	0	0	27,637,515
Due to Joint Ventures	0	0	0	10,959	0	0	10,959
Due to Litigants, Heirs, and Others	0	0	0	0	8,233,611	406,961	8,640,572
Total Liabilities	\$ 11,646,942	\$ 14,886	\$ 15,975,687	\$ 10,959	\$ 8,233,611	\$ 407,300	\$ 36,289,385

Exhibit J-2

Rutherford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 68,109,636	\$ 68,109,636	\$ 0
Due from Other Governments	10,918,459	11,646,942	10,918,459	11,646,942
Total Assets	\$ 10,918,459	\$ 79,756,578	\$ 79,028,095	\$ 11,646,942
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,918,459	\$ 79,756,578	\$ 79,028,095	\$ 11,646,942
Total Liabilities	\$ 10,918,459	\$ 79,756,578	\$ 79,028,095	\$ 11,646,942
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 10,565,041	\$ 10,550,155	\$ 14,886
Total Assets	\$ 0	\$ 10,565,041	\$ 10,550,155	\$ 14,886
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 10,565,041	\$ 10,550,155	\$ 14,886
Total Liabilities	\$ 0	\$ 10,565,041	\$ 10,550,155	\$ 14,886
<u>City School ADA - Murfreesboro Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 160,666	\$ 26,050,552	\$ 25,995,733	\$ 215,485
Due from Other Governments	1,825,118	2,026,596	1,825,118	2,026,596
Taxes Receivable	13,862,892	14,450,268	13,862,892	14,450,268
Allowance for Uncollectible Taxes	(690,002)	(716,662)	(690,002)	(716,662)
Total Assets	\$ 15,158,674	\$ 41,810,754	\$ 40,993,741	\$ 15,975,687
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 15,158,674	\$ 41,810,754	\$ 40,993,741	\$ 15,975,687
Total Liabilities	\$ 15,158,674	\$ 41,810,754	\$ 40,993,741	\$ 15,975,687
<u>Joint Venture</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 10,959	\$ 0	\$ 0	\$ 10,959
Total Assets	\$ 10,959	\$ 0	\$ 0	\$ 10,959
<u>Liabilities</u>				
Due to Joint Ventures	\$ 10,959	\$ 0	\$ 0	\$ 10,959
Total Liabilities	\$ 10,959	\$ 0	\$ 0	\$ 10,959

(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>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 9,095,116	\$ 75,391,521	\$ 76,262,239	\$ 8,224,398
Investments	7,350	7,440	7,350	7,440
Accounts Receivable	945	1,573	945	1,573
Cash Shortage	0	200	0	200
Total Assets	\$ 9,103,411	\$ 75,400,734	\$ 76,270,534	\$ 8,233,611
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 9,103,411	\$ 75,400,734	\$ 76,270,534	\$ 8,233,611
Total Liabilities	\$ 9,103,411	\$ 75,400,734	\$ 76,270,534	\$ 8,233,611
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 401,395	\$ 28,649	\$ 38,195	\$ 391,849
Due from Other Governments	789	15,451	789	15,451
Total Assets	\$ 402,184	\$ 44,100	\$ 38,984	\$ 407,300
<u>Liabilities</u>				
Accounts Payable	\$ 14	\$ 24	\$ 14	\$ 24
Accrued Payroll	175	315	175	315
Due to Litigants, Heirs, and Others	401,995	43,761	38,795	406,961
Total Liabilities	\$ 402,184	\$ 44,100	\$ 38,984	\$ 407,300
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 9,095,116	\$ 75,391,521	\$ 76,262,239	\$ 8,224,398
Equity in Pooled Cash and Investments	573,020	104,753,878	104,693,719	633,179
Investments	7,350	7,440	7,350	7,440
Accounts Receivable	945	1,573	945	1,573
Due from Other Governments	12,744,366	13,688,989	12,744,366	13,688,989
Taxes Receivable	13,862,892	14,450,268	13,862,892	14,450,268
Allowance for Uncollectible Taxes	(690,002)	(716,662)	(690,002)	(716,662)
Cash Shortage	0	200	0	200
Total Assets	\$ 35,593,687	\$ 207,577,207	\$ 206,881,509	\$ 36,289,385
<u>Liabilities</u>				
Accounts Payable	\$ 14	\$ 24	\$ 14	\$ 24
Accrued Payroll	175	315	175	315
Due to Other Taxing Units	26,077,133	132,132,373	130,571,991	27,637,515
Due to Joint Ventures	10,959	0	0	10,959
Due to Litigants, Heirs, and Others	9,505,406	75,444,495	76,309,329	8,640,572
Total Liabilities	\$ 35,593,687	\$ 207,577,207	\$ 206,881,509	\$ 36,289,385

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 238,879,984	\$ 148,126	\$ 12,138,175	\$ 556,300	\$ (226,037,383)
Support Services	135,734,698	452,799	1,160,948	0	(134,120,951)
Operation of Non-instructional Services	22,559,673	7,127,138	11,524,998	0	(3,907,537)
Total Governmental Activities	<u>\$ 397,174,355</u>	<u>\$ 7,728,063</u>	<u>\$ 24,824,121</u>	<u>\$ 556,300</u>	<u>\$ (364,065,871)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 82,810,213
Payments in-Lieu-of Tax					941,440
Local Option Sales Tax					62,304,244
Wheel Tax					4,095,813
Business Tax					2,422,072
Mixed Drink Tax					493,752
Grants and Contributions Not Restricted for Specific Programs					305,865,264
Unrestricted Investment Income					856,192
Miscellaneous					74,355
Total General Revenues					<u>\$ 459,863,345</u>
Change in Net Position					\$ 95,797,474
Net Position, July 1, 2017					465,538,996
Restatement - See Note I.D.10.					<u>(81,967,644)</u>
Net Position, June 30, 2018					<u>\$ 479,368,826</u>

Exhibit K-2

Rutherford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2018

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Other Capital Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 150	\$ 0	\$ 1,402,179	\$ 1,402,329
Equity in Pooled Cash and Investments	68,428,627	62,055,383	7,864,707	138,348,717
Inventories	0	0	242,951	242,951
Accounts Receivable	117,508	0	12,703	130,211
Due from Other Governments	19,994,743	0	1,646,254	21,640,997
Due from Other Funds	171,701	140,758	6	312,465
Property Taxes Receivable	81,705,207	0	4,495,033	86,200,240
Allowance for Uncollectible Property Taxes	(4,055,975)	0	(223,109)	(4,279,084)
Prepaid Items	12,593	0	0	12,593
Total Assets	<u>\$ 166,374,554</u>	<u>\$ 62,196,141</u>	<u>\$ 15,440,724</u>	<u>\$ 244,011,419</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,935,991	\$ 24,165	\$ 142,978	\$ 5,103,134
Accrued Payroll	27,027,335	0	707,105	27,734,440
Payroll Deductions Payable	6,525	0	0	6,525
Due to Other Funds	140,764	0	171,701	312,465
Total Liabilities	<u>\$ 32,110,615</u>	<u>\$ 24,165</u>	<u>\$ 1,021,784</u>	<u>\$ 33,156,564</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 76,840,801	\$ 0	\$ 4,227,516	\$ 81,068,317
Deferred Delinquent Property Taxes	706,541	0	38,812	745,353
Other Deferred/Unavailable Revenue	5,387,587	0	0	5,387,587
Total Deferred Inflows of Resources	<u>\$ 82,934,929</u>	<u>\$ 0</u>	<u>\$ 4,266,328</u>	<u>\$ 87,201,257</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	\$ 242,951	\$ 242,951
Prepaid Items	12,593	0	0	12,593
Restricted:				
Restricted for Education	364,480	0	3,690,107	4,054,587
Restricted for Capital Projects	34,250	62,171,976	5,219,554	67,425,780
Committed:				
Committed for Education	5,336,048	0	1,000,000	6,336,048
Assigned:				
Assigned for Education	18,173,028	0	0	18,173,028
Unassigned	27,408,611	0	0	27,408,611
Total Fund Balances	<u>\$ 51,329,010</u>	<u>\$ 62,171,976</u>	<u>\$ 10,152,612</u>	<u>\$ 123,653,598</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 166,374,554</u>	<u>\$ 62,196,141</u>	<u>\$ 15,440,724</u>	<u>\$ 244,011,419</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, 2018

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)		\$ 123,653,598
(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	44,689,322	
Add: buildings and improvements net of accumulated depreciation	443,693,112	
Add: intangible assets net of accumulated depreciation	61,461	
Add: other capital assets net of accumulated depreciation	<u>6,100,285</u>	512,178,800
(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 capital lease	\$ (346,443)	
Less: contributions due on primary government debt for other loans	(2,452,262)	
Less: other postemployment benefits liability	(155,772,597)	
Less: compensated absences payable	<u>(1,577,202)</u>	(160,148,504)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 36,634,993	
Add: deferred outflows of resources related to OPEB	939,198	
Less: deferred inflows of resources related to pensions	(28,905,310)	
Less: deferred inflows of resources related to OPEB	<u>(16,535,638)</u>	(7,866,757)
(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 plan	\$ 3,042,622	
Add: net pension asset - teacher retirement plan	1,019,719	
Add: net pension asset - teacher legacy plan	<u>1,356,408</u>	5,418,749
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>6,132,940</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 479,368,826</u></u>

Exhibit K-4

Rutherford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2018

	Major Funds		Nonmajor Funds	
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Total Governmen- tal Funds
<u>Revenues</u>				
Local Taxes	\$ 148,119,274	\$ 0	\$ 4,444,731	\$ 152,564,005
Licenses and Permits	12,705	0	0	12,705
Charges for Current Services	236,593	0	7,083,714	7,320,307
Other Local Revenues	1,365,935	0	70,520	1,436,455
State of Tennessee	216,888,094	0	168,600	217,056,694
Federal Government	1,094,532	0	26,267,519	27,362,051
Other Governments and Citizens Groups	0	87,348,606	0	87,348,606
Total Revenues	<u>\$ 367,717,133</u>	<u>\$ 87,348,606</u>	<u>\$ 38,035,084</u>	<u>\$ 493,100,823</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 238,221,053	\$ 0	\$ 8,104,167	\$ 246,325,220
Support Services	113,443,062	0	6,764,636	120,207,698
Operation of Non-Instructional Services	3,205,676	0	19,226,367	22,432,043
Capital Outlay	4,250	0	0	4,250
Debt Service:				
Other Debt Service	547,687	0	0	547,687
Capital Projects	0	55,380,636	3,319,307	58,699,943
Total Expenditures	<u>\$ 355,421,728</u>	<u>\$ 55,380,636</u>	<u>\$ 37,414,477</u>	<u>\$ 448,216,841</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 12,295,405</u>	<u>\$ 31,967,970</u>	<u>\$ 620,607</u>	<u>\$ 44,883,982</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	\$ 434,599	\$ 0	\$ 0	\$ 434,599
Transfers In	221,428	4,541,758	0	4,763,186
Transfers Out	(4,541,758)	0	(221,428)	(4,763,186)
Total Other Financing Sources (Uses)	<u>\$ (3,885,731)</u>	<u>\$ 4,541,758</u>	<u>\$ (221,428)</u>	<u>\$ 434,599</u>
Net Change in Fund Balances	\$ 8,409,674	\$ 36,509,728	\$ 399,179	\$ 45,318,581
Fund Balance, July 1, 2017	<u>42,919,336</u>	<u>25,662,248</u>	<u>9,753,433</u>	<u>78,335,017</u>
Fund Balance, June 30, 2018	<u>\$ 51,329,010</u>	<u>\$ 62,171,976</u>	<u>\$ 10,152,612</u>	<u>\$ 123,653,598</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, 2018

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)		\$ 45,318,581
(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	\$ 54,739,117	
Less: current-year depreciation expense	<u>(14,358,779)</u>	40,380,338
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(15,305)
(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, 2018	\$ 6,132,940	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(5,622,911)</u>	510,029
(4) The contributions of long-term debt (e.g., notes and lease) by the primary government provide 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	\$ (639,023)	
Add: principal contributions on note to primary government	59,552	
Add: principal contributions on lease to primary government	220,602	
Add: principal contributions on loans to primary government	<u>239,688</u>	(119,181)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability, net of restatement	\$ 10,359,364	
Change in deferred outflows of resources related to OPEB	939,198	
Change in deferred inflows of resources related to OPEB	(16,535,638)	
Change in compensated absences payable	(112,931)	
Change in net pension asset - agent plan	2,271,000	
Change in net pension asset - teacher retirement plan	629,514	
Change in net pension liability - teacher legacy plan	26,520,090	
Change in deferred outflows of resources related to pensions	(16,845,150)	
Change in deferred inflows of resources related to pensions	<u>2,497,565</u>	9,723,012
Change in net position of governmental activities (Exhibit B)		<u>\$ 95,797,474</u>

Exhibit K-6

Rutherford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Rutherford County School Department
June 30, 2018

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,402,179	\$ 1,402,179	\$ 0	\$ 1,402,179
Equity in Pooled Cash and Investments	472,260	2,169,667	2,641,927	5,222,780	7,864,707
Inventories	0	242,951	242,951	0	242,951
Accounts Receivable	8,099	4,313	12,412	291	12,703
Due from Other Governments	1,528,669	113,948	1,642,617	3,637	1,646,254
Due from Other Funds	6	0	6	0	6
Property Taxes Receivable	0	0	0	4,495,033	4,495,033
Allowance for Uncollectible Property Taxes	0	0	0	(223,109)	(223,109)
Total Assets	<u>\$ 2,009,034</u>	<u>\$ 3,933,058</u>	<u>\$ 5,942,092</u>	<u>\$ 9,498,632</u>	<u>\$ 15,440,724</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 130,228	\$ 0	\$ 130,228	\$ 12,750	\$ 142,978
Accrued Payroll	707,105	0	707,105	0	707,105
Due to Other Funds	171,701	0	171,701	0	171,701
Total Liabilities	<u>\$ 1,009,034</u>	<u>\$ 0</u>	<u>\$ 1,009,034</u>	<u>\$ 12,750</u>	<u>\$ 1,021,784</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 4,227,516	\$ 4,227,516
Deferred Delinquent Property Taxes	0	0	0	38,812	38,812
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,266,328</u>	<u>\$ 4,266,328</u>

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 242,951	\$ 242,951	\$ 0	\$ 242,951
Restricted:					
Restricted for Education	0	3,690,107	3,690,107	0	3,690,107
Restricted for Capital Projects	0	0	0	5,219,554	5,219,554
Committed:					
Committed for Education	1,000,000	0	1,000,000	0	1,000,000
Total Fund Balances	<u>\$ 1,000,000</u>	<u>\$ 3,933,058</u>	<u>\$ 4,933,058</u>	<u>\$ 5,219,554</u>	<u>\$ 10,152,612</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,009,034</u>	<u>\$ 3,933,058</u>	<u>\$ 5,942,092</u>	<u>\$ 9,498,632</u>	<u>\$ 15,440,724</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, 2018

	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	\$ 4,444,731	\$ 4,444,731
Charges for Current Services	0	7,083,714	7,083,714	0	7,083,714
Other Local Revenues	0	70,520	70,520	0	70,520
State of Tennessee	0	168,600	168,600	0	168,600
Federal Government	14,911,121	11,356,398	26,267,519	0	26,267,519
Total Revenues	<u>\$ 14,911,121</u>	<u>\$ 18,679,232</u>	<u>\$ 33,590,353</u>	<u>\$ 4,444,731</u>	<u>\$ 38,035,084</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 8,104,167	\$ 0	\$ 8,104,167	\$ 0	\$ 8,104,167
Support Services	6,611,151	66,029	6,677,180	87,456	6,764,636
Operation of Non-Instructional Services	2,182	19,224,185	19,226,367	0	19,226,367
Capital Projects	0	0	0	3,319,307	3,319,307
Total Expenditures	<u>\$ 14,717,500</u>	<u>\$ 19,290,214</u>	<u>\$ 34,007,714</u>	<u>\$ 3,406,763</u>	<u>\$ 37,414,477</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 193,621</u>	<u>\$ (610,982)</u>	<u>\$ (417,361)</u>	<u>\$ 1,037,968</u>	<u>\$ 620,607</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (193,621)	\$ (27,807)	\$ (221,428)	\$ 0	\$ (221,428)
Total Other Financing Sources (Uses)	<u>\$ (193,621)</u>	<u>\$ (27,807)</u>	<u>\$ (221,428)</u>	<u>\$ 0</u>	<u>\$ (221,428)</u>
Net Change in Fund Balances	\$ 0	\$ (638,789)	\$ (638,789)	\$ 1,037,968	\$ 399,179
Fund Balance, July 1, 2017	<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>
Fund Balance, June 30, 2018	<u>\$ 1,000,000</u>	<u>\$ 3,933,058</u>	<u>\$ 4,933,058</u>	<u>\$ 5,219,554</u>	<u>\$ 10,152,612</u>

Exhibit K-8

Rutherford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Rutherford County School Department
General Purpose School Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 148,119,274	\$ 0	\$ 0	\$ 148,119,274	\$ 145,168,413	\$ 147,951,254	\$ 168,020
Licenses and Permits	12,705	0	0	12,705	12,000	12,000	705
Charges for Current Services	236,593	0	0	236,593	177,000	233,000	3,593
Other Local Revenues	1,365,935	0	0	1,365,935	330,059	1,262,277	103,658
State of Tennessee	216,888,094	0	0	216,888,094	210,428,378	215,034,705	1,853,389
Federal Government	1,094,532	0	0	1,094,532	1,200,000	1,087,839	6,693
Total Revenues	\$ 367,717,133	\$ 0	\$ 0	\$ 367,717,133	\$ 357,315,850	\$ 365,581,075	\$ 2,136,058
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 192,751,913	\$ (1,023,477)	\$ 2,432,497	\$ 194,160,933	\$ 198,102,530	\$ 197,888,937	\$ 3,728,004
Alternative Instruction Program	2,181,904	0	43	2,181,947	2,218,663	2,271,620	89,673
Special Education Program	29,326,830	(34,467)	22,045	29,314,408	29,490,097	30,006,496	692,088
Career and Technical Education Program	13,960,406	(37,629)	30,089	13,952,866	14,887,954	14,889,266	936,400
<u>Support Services</u>							
Attendance	775,529	(4,240)	115	771,404	811,329	811,329	39,925
Health Services	4,493,190	(36,571)	571	4,457,190	4,427,091	4,489,171	31,981
Other Student Support	8,979,848	(157,227)	35,813	8,858,434	9,110,848	9,213,394	354,960
Regular Instruction Program	11,613,113	(38,249)	26,151	11,601,015	11,963,719	11,968,730	367,715
Alternative Instruction Program	940,628	(129)	2,895	943,394	978,630	992,745	49,351
Special Education Program	1,576,501	(12,031)	3,344	1,567,814	1,589,354	1,611,502	43,688
Career and Technical Education Program	275,382	0	4,156	279,538	278,246	337,715	58,177
Technology	4,882,726	(1,263,437)	168,863	3,788,152	3,813,185	3,988,032	199,880
Adult Programs	145,062	0	0	145,062	197,787	197,791	52,729
Board of Education	6,489,719	(6,822)	0	6,482,897	7,232,849	7,379,274	896,377
Director of Schools	897,766	(2,795)	4,396	899,367	983,357	1,016,385	117,018
Office of the Principal	20,265,999	(1,058)	17,978	20,282,919	20,580,081	20,570,836	287,917
Fiscal Services	1,057,790	0	0	1,057,790	1,080,585	1,078,969	21,179
Human Services/Personnel	506,916	0	3,778	510,694	556,110	558,268	47,574

(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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 24,382,464	\$ (89,447)	\$ 208,509	\$ 24,501,526	\$ 24,779,107	\$ 24,943,426	\$ 441,900
Maintenance of Plant	8,065,360	(296,842)	253,138	8,021,656	8,145,631	8,204,664	183,008
Transportation	18,095,069	(396)	29,138	18,123,811	18,456,427	18,569,590	445,779
<u>Operation of Non-Instructional Services</u>							
Community Services	45,391	0	0	45,391	36,000	59,451	14,060
Early Childhood Education	3,160,285	0	7,181	3,167,466	3,093,245	3,212,266	44,800
<u>Capital Outlay</u>							
Regular Capital Outlay	4,250	(1,892)	0	2,358	75,000	75,000	72,642
<u>Principal on Debt</u>							
Education	0	0	0	0	1,287,356	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	46,463	0	0
<u>Other Debt Service</u>							
Education	547,687	0	0	547,687	0	1,333,819	786,132
Total Expenditures	\$ 355,421,728	\$ (3,006,709)	\$ 3,250,700	\$ 355,665,719	\$ 364,221,644	\$ 365,668,676	\$ 10,002,957
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,295,405	\$ 3,006,709	\$ (3,250,700)	\$ 12,051,414	\$ (6,905,794)	\$ (87,601)	\$ 12,139,015
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 434,599	0	0	\$ 434,599	0	\$ 434,599	0
Transfers In	221,428	0	0	221,428	150,000	150,000	71,428
Transfers Out	(4,541,758)	0	0	(4,541,758)	0	(4,541,758)	0
Total Other Financing Sources	\$ (3,885,731)	\$ 0	\$ 0	\$ (3,885,731)	\$ 150,000	\$ (3,957,159)	\$ 71,428
Net Change in Fund Balance	\$ 8,409,674	\$ 3,006,709	\$ (3,250,700)	\$ 8,165,683	\$ (6,755,794)	\$ (4,044,760)	\$ 12,210,443
Fund Balance, July 1, 2017	42,919,336	(3,006,709)	0	39,912,627	39,443,933	39,443,933	468,694
Fund Balance, June 30, 2018	\$ 51,329,010	\$ 0	\$ (3,250,700)	\$ 48,078,310	\$ 32,688,139	\$ 35,399,173	\$ 12,679,137

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 14,911,121	\$ 12,977,551	\$ 17,965,088	\$ (3,053,967)
Total Revenues	\$ 14,911,121	\$ 12,977,551	\$ 17,965,088	\$ (3,053,967)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,436,641	\$ 2,586,743	\$ 3,698,751	\$ 262,110
Special Education Program	4,138,722	4,473,868	4,790,767	652,045
Career and Technical Education Program	528,804	473,897	528,987	183
<u>Support Services</u>				
Health Services	246,734	263,546	265,545	18,811
Other Student Support	1,270,058	1,144,472	1,726,610	456,552
Regular Instruction Program	2,455,730	2,010,077	3,375,756	920,026
Special Education Program	2,275,590	1,736,893	2,929,713	654,123
Career and Technical Education Program	1,410	5,000	1,410	0
Transportation	361,629	337,495	404,637	43,008
<u>Operation of Non-Instructional Services</u>				
Food Service	2,182	0	2,782	600
Total Expenditures	\$ 14,717,500	\$ 13,031,991	\$ 17,724,958	\$ 3,007,458
Excess (Deficiency) of Revenues Over Expenditures	\$ 193,621	\$ (54,440)	\$ 240,130	\$ (46,509)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 190,441	\$ 0	\$ 0
Transfers Out	(193,621)	(135,999)	(240,128)	46,507
Total Other Financing Sources	\$ (193,621)	\$ 54,442	\$ (240,128)	\$ 46,507
Net Change in Fund Balance	\$ 0	\$ 2	\$ 2	\$ (2)
Fund Balance, July 1, 2017	1,000,000	787,710	787,710	212,290
Fund Balance, June 30, 2018	\$ 1,000,000	\$ 787,712	\$ 787,712	\$ 212,288

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 7,083,714	\$ 0	\$ 7,083,714	\$ 7,960,000	\$ 7,040,000	\$ 43,714
Other Local Revenues	70,520	0	70,520	15,000	53,112	17,408
State of Tennessee	168,600	0	168,600	167,000	168,600	0
Federal Government	11,356,398	0	11,356,398	11,225,000	11,385,000	(28,602)
Total Revenues	\$ 18,679,232	\$ 0	\$ 18,679,232	\$ 19,367,000	\$ 18,646,712	\$ 32,520
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 66,029	\$ 0	\$ 66,029	\$ 66,800	\$ 66,800	\$ 771
<u>Operation of Non-Instructional Services</u>						
Food Service	19,224,185	(195,219)	19,028,966	19,968,625	19,511,445	482,479
Total Expenditures	\$ 19,290,214	\$ (195,219)	\$ 19,094,995	\$ 20,035,425	\$ 19,578,245	\$ 483,250
Excess (Deficiency) of Revenues Over Expenditures	\$ (610,982)	\$ 195,219	\$ (415,763)	\$ (668,425)	\$ (931,533)	\$ 515,770
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (27,807)	\$ 0	\$ (27,807)	\$ (45,000)	\$ (45,000)	\$ 17,193
Total Other Financing Sources	\$ (27,807)	\$ 0	\$ (27,807)	\$ (45,000)	\$ (45,000)	\$ 17,193
Net Change in Fund Balance	\$ (638,789)	\$ 195,219	\$ (443,570)	\$ (713,425)	\$ (976,533)	\$ 532,963
Fund Balance, July 1, 2017	4,571,847	(195,219)	4,376,628	4,376,628	4,376,628	0
Fund Balance, June 30, 2018	\$ 3,933,058	\$ 0	\$ 3,933,058	\$ 3,663,203	\$ 3,400,095	\$ 532,963

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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,444,731	\$ 0	\$ 0	\$ 4,444,731	\$ 4,298,976	\$ 4,436,222	\$ 8,509
Total Revenues	\$ 4,444,731	\$ 0	\$ 0	\$ 4,444,731	\$ 4,298,976	\$ 4,436,222	\$ 8,509
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 87,456	\$ 0	\$ 0	\$ 87,456	\$ 89,846	\$ 89,846	\$ 2,390
<u>Capital Projects</u>							
Education Capital Projects	3,319,307	(1,197,556)	1,542,888	3,664,639	4,175,494	5,373,050	1,708,411
Total Expenditures	\$ 3,406,763	\$ (1,197,556)	\$ 1,542,888	\$ 3,752,095	\$ 4,265,340	\$ 5,462,896	\$ 1,710,801
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,037,968	\$ 1,197,556	\$ (1,542,888)	\$ 692,636	\$ 33,636	\$ (1,026,674)	\$ 1,719,310
Net Change in Fund Balance	\$ 1,037,968	\$ 1,197,556	\$ (1,542,888)	\$ 692,636	\$ 33,636	\$ (1,026,674)	\$ 1,719,310
Fund Balance, July 1, 2017	4,181,586	(1,197,556)	0	2,984,030	2,984,030	2,984,030	0
Fund Balance, June 30, 2018	\$ 5,219,554	\$ 0	\$ (1,542,888)	\$ 3,676,666	\$ 3,017,666	\$ 1,957,356	\$ 1,719,310

Exhibit K-12

Rutherford County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Rutherford County School Department
Fiduciary Fund
June 30, 2018

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, 2018

		Private- Purpose Trust Fund
		<hr/> Endowment Fund <hr/>
	<u>ADDITIONS</u>	
Investment Income:		
Interest		\$ 330
Total Additions		<hr/> \$ 330 <hr/>
	<u>DEDUCTIONS</u>	
Education:		
Scholarship		\$ 330
Total Deductions		<hr/> \$ 330 <hr/>
Change in Net Position		\$ 0
Net Position, July 1, 2017		<hr/> 28,783 <hr/>
Net Position, June 30, 2018		<hr/> \$ 28,783 <hr/>

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, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<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	3-29-18	\$ 59,552	\$ 0	\$ 59,552	\$ 0
Total Notes Payable						\$ 59,552	\$ 0	\$ 59,552	\$ 0
<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	\$ 567,045	\$ 0	\$ 220,602	\$ 346,443
Total Capital Leases Payable						\$ 567,045	\$ 0	\$ 220,602	\$ 346,443
<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	\$ 558,305	\$ 0	\$ 166,032	\$ 392,273
Energy Efficiency Loan	2,133,645	1.00		3-20-17	3-1-25	1,494,622	639,023	73,656	2,059,989
Total Other Loans Payable						\$ 2,052,927	\$ 639,023	\$ 239,688	\$ 2,452,262
<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	3-29-18	\$ 1,880,000	\$ 0	\$ 1,880,000	\$ 0
School Facilities and Public Improvement	41,325,000	3.67		5-28-09	4-1-19	1,220,000	0	600,000	620,000
Refunding Bonds	88,800,000	2.48		9-28-10	4-1-26	71,130,000	0	10,370,000	60,760,000
Refunding Bonds	41,875,000	2.037		1-7-11	4-1-20	4,785,000	0	1,915,000	2,870,000
School Facilities, Public Improvement and Refunding	69,280,000	2.4245		2-15-12	4-1-32	56,350,000	0	2,930,000	53,420,000

(Continued)

Exhibit L-1

Rutherford County, Tennessee

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
BONDS PAYABLE (CONT.)								
Refunding Bonds	\$ 38,410,000	2.4214	%	2-27-13	4-1-30	\$ 34,710,000	\$ 0	\$ 34,185,000
Refunding Bonds	27,290,000	1.5833		2-27-13	4-1-21	19,470,000	0	12,180,000
School Facilities, Public Improvement and Refunding	31,000,000	2.8396		6-12-14	4-1-34	27,940,000	0	26,740,000
Public Improvements	2,570,000	3.6776		6-12-14	4-1-34	2,455,000	0	2,340,000
School Facilities, Public Improvement	33,863,825	2.8757		5-14-15	4-1-35	31,970,000	0	30,810,000
Refunding Bonds	23,930,000	2.2522		5-14-15	4-1-28	23,930,000	0	23,930,000
Refunding Bonds	25,640,000	1.5655		9-15-16	4-1-29	25,640,000	0	25,640,000
School Facilities, Public Improvements	101,000,000	2.3686		9-28-16	4-1-36	101,000,000	0	99,000,000
School Facilities, Public Improvements	81,530,000	2.6657		11-28-17	4-1-38	0	81,530,000	0
Total Bonds Payable						\$ 402,480,000	\$ 81,530,000	\$ 29,985,000
								\$ 454,025,000

Exhibit L-2

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

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2019	\$ 228,840	\$ 10,721	\$ 239,561
2020	117,603	2,178	119,781
Total	\$ 346,443	\$ 12,899	\$ 359,342

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2019	\$ 463,752	\$ 21,612	\$ 485,364
2020	468,000	17,364	485,364
2021	358,913	13,359	372,272
2022	305,496	10,224	315,720
2023	308,568	7,152	315,720
2024	311,676	4,044	315,720
2025	235,857	975	236,832
Total	\$ 2,452,262	\$ 74,730	\$ 2,526,992

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 32,455,000	\$ 17,415,016	\$ 49,870,016
2020	33,305,000	16,068,614	49,373,614
2021	33,505,000	14,743,613	48,248,613
2022	31,070,000	13,302,251	44,372,251
2023	30,760,000	11,786,928	42,546,928
2024	27,190,000	10,360,151	37,550,151
2025	28,285,000	9,109,340	37,394,340
2026	29,355,000	7,971,027	37,326,027
2027	25,495,000	6,695,850	32,190,850

(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	\$ 26,385,000	\$ 5,665,031	\$ 32,050,031
2029	24,480,000	4,870,358	29,350,358
2030	22,205,000	4,142,382	26,347,382
2031	19,375,000	3,384,358	22,759,358
2032	20,010,000	2,770,357	22,780,357
2033	15,965,000	2,130,108	18,095,108
2034	16,465,000	1,641,627	18,106,627
2035	14,500,000	1,137,726	15,637,726
2036	12,410,000	696,600	13,106,600
2037	5,325,000	324,300	5,649,300
2038	5,485,000	164,550	5,649,550
Total	\$ 454,025,000	\$ 134,380,187	\$ 588,405,187

Exhibit L-3

Rutherford County, Tennessee
Schedule of Investments
June 30, 2018

<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>\$ 7,440</u>
Total Investments				<u><u>\$ 7,440</u></u>

Exhibit L-4

Rutherford County, Tennessee
Schedule of Notes Receivable
June 30, 2018

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rates	Balance 6-30-18
Industrial/Economic Development Fund:						
Construction/Renovations	Smyrna/Rutherford County Airport	\$ 639,724	8-17-06	5-10-19	2 %	\$ 199,706
Construction/Renovations	Smyrna/Rutherford County Airport	2,570,000	4-17-14	4-1-34	3.6	2,310,000
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>\$ 4,330,491</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, 2018

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Capital Projects	Operations	\$ 681,700
Ambulance Service	General Capital Projects	Operations	4,381
Industrial Development	General Debt Service	Principal & Interest Payments	195,395
Drug Control	General	Operations	540,000
Worker's Compensation	General	"	301,985
Employee Insurance	General	"	<u>301,985</u>
Total Transfers Primary Government			<u>\$ 2,025,446</u>
<u>DISCRETELY PRESENTED RUTHERFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Cost	\$ 193,621
Central Cafeteria	"	Salaries and Maintenance	27,807
General Purpose School	Other Capital Projects	Building Projects	<u>4,541,758</u>
Total Transfers Discretely Presented Rutherford County School Department			<u>\$ 4,763,186</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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 140,103	\$ 100,000	Hartford Fire Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	133,432	100,000	"
Director of Schools	State Board of Education and Local Board of Education	187,160 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	110,274	11,761,641	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	110,274	50,000	"
Director of Finance	County Commission	130,737 (2)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	110,274	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> and County Commission	121,301 (3)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , Chancery Court Judge and County Commission	110,274 (4)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	110,274	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	133,432 (5)	100,000	"
<u>Other Bonds</u>				
Employee Blanket Bond			475,000	Brit Global Specialty

(1) Includes \$30,844 for accrued leave payout; does not include a \$1,000 career ladder payment.

(2) Does not include longevity pay of \$525 and a salary supplement of \$1,800.

(3) Includes \$11,027 for serving more than one court.

(4) Does not include longevity pay of \$600.

(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, 2018

	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	\$ 43,761,765	\$ 0	\$ 4,675,247	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	421,995	0	45,084	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	213,729	0	22,834	0	0	0
Interest and Penalty	88,300	0	9,432	0	0	0
Pickup Taxes	82,162	0	8,778	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	3,501	0	374	0	0	0
Payments in-Lieu-of Taxes - Other	8,265,895	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	852,516	2,557,548	0	0	0	0
Hotel/Motel Tax	4,517,355	0	0	0	0	0
Wheel Tax	3,615,844	0	0	0	0	0
Litigation Tax - General	842,884	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	547,145	0	0	0	0	0
Business Tax	1,304,449	0	139,359	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	2,903,700	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	512,790	0	0	0	0	0
Wholesale Beer Tax	1,019,043	0	0	0	0	0
Total Local Taxes	\$ 68,953,073	\$ 2,557,548	\$ 4,901,108	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 271,885	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control
<u>Licenses and Permits (Cont.)</u>						
<u>Licenses (Cont.)</u>						
Animal Vaccination	\$ 23,143	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	990,164	0	0	0	0	0
<u>Permits</u>						
Building Permits	1,085,691	0	0	0	0	0
Plumbing Permits	111,683	0	0	0	0	0
Other Permits	107,745	0	0	0	0	0
Total Licenses and Permits	\$ 2,590,311	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 30,162	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	58,085	0	0	0	0	0
Game and Fish Fines	112	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	43,006
Drug Court Fees	20,330	0	0	0	0	0
Veterans Treatment Court Fees	1,574	0	0	0	0	0
Jail Fees	35,021	0	0	0	0	0
Data Entry Fee - Circuit Court	11,356	0	0	0	0	0
Courtroom Security Fee	43,100	0	0	0	0	0
<u>Criminal Court</u>						
Veterans Treatment Court Fees	2,559	0	0	0	0	0
DUI Treatment Fines	6,275	0	0	0	0	0
Victims Assistance Assessments	17,710	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	212,361	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	\$ 270,165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Game and Fish Fines	491	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	16,918
Drug Court Fees	27,000	0	0	0	0	0
Veterans Treatment Court Fees	16,929	0	0	0	0	0
Jail Fees	90,302	0	0	0	0	0
Interpreter Fee	7,152	0	0	0	0	0
Judicial Commissioner Fees	373	0	0	0	0	0
DUI Treatment Fines	47,701	0	0	0	0	0
Data Entry Fee - General Sessions Court	88,336	0	0	0	0	0
Courtroom Security Fee	12,388	0	0	0	0	0
Victims Assistance Assessments	91,606	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	6,436	0	0	0	0	0
Officers Costs	24,572	0	0	0	0	0
Jail Fees	766,630	0	0	0	0	0
Data Entry Fee - Juvenile Court	6,142	0	0	0	0	0
Courtroom Security Fee	1,520	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	17,004	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	33,388	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	21,734	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	\$ 530,139
Total Fines, Forfeitures, and Penalties	\$ 1,968,514	\$ 0	\$ 0	\$ 0	\$ 0	\$ 590,063
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 846,519	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - Host Agency	0	966,116	0	0	0	0
Patient Charges	77,249	0	8,152,380	0	0	0
Past Due Collections - Ambulance	0	0	126,130	0	0	0
Zoning Studies	78,650	0	0	0	0	0
Work Release Charges for Board	120,147	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	1,125
<u>Fees</u>						
Subdivision Lot Fees	238,150	0	0	0	0	0
Archives and Records Management Fee	143,664	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	637,046	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	115,973	0	0	0	0	0
Probation Fees	988,211	0	0	0	0	0
Data Processing Fee - Sheriff	22,518	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	9,150	0	0	0	0	0
Data Processing Fee - County Clerk	30,201	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,195	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</u>						
Tuition - Other	\$ 0	\$ 0	\$ 5,940	\$ 0	\$ 0	\$ 0
Contract for Administrative Services with Other LEA's	469,094	0	0	0	0	0
TBI Criminal Background Fee	37,200	0	0	0	0	0
Other Charges for Services	14,454	0	100,536	0	0	0
Total Charges for Current Services	\$ 2,983,002	\$ 1,812,635	\$ 8,384,986	\$ 0	\$ 0	\$ 1,125
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,819,786	\$ 0	\$ 0	\$ 84,433	\$ 2,779	\$ 11,087
Lease/Rentals	187,440	0	0	0	0	0
Sale of Materials and Supplies	7,288	0	4,073	0	0	0
Commissary Sales	97,233	0	0	0	0	0
Sale of Maps	13,065	0	0	0	0	0
Sale of Recycled Materials	5,916	466,276	0	0	0	0
Sale of Animals/Livestock	92,904	0	0	0	0	0
Miscellaneous Refunds	26,698	15	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	115,610	18,430	0	0	0	0
Sale of Property	11,150	0	0	0	0	0
Contributions and Gifts	333,857	0	9,800	0	0	0
Performance Bond Forfeitures	202,560	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	25,153	0	0	0	0	0
Total Other Local Revenues	\$ 2,938,660	\$ 484,721	\$ 13,873	\$ 84,433	\$ 2,779	\$ 11,087

(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	\$ 2,466,452	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	748,589	0	0	0	0	0
Register	1,324,980	0	0	0	0	0
Trustee	5,921,202	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Clerk and Master	480,150	0	0	0	0	0
Sheriff	98,777	0	0	0	0	0
Total Fees Received From County Officials	\$ 11,040,150	\$ 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	56,226	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	143,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	2,066,083	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	0	106,227	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	0	0	0	0	0	0
Income Tax	231,938	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	36,468	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>						
Alcoholic Beverage Tax	\$ 386,373	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - Telecommunications	380,491	0	0	0	0	0
Contracted Prisoner Boarding	5,383,668	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	638,051	0	0	0	0	0
Other State Revenues	157,277	299,266	12,966	0	0	0
Total State of Tennessee	<u>\$ 9,465,752</u>	<u>\$ 461,719</u>	<u>\$ 12,966</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 154,881	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	69,350	0	0	0	0	0
Disaster Relief	12,309	0	0	0	0	0
Homeland Security Grants	184,737	0	0	0	0	0
Other Federal through State	234,734	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	48,009	0	0	0	0	0
Asset Forfeiture Funds	52,034	0	0	0	39,048	0
Other Direct Federal Revenue	249,051	0	0	0	0	0
Total Federal Government	<u>\$ 1,005,105</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,048</u>	<u>\$ 0</u>

(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	\$ 11,205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	117,232	0	0	0	0	0
Contracted Services	579,802	41,933	0	0	0	0
<u>Other</u>						
Other	500	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 708,739</u>	<u>\$ 41,933</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 101,653,306</u>	<u>\$ 5,358,556</u>	<u>\$ 13,312,933</u>	<u>\$ 84,433</u>	<u>\$ 41,827</u>	<u>\$ 602,275</u>

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 889,626	\$ 45,068,887	\$ 0	\$ 94,395,525
Trustee's Collections - Prior Year	0	8,578	434,591	0	910,248
Circuit Clerk/Clerk and Master Collections - Prior Years	0	4,345	220,108	0	461,016
Interest and Penalty	0	1,792	91,029	0	190,553
Pickup Taxes	0	1,670	84,615	0	177,225
Payments in-Lieu-of Taxes - T.V.A.	0	71	3,605	0	7,551
Payments in-Lieu-of Taxes - Other	0	0	0	0	8,265,895
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	852,516	0	0	4,262,580
Hotel/Motel Tax	0	0	0	0	4,517,355
Wheel Tax	0	3,615,844	0	0	7,231,688
Litigation Tax - General	0	0	43,009	0	885,893
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	1,944,951	0	1,944,951
Litigation Tax - Courthouse Security	0	0	0	0	547,145
Business Tax	0	26,518	1,343,379	0	2,813,705
Mineral Severance Tax	0	444,859	0	0	444,859
Adequate Facilities/Development Tax	0	0	2,903,700	0	5,807,400
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	512,790
Wholesale Beer Tax	0	0	0	0	1,019,043
Total Local Taxes	\$ 0	\$ 5,845,819	\$ 52,137,874	\$ 0	\$ 134,395,422
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 271,885

(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 (Cont.)</u>					
<u>Licenses (Cont.)</u>					
Animal Vaccination	\$ 0	\$ 0	\$ 0	\$ 0	23,143
Cable TV Franchise	0	0	0	0	990,164
<u>Permits</u>					
Building Permits	0	0	0	0	1,085,691
Plumbing Permits	0	0	0	0	111,683
Other Permits	0	0	0	0	107,745
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	2,590,311
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	30,162
Officers Costs	0	0	0	0	58,085
Game and Fish Fines	0	0	0	0	112
Drug Control Fines	0	0	0	0	43,006
Drug Court Fees	0	0	0	0	20,330
Veterans Treatment Court Fees	0	0	0	0	1,574
Jail Fees	0	0	0	0	35,021
Data Entry Fee - Circuit Court	0	0	0	0	11,356
Courtroom Security Fee	0	0	0	0	43,100
<u>Criminal Court</u>					
Veterans Treatment Court Fees	0	0	0	0	2,559
DUI Treatment Fines	0	0	0	0	6,275
Victims Assistance Assessments	0	0	0	0	17,710
<u>General Sessions Court</u>					
Fines	0	0	0	0	212,361

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	270,165
Game and Fish Fines	0	0	0	0	491
Drug Control Fines	0	0	0	0	16,918
Drug Court Fees	0	0	0	0	27,000
Veterans Treatment Court Fees	0	0	0	0	16,929
Jail Fees	0	0	0	0	90,302
Interpreter Fee	0	0	0	0	7,152
Judicial Commissioner Fees	0	0	0	0	373
DUI Treatment Fines	0	0	0	0	47,701
Data Entry Fee - General Sessions Court	0	0	0	0	88,336
Courtroom Security Fee	0	0	0	0	12,388
Victims Assistance Assessments	0	0	0	0	91,606
<u>Juvenile Court</u>					
Fines	0	0	0	0	6,436
Officers Costs	0	0	0	0	24,572
Jail Fees	0	0	0	0	766,630
Data Entry Fee - Juvenile Court	0	0	0	0	6,142
Courtroom Security Fee	0	0	0	0	1,520
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court	0	0	0	0	17,004
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	33,388
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	21,734

(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	\$ 530,139
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,558,577
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 846,519
Surcharge - Host Agency	0	0	0	0	966,116
Patient Charges	0	0	0	0	8,229,629
Past Due Collections - Ambulance	0	0	0	0	126,130
Zoning Studies	0	0	0	0	78,650
Work Release Charges for Board	0	0	0	0	120,147
Other General Service Charges	0	0	0	0	1,125
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	238,150
Archives and Records Management Fee	0	0	0	0	143,664
Greenbelt Late Application Fee	0	0	0	0	100
Telephone Commissions	0	0	0	0	637,046
Constitutional Officers' Fees and Commissions	4,753,766	0	0	0	4,753,766
Data Processing Fee - Register	0	0	0	0	115,973
Probation Fees	0	0	0	0	988,211
Data Processing Fee - Sheriff	0	0	0	0	22,518
Sexual Offender Registration Fee - Sheriff	0	0	0	0	9,150
Data Processing Fee - County Clerk	0	0	0	0	30,201
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	1,195

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 0	\$ 0	\$ 0	\$ 0	5,940
Contract for Administrative Services with Other LEA's	0	0	0	0	469,094
TBI Criminal Background Fee	0	0	0	0	37,200
Other Charges for Services	0	0	0	0	114,990
Total Charges for Current Services	\$ 4,753,766	\$ 0	\$ 0	\$ 0	17,935,514
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 165,273	\$ 1,552,610	\$ 25	3,635,993
Lease/Rentals	0	0	144,150	0	331,590
Sale of Materials and Supplies	0	3,687	0	0	15,048
Commissary Sales	0	0	0	0	97,233
Sale of Maps	0	0	0	0	13,065
Sale of Recycled Materials	0	0	0	0	472,192
Sale of Animals/Livestock	0	0	0	0	92,904
Miscellaneous Refunds	0	0	0	4,303	31,016
<u>Nonrecurring Items</u>					
Sale of Equipment	0	142,500	0	0	276,540
Sale of Property	0	0	0	0	11,150
Contributions and Gifts	0	0	0	0	343,657
Performance Bond Forfeitures	0	0	0	0	202,560
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	25,153
Total Other Local Revenues	\$ 0	\$ 311,460	\$ 1,696,760	\$ 4,328	5,548,101

(Continued)

Exhibit L-7

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	2,466,452
Circuit Court Clerk	0	0	0	0	748,589
Register	0	0	0	0	1,324,980
Trustee	0	0	0	0	5,921,202
<u>Fees In-Lieu-of Salary</u>					
Clerk and Master	0	0	0	0	480,150
Sheriff	0	0	0	0	98,777
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	11,040,150
<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	56,226
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	143,400
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	2,066,083
<u>Public Works Grants</u>					
State Aid Program	0	1,322,330	0	0	1,322,330
Litter Program	0	0	0	0	106,227
<u>Other State Revenues</u>					
Flood Control	0	18,897	0	0	18,897
Income Tax	0	0	0	0	231,938
Beer Tax	0	0	0	0	17,839
Vehicle Certificate of Title Fees	0	0	0	0	36,468

(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
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	386,373
State Revenue Sharing - Telecommunications	0	0	0	0	380,491
Contracted Prisoner Boarding	0	0	0	0	5,383,668
Gasoline and Motor Fuel Tax	0	4,662,605	0	0	4,662,605
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	638,051
Other State Revenues	0	0	0	0	469,509
Total State of Tennessee	\$ 0	\$ 6,193,313	\$ 0	\$ 0	16,133,750
Federal Government					
Federal Through State					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	154,881
Civil Defense Reimbursement	0	0	0	0	69,350
Disaster Relief	0	0	0	0	12,309
Homeland Security Grants	0	0	0	0	184,737
Other Federal through State	0	0	0	0	234,734
Direct Federal Revenue					
Police Service (Lake Area)	0	0	0	0	48,009
Asset Forfeiture Funds	0	0	0	0	91,082
Other Direct Federal Revenue	0	0	0	0	249,051
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	1,044,153

(Continued)

Exhibit L-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital</u>	
	Constitu -	Highway /	Fund	Projects Fund	
	tional -	Public	General	General	
	Officers -	Works	Debt	Capital	
	Fees		Service	Projects	Total
<hr/>					
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,205
Contributions	0	0	547,687	0	664,919
Contracted Services	0	0	0	0	621,735
<u>Other</u>					
Other	0	0	0	0	500
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 547,687</u>	<u>\$ 0</u>	<u>\$ 1,298,359</u>
Total	<u>\$ 4,753,766</u>	<u>\$ 12,350,592</u>	<u>\$ 54,382,321</u>	<u>\$ 4,328</u>	<u>\$ 192,544,337</u>

Exhibit L-8

Rutherford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2018

	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	\$ 77,018,866	\$ 0	\$ 0	\$ 4,239,906	\$ 0	\$ 81,258,772
Trustee's Collections - Prior Year	742,705	0	0	40,885	0	783,590
Circuit Clerk/Clerk and Master Collections - Prior Years	376,004	0	0	20,707	0	396,711
Interest and Penalty	155,321	0	0	8,551	0	163,872
Pickup Taxes	144,604	0	0	7,960	0	152,564
Payments in-Lieu-of Taxes - T.V.A.	6,161	0	0	339	0	6,500
Payments in-Lieu-of Taxes - Local Utilities	941,440	0	0	0	0	941,440
<u>County Local Option Taxes</u>						
Local Option Sales Tax	61,848,919	0	0	0	0	61,848,919
Wheel Tax	4,095,813	0	0	0	0	4,095,813
Business Tax	2,295,689	0	0	126,383	0	2,422,072
Mixed Drink Tax	493,752	0	0	0	0	493,752
Total Local Taxes	\$ 148,119,274	\$ 0	\$ 0	\$ 4,444,731	\$ 0	\$ 152,564,005
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 12,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,705
Total Licenses and Permits	\$ 12,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,705
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 68,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,900
Tuition - Other	51,427	0	0	0	0	51,427
Lunch Payments - Children	0	0	5,690,099	0	0	5,690,099

(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>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 185,057	\$ 0	\$ 0	\$ 185,057
Income from Breakfast	0	0	539,810	0	0	539,810
A la Carte Sales	0	0	668,748	0	0	668,748
Contract for Administrative Services with Other LEA's	13,226	0	0	0	0	13,226
Other Charges for Services	103,040	0	0	0	0	103,040
Total Charges for Current Services	<u>\$ 236,593</u>	<u>\$ 0</u>	<u>\$ 7,083,714</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,320,307</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 826,363	\$ 0	\$ 29,829	\$ 0	\$ 0	\$ 856,192
Lease/Rentals	43,424	0	0	0	0	43,424
Sale of Materials and Supplies	14,573	0	0	0	0	14,573
E-Rate Funding	339,033	0	0	0	0	339,033
Miscellaneous Refunds	30,033	0	0	0	0	30,033
<u>Nonrecurring Items</u>						
Sale of Equipment	19,131	0	25,191	0	0	44,322
Contributions and Gifts	82,652	0	15,500	0	0	98,152
<u>Other Local Revenues</u>						
Other Local Revenues	10,726	0	0	0	0	10,726
Total Other Local Revenues	<u>\$ 1,365,935</u>	<u>\$ 0</u>	<u>\$ 70,520</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,436,455</u>
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 211,403,496	\$ 0	\$ 0	\$ 0	\$ 0	\$ 211,403,496

(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 (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Early Childhood Education	\$ 1,228,248	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,228,248
School Food Service	0	0	168,600	0	0	168,600
Driver Education	229,488	0	0	0	0	229,488
Other State Education Funds	54,939	0	0	0	0	54,939
Coordinated School Health	180,000	0	0	0	0	180,000
Internet Connectivity	115,767	0	0	0	0	115,767
Career Ladder Program	557,418	0	0	0	0	557,418
Vocational Equipment	556,300	0	0	0	0	556,300
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	2,338,930	0	0	0	0	2,338,930
Other State Grants	223,508	0	0	0	0	223,508
Total State of Tennessee	\$ 216,888,094	\$ 0	\$ 168,600	\$ 0	\$ 0	\$ 217,056,694
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 8,101,777	\$ 0	\$ 0	\$ 8,101,777
USDA - Commodities	0	0	908,679	0	0	908,679
Breakfast	0	0	2,345,942	0	0	2,345,942
Vocational Education - Basic Grants to States	0	617,187	0	0	0	617,187
Title I Grants to Local Education Agencies	0	5,295,898	0	0	0	5,295,898
Special Education - Grants to States	456,901	7,717,329	0	0	0	8,174,230
Special Education Preschool Grants	0	73,837	0	0	0	73,837
English Language Acquisition Grants	0	267,627	0	0	0	267,627
Education for Homeless Children and Youth	0	167,038	0	0	0	167,038

(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>Federal Through State (Cont.)</u>						
Eisenhower Professional Development State Grants	\$ 0	\$ 586,734	\$ 0	\$ 0	\$ 0	\$ 586,734
Other Federal through State	30,938	185,471	0	0	0	216,409
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	606,693	0	0	0	0	606,693
Total Federal Government	<u>\$ 1,094,532</u>	<u>\$ 14,911,121</u>	<u>\$ 11,356,398</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,362,051</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 87,348,606	\$ 87,348,606
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,348,606</u>	<u>\$ 87,348,606</u>
Total	<u>\$ 367,717,133</u>	<u>\$ 14,911,121</u>	<u>\$ 18,679,232</u>	<u>\$ 4,444,731</u>	<u>\$ 87,348,606</u>	<u>\$ 493,100,823</u>

Exhibit L-9

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2018

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	78,300	
Other Per Diem and Fees		73,500	
Social Security		6,584	
Employer Medicare		2,202	
Dues and Memberships		46,595	
Other Contracted Services		8,350	
Total County Commission			\$ 215,531

Board of Equalization

Board and Committee Members Fees	\$	9,550	
Social Security		592	
Employer Medicare		138	
Consultants		3,510	
Legal Notices, Recording, and Court Costs		848	
Total Board of Equalization			14,638

County Mayor/Executive

County Official/Administrative Officer	\$	140,103	
Assistant(s)		92,468	
Secretary(ies)		98,708	
Longevity Pay		1,300	
Social Security		19,468	
Pensions		35,453	
Employee and Dependent Insurance		36,418	
Disability Insurance		554	
Employer Medicare		4,692	
Communication		192	
Dues and Memberships		2,990	
Engineering Services		41,062	
Operating Lease Payments		5,670	
Legal Services		73,731	
Legal Notices, Recording, and Court Costs		6,895	
Maintenance Agreements		1,486	
Postal Charges		588	
Printing, Stationery, and Forms		1,910	
Travel		457	
Office Supplies		4,216	
Other Charges		58,130	
Building Purchases		2,399,902	
Total County Mayor/Executive			3,026,393

Personnel Office

County Official/Administrative Officer	\$	111,712	
Assistant(s)		80,289	
Secretary(ies)		20,778	
Part-time Personnel		11,598	
Longevity Pay		225	

(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.)

Social Security	\$	13,548	
Pensions		22,706	
Employee and Dependent Insurance		28,873	
Disability Insurance		392	
Employer Medicare		3,168	
Communication		2	
Dues and Memberships		507	
Evaluation and Testing		38,772	
Maintenance Agreements		896	
Postal Charges		401	
Travel		1,091	
Other Contracted Services		23,907	
Office Supplies		2,932	
Other Charges		4,461	
Total Personnel Office			\$ 366,258

County Attorney

County Official/Administrative Officer	\$	72,000	
Secretary(ies)		40,832	
Longevity Pay		175	
Social Security		6,584	
Pensions		12,047	
Employee and Dependent Insurance		27,080	
Disability Insurance		209	
Employer Medicare		1,540	
Legal Services		102,808	
Total County Attorney			263,275

Election Commission

County Official/Administrative Officer	\$	99,247	
Part-time Personnel		34	
Longevity Pay		1,925	
Overtime Pay		26	
Other Salaries and Wages		241,428	
Election Commission		7,800	
Election Workers		152,397	
In-service Training		3,180	
Social Security		27,592	
Pensions		36,544	
Employee and Dependent Insurance		71,979	
Disability Insurance		633	
Unemployment Compensation		37	
Employer Medicare		6,574	
Communication		3,415	
Data Processing Services		660	
Dues and Memberships		714	
Legal Notices, Recording, and Court Costs		12,899	

(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	\$	33,041	
Postal Charges		78,343	
Printing, Stationery, and Forms		20,892	
Rentals		1,459	
Travel		6,385	
Data Processing Supplies		3,279	
Office Supplies		13,906	
Data Processing Equipment		3,041	
Total Election Commission			\$ 827,430

Register of Deeds

In-service Training	\$	530	
Social Security		41,094	
Pensions		74,497	
Employee and Dependent Insurance		151,477	
Disability Insurance		1,281	
Employer Medicare		9,611	
Communication		793	
Data Processing Services		28,731	
Maintenance Agreements		16,704	
Postal Charges		1,113	
Travel		417	
Data Processing Supplies		4,980	
Office Supplies		2,480	
Data Processing Equipment		3,701	
Total Register of Deeds			337,409

Planning

County Official/Administrative Officer	\$	89,882	
Assistant(s)		248,962	
Supervisor/Director		93,056	
Secretary(ies)		138,327	
Longevity Pay		1,575	
Board and Committee Members Fees		29,700	
In-service Training		2,897	
Social Security		35,923	
Pensions		60,954	
Employee and Dependent Insurance		101,728	
Disability Insurance		1,057	
Employer Medicare		8,432	
Communication		2,723	
Dues and Memberships		26,126	
Legal Notices, Recording, and Court Costs		3,162	
Maintenance Agreements		2,447	
Maintenance and Repair Services - Office Equipment		50	
Postal Charges		1,274	
Data Processing Supplies		2,259	

(Continued)

Exhibit L-9

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

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

Gasoline	\$	7,971	
Office Supplies		3,548	
Periodicals		95	
Other Supplies and Materials		1,339	
Data Processing Equipment		2,023	
Furniture and Fixtures		769	
Total Planning			\$ 866,279

Codes Compliance

Communication	\$	408	
Total Codes Compliance			408

Geographical Information Systems

Data Processing Personnel	\$	228,964	
Part-time Personnel		17,950	
Longevity Pay		1,800	
Overtime Pay		3,665	
Social Security		14,855	
Pensions		24,990	
Employee and Dependent Insurance		40,777	
Disability Insurance		435	
Employer Medicare		3,474	
Data Processing Services		13,529	
Dues and Memberships		400	
Legal Services		10,000	
Maintenance Agreements		385,136	
Postal Charges		15	
Travel		8,591	
Data Processing Supplies		16,562	
Data Processing Equipment		17,732	
Motor Vehicles		24,705	
Other Capital Outlay		230,015	
Total Geographical Information Systems			1,043,595

County Buildings

Assistant(s)	\$	55,127	
Supervisor/Director		74,565	
Clerical Personnel		34,639	
Custodial Personnel		95,850	
Maintenance Personnel		208,339	
Part-time Personnel		188,088	
Longevity Pay		3,125	
Overtime Pay		11,694	
Social Security		40,314	
Pensions		51,466	
Employee and Dependent Insurance		124,617	
Disability Insurance		995	

(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.)

Employer Medicare	\$	9,428	
Communication		53,116	
Contracts with Government Agencies		57,144	
Engineering Services		28,695	
Maintenance and Repair Services - Buildings		48,690	
Travel		284	
Other Contracted Services		109,189	
Custodial Supplies		62,148	
Gasoline		10,885	
Utilities		664,963	
Other Supplies and Materials		104,328	
Building Improvements		617,881	
Maintenance Equipment		31,080	
Motor Vehicles		27,442	
Total County Buildings			\$ 2,714,092

Other General Administration

Supervisor/Director	\$	82,082	
Teachers		108,643	
Salary Supplements		3,500	
Part-time Personnel		16,882	
Longevity Pay		1,400	
Social Security		11,852	
Pensions		20,854	
Employee and Dependent Insurance		22,819	
Disability Insurance		353	
Employer Medicare		3,017	
Communication		14	
Maintenance Agreements		285	
Riprap		1,491	
Other Supplies and Materials		1,297	
Total Other General Administration			274,489

Preservation of Records

County Official/Administrative Officer	\$	53,727	
Assistant(s)		20,033	
Part-time Personnel		9,085	
Longevity Pay		250	
Social Security		4,869	
Pensions		7,777	
Employee and Dependent Insurance		19,869	
Disability Insurance		135	
Employer Medicare		1,139	
Communication		574	
Dues and Memberships		580	
Maintenance Agreements		320	
Postal Charges		93	

(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.)

Travel	\$	367	
Other Contracted Services		955	
Office Supplies		1,678	
Other Supplies and Materials		4,660	
Other Charges		29,141	
Furniture and Fixtures		6,869	
Total Preservation of Records			\$ 162,121

Risk Management

Supervisor/Director	\$	92,623	
Clerical Personnel		209,383	
Longevity Pay		1,775	
Other Salaries and Wages		101,147	
Board and Committee Members Fees		3,500	
Social Security		24,026	
Pensions		43,083	
Employee and Dependent Insurance		76,133	
Disability Insurance		743	
Employer Medicare		5,619	
Communication		404	
Maintenance Agreements		1,570	
Postal Charges		2,502	
Travel		2,787	
Other Contracted Services		34,000	
Gasoline		186	
Office Supplies		8,906	
Building and Contents Insurance		114,981	
Liability Insurance		556,836	
Other Charges		35,644	
Total Risk Management			1,315,848

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	130,737	
Accountants/Bookkeepers		637,307	
Salary Supplements		5,400	
Part-time Personnel		13,838	
Longevity Pay		4,875	
Overtime Pay		306	
Board and Committee Members Fees		1,100	
Social Security		47,268	
Pensions		82,156	
Employee and Dependent Insurance		126,861	
Disability Insurance		1,364	
Employer Medicare		11,057	
Audit Services		97,163	
Communication		265	

(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	\$	2,069	
Maintenance Agreements		2,024	
Maintenance and Repair Services - Equipment		954	
Postal Charges		11,763	
Travel		2,593	
Other Contracted Services		1,374	
Gasoline		258	
Office Supplies		13,262	
Refunds		64,513	
Data Processing Equipment		2,778	
Furniture and Fixtures		22,022	
Total Accounting and Budgeting			\$ 1,283,307

Property Assessor's Office

County Official/Administrative Officer	\$	110,274	
Deputy(ies)		503,809	
Salary Supplements		3,500	
Part-time Personnel		3,447	
Longevity Pay		3,475	
In-service Training		1,879	
Social Security		37,025	
Pensions		65,685	
Employee and Dependent Insurance		131,966	
Disability Insurance		1,127	
Unemployment Compensation		16	
Employer Medicare		8,723	
Communication		1,023	
Dues and Memberships		2,990	
Maintenance Agreements		21,994	
Postal Charges		12,278	
Travel		824	
Other Contracted Services		62,851	
Office Supplies		15,864	
Uniforms		674	
Other Supplies and Materials		1,530	
Data Processing Equipment		12,242	
Furniture and Fixtures		4,441	
Total Property Assessor's Office			1,007,637

Reappraisal Program

Deputy(ies)	\$	653,089	
Longevity Pay		3,200	
Social Security		38,769	
Pensions		69,913	
Employee and Dependent Insurance		144,934	
Disability Insurance		1,191	
Employer Medicare		9,068	

(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	\$	9,044	
Data Processing Services		103,203	
Licenses		4,249	
Maintenance and Repair Services - Vehicles		318	
Postal Charges		49,003	
Data Processing Supplies		2,773	
Gasoline		10,226	
Other Supplies and Materials		4,558	
Data Processing Equipment		29,854	
Total Reappraisal Program			\$ 1,133,392

County Trustee's Office

Social Security	\$	24,758	
Pensions		43,863	
Employee and Dependent Insurance		72,962	
Disability Insurance		747	
Employer Medicare		5,790	
Communication		441	
Data Processing Services		6,600	
Legal Notices, Recording, and Court Costs		219	
Maintenance Agreements		450	
Postal Charges		29,282	
Other Contracted Services		11,697	
Office Supplies		4,585	
Tax Relief Program		583,957	
Total County Trustee's Office			785,351

County Clerk's Office

Social Security	\$	97,075	
Pensions		173,031	
Employee and Dependent Insurance		359,207	
Disability Insurance		2,996	
Employer Medicare		22,864	
Communication		11,423	
Data Processing Services		32,888	
Maintenance Agreements		3,962	
Maintenance and Repair Services - Equipment		674	
Postal Charges		71,263	
Other Contracted Services		2,100	
Data Processing Supplies		19,202	
Gasoline		1,020	
Office Supplies		34,222	
Other Supplies and Materials		1,490	
Data Processing Equipment		35,667	
Office Equipment		3,227	
Total County Clerk's Office			872,311

(Continued)

Exhibit L-9

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

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

County Official/Administrative Officer	\$	124,835	
Data Processing Personnel		867,563	
Part-time Personnel		47,212	
Longevity Pay		3,625	
Overtime Pay		6,476	
Social Security		62,889	
Pensions		106,862	
Employee and Dependent Insurance		150,418	
Disability Insurance		1,805	
Employer Medicare		14,708	
Communication		196,009	
Data Processing Services		327,762	
Dues and Memberships		2,700	
Maintenance Agreements		223,024	
Postal Charges		124	
Travel		7,071	
Data Processing Supplies		51,964	
Gasoline		463	
Data Processing Equipment		583,206	
Other Equipment		10,564	
Total Data Processing			\$ 2,789,280

Administration of JusticeCircuit Court

Jury and Witness Expense	\$	49,427	
Social Security		119,604	
Pensions		208,897	
Employee and Dependent Insurance		464,850	
Disability Insurance		3,567	
Employer Medicare		28,184	
Communication		3,106	
Data Processing Services		7,057	
Legal Services		30,074	
Maintenance Agreements		19,400	
Maintenance and Repair Services - Office Equipment		2,044	
Postal Charges		28,505	
Office Supplies		43,282	
Other Charges		108,832	
Data Processing Equipment		11,072	
Furniture and Fixtures		491	
Office Equipment		1,417	
Total Circuit Court			1,129,809

Circuit Court Judge

Assistant(s)	\$	54,957	
Deputy(ies)		135,911	
Longevity Pay		475	

(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 (Cont.)

Social Security	\$	11,604	
Pensions		20,397	
Employee and Dependent Insurance		35,040	
Disability Insurance		355	
Employer Medicare		2,714	
Postal Charges		270	
Office Supplies		408	
Other Supplies and Materials		359	
Total Circuit Court Judge			\$ 262,490

General Sessions Court

Judge(s)	\$	633,537	
Assistant(s)		55,910	
Deputy(ies)		161,263	
Part-time Personnel		34,332	
Longevity Pay		3,425	
Overtime Pay		1,993	
Other Salaries and Wages		459,262	
Social Security		73,752	
Pensions		140,206	
Employee and Dependent Insurance		200,262	
Disability Insurance		2,044	
Employer Medicare		18,972	
Communication		2,864	
Data Processing Services		3,640	
Dues and Memberships		5,234	
Evaluation and Testing		12,000	
Maintenance Agreements		2,361	
Postal Charges		8	
Travel		11,664	
Library Books/Media		664	
Office Supplies		13,342	
Uniforms		1,200	
Office Equipment		3,149	
Total General Sessions Court			1,841,084

Drug Court

Supervisor/Director	\$	72,647	
Secretary(ies)		31,167	
Part-time Personnel		30,942	
Longevity Pay		325	
Other Salaries and Wages		360,348	
In-service Training		2,357	
Social Security		29,752	
Pensions		49,514	
Employee and Dependent Insurance		82,447	
Disability Insurance		848	

(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.)

Employer Medicare	\$	6,958	
Communication		5,018	
Contracts with Other Public Agencies		38,100	
Dues and Memberships		240	
Licenses		1,470	
Maintenance Agreements		1,789	
Postal Charges		263	
Travel		128	
Drugs and Medical Supplies		6,668	
Gasoline		147	
Office Supplies		3,915	
Other Supplies and Materials		54,697	
In Service/Staff Development		31,459	
Data Processing Equipment		5,837	
Office Equipment		4,925	
Total Drug Court			\$ 821,961

Chancery Court

County Official/Administrative Officer	\$	110,274	
Deputy(ies)		466,194	
Attendants		34,702	
Part-time Personnel		28,905	
Longevity Pay		4,450	
Overtime Pay		5,434	
Jury and Witness Expense		489	
Social Security		39,013	
Pensions		65,756	
Employee and Dependent Insurance		117,989	
Disability Insurance		1,141	
Employer Medicare		9,124	
Communication		3,498	
Data Processing Services		26,476	
Dues and Memberships		1,295	
Maintenance Agreements		3,124	
Maintenance and Repair Services - Equipment		325	
Postal Charges		15,402	
Travel		1,629	
Other Contracted Services		891	
Office Supplies		18,996	
Other Supplies and Materials		904	
Data Processing Equipment		3,357	
Office Equipment		4,890	
Total Chancery Court			964,258

Juvenile Court

Judge(s)	\$	163,433	
Deputy(ies)		35,092	

(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.)

Secretary(ies)	\$	29,111	
Part-time Personnel		16,462	
Longevity Pay		100	
Other Salaries and Wages		127,421	
Social Security		20,723	
Pensions		37,826	
Employee and Dependent Insurance		29,207	
Disability Insurance		543	
Employer Medicare		5,304	
Communication		794	
Data Processing Services		360	
Dues and Memberships		2,439	
Maintenance Agreements		684	
Postal Charges		22	
Travel		1,324	
Other Contracted Services		72,333	
Library Books/Media		3,323	
Office Supplies		3,735	
Uniforms		547	
Other Supplies and Materials		917	
Total Juvenile Court			\$ 551,700

District Attorney General

Assistant(s)	\$	130,739	
Longevity Pay		325	
Social Security		7,967	
Pensions		13,972	
Employee and Dependent Insurance		14,684	
Disability Insurance		232	
Employer Medicare		1,863	
Dues and Memberships		400	
Total District Attorney General			170,182

Office of Public Defender

Assistant(s)	\$	112,357	
Longevity Pay		100	
Social Security		6,831	
Pensions		11,988	
Employee and Dependent Insurance		12,663	
Disability Insurance		208	
Employer Medicare		1,598	
Dues and Memberships		800	
Postal Charges		487	
Total Office of Public Defender			147,032

Other Administration of Justice

Probation Officer(s)	\$	725,536	
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(Continued)

Exhibit L-9

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

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

Longevity Pay	\$	450	
In-service Training		17,368	
Social Security		42,724	
Pensions		77,389	
Employee and Dependent Insurance		196,840	
Disability Insurance		1,340	
Employer Medicare		9,992	
Communication		7,925	
Contracts with Private Agencies		104,273	
Data Processing Services		33,600	
Maintenance Agreements		560	
Postal Charges		1,481	
Rentals		102,000	
Travel		2,604	
Other Contracted Services		56,898	
Office Supplies		13,357	
Utilities		13,333	
Other Supplies and Materials		57,223	
Total Other Administration of Justice			\$ 1,464,893

Probation Services

County Official/Administrative Officer	\$	72,022	
Assistant(s)		56,597	
Youth Service Officer(s)		189,414	
Secretary(ies)		33,965	
Longevity Pay		2,375	
In-service Training		1,025	
Social Security		20,977	
Pensions		37,776	
Employee and Dependent Insurance		69,912	
Disability Insurance		648	
Employer Medicare		4,906	
Communication		1,343	
Contracts with Private Agencies		455,891	
Data Processing Services		3,260	
Maintenance Agreements		743	
Postal Charges		61	
Travel		1,466	
Office Supplies		1,190	
Other Supplies and Materials		515	
Total Probation Services			954,086

Victim Assistance Programs

Assistant(s)	\$	59,632	
Part-time Personnel		17,218	
Longevity Pay		125	
Other Salaries and Wages		81,153	

(Continued)

Exhibit L-9

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

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

Social Security	\$	9,599	
Pensions		15,021	
Employee and Dependent Insurance		15,635	
Disability Insurance		251	
Employer Medicare		2,245	
Communication		642	
Dues and Memberships		400	
Maintenance Agreements		560	
Other Contracted Services		360	
Office Supplies		1,717	
Total Victim Assistance Programs			\$ 204,558

Public SafetySheriff's Department

County Official/Administrative Officer	\$	133,432	
Assistant(s)		399,287	
Deputy(ies)		44,567	
Detective(s)		1,231,666	
Captain(s)		352,241	
Lieutenant(s)		971,228	
Youth Service Officer(s)		2,102,010	
Sergeant(s)		1,997,867	
Accountants/Bookkeepers		323,627	
Data Processing Personnel		272,119	
Salary Supplements		128,400	
Dispatchers/Radio Operators		748,423	
Clerical Personnel		540,893	
Part-time Personnel		446,392	
Longevity Pay		73,975	
Overtime Pay		1,095,179	
Other Salaries and Wages		3,996,681	
In-service Training		116,320	
Social Security		881,474	
Pensions		1,534,523	
Employee and Dependent Insurance		2,782,450	
Disability Insurance		24,213	
Unemployment Compensation		381	
Employer Medicare		206,467	
Communication		253,146	
Contracts with Private Agencies		33,217	
Data Processing Services		297,568	
Dues and Memberships		11,917	
Maintenance Agreements		72,033	
Maintenance and Repair Services - Equipment		59,052	
Maintenance and Repair Services - Vehicles		99,471	
Postal Charges		9,703	
Printing, Stationery, and Forms		4,792	

(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.)

Rentals	\$	11,400	
Veterinary Services		5,783	
Other Contracted Services		4,617	
Animal Food and Supplies		8,045	
Data Processing Supplies		34,223	
Gasoline		522,940	
Instructional Supplies and Materials		15,266	
Law Enforcement Supplies		50,772	
Office Supplies		38,923	
Periodicals		4,389	
Uniforms		125,931	
Vehicle Parts		133,653	
Other Supplies and Materials		29,270	
Judgments		16,770	
Other Charges		10,380	
Communication Equipment		179,849	
Data Processing Equipment		48,366	
Law Enforcement Equipment		195,278	
Motor Vehicles		540,165	
Office Equipment		7,953	
Other Equipment		9,185	
Total Sheriff's Department			\$ 23,237,872

Special Patrols

Nightwatchmen	\$	32,130	
Social Security		1,903	
Pensions		3,425	
Employer Medicare		445	
Total Special Patrols			37,903

Traffic Control

Maintenance and Repair Services - Equipment	\$	1,207	
Utilities		9,251	
Total Traffic Control			10,458

Administration of the Sexual Offender Registry

Longevity Pay	\$	475	
Other Salaries and Wages		53,075	
In-service Training		1,439	
Social Security		3,244	
Pensions		5,660	
Employee and Dependent Insurance		4,217	
Disability Insurance		80	
Employer Medicare		759	
Office Supplies		436	
Other Charges		2,500	
Total Administration of the Sexual Offender Registry			71,885

(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)	\$	76,575	
Captain(s)		67,704	
Lieutenant(s)		269,235	
Sergeant(s)		434,542	
Guards		3,879,157	
Clerical Personnel		33,696	
Maintenance Personnel		155,303	
Part-time Personnel		37,602	
Longevity Pay		21,200	
Overtime Pay		386,904	
Other Salaries and Wages		652,000	
In-service Training		25,088	
Social Security		355,532	
Pensions		637,054	
Employee and Dependent Insurance		1,239,254	
Disability Insurance		10,164	
Unemployment Compensation		7,391	
Employer Medicare		83,336	
Dues and Memberships		537	
Maintenance Agreements		52,269	
Maintenance and Repair Services - Buildings		195,384	
Maintenance and Repair Services - Equipment		43,544	
Printing, Stationery, and Forms		4,156	
Transportation - Other than Students		49,257	
Other Contracted Services		6,425,073	
Custodial Supplies		126,441	
Data Processing Supplies		17,830	
Food Preparation Supplies		10,074	
Food Supplies		1,013,277	
Law Enforcement Supplies		10,209	
Office Supplies		12,846	
Prisoners Clothing		125,052	
Uniforms		77,596	
Utilities		786,561	
Other Supplies and Materials		9,241	
Building Improvements		179,367	
Data Processing Equipment		53,903	
Maintenance Equipment		14,212	
Office Equipment		6,649	
Other Equipment		53,092	
Total Jail			\$ 17,638,307

Workhouse

County Official/Administrative Officer	\$	73,741
Captain(s)		59,870
Lieutenant(s)		59,814
Sergeant(s)		299,623

(Continued)

Exhibit L-9

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

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

Guards	\$ 1,118,777	
Secretary(ies)	33,447	
Clerical Personnel	190,600	
Part-time Personnel	19,451	
Longevity Pay	5,325	
Overtime Pay	43,239	
Board and Committee Members Fees	4,200	
In-service Training	13,120	
Social Security	113,052	
Pensions	200,457	
Employee and Dependent Insurance	381,941	
Disability Insurance	3,270	
Unemployment Compensation	3,449	
Employer Medicare	26,621	
Communication	7,693	
Contracts with Private Agencies	90,382	
Dues and Memberships	15,488	
Evaluation and Testing	917	
Maintenance Agreements	30,452	
Maintenance and Repair Services - Buildings	24,029	
Maintenance and Repair Services - Equipment	19,855	
Maintenance and Repair Services - Vehicles	3,011	
Postal Charges	177	
Travel	1,740	
Other Contracted Services	809,902	
Custodial Supplies	32,167	
Data Processing Supplies	3,124	
Drugs and Medical Supplies	1,041	
Equipment and Machinery Parts	1,496	
Gasoline	7,571	
Law Enforcement Supplies	3,352	
Office Supplies	6,165	
Prisoners Clothing	5,917	
Uniforms	7,257	
Utilities	267,332	
Other Supplies and Materials	9,412	
Office Equipment	5,706	
Total Workhouse		\$ 4,004,183

Juvenile Services

County Official/Administrative Officer	\$ 79,514
Captain(s)	65,395
Lieutenant(s)	51,984
Sergeant(s)	227,910
Guards	266,026
Secretary(ies)	75,758
Attendants	490,142

(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.)

Part-time Personnel	\$	87,329	
Longevity Pay		3,375	
Overtime Pay		71,810	
Other Salaries and Wages		45,361	
In-service Training		5,000	
Social Security		86,796	
Pensions		146,232	
Employee and Dependent Insurance		294,397	
Disability Insurance		2,441	
Employer Medicare		20,299	
Communication		2,735	
Data Processing Services		4,569	
Dues and Memberships		360	
Maintenance Agreements		8,009	
Maintenance and Repair Services - Equipment		1,598	
Maintenance and Repair Services - Vehicles		1,660	
Medical and Dental Services		156,000	
Postal Charges		575	
Printing, Stationery, and Forms		577	
Travel		2,238	
Other Contracted Services		68,518	
Gasoline		550	
Instructional Supplies and Materials		736	
Office Supplies		4,967	
Uniforms		4,023	
Other Supplies and Materials		50,797	
Other Charges		124	
Data Processing Equipment		6,836	
Other Equipment		14,849	
Total Juvenile Services			\$ 2,349,490

Rural Fire Protection

County Official/Administrative Officer	\$	80,253
Salary Supplements		15,000
Educational Assistants		36,580
Part-time Personnel		59,730
Longevity Pay		900
Overtime Pay		28,749
Other Salaries and Wages		1,027,141
Social Security		74,975
Pensions		125,052
Employee and Dependent Insurance		231,862
Disability Insurance		2,126
Employer Medicare		17,535
Communication		39,061
Contributions		2,000
Dues and Memberships		1,168

(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	\$	25,081	
Maintenance Agreements		25,146	
Maintenance and Repair Services - Buildings		11,413	
Maintenance and Repair Services - Equipment		4,412	
Maintenance and Repair Services - Vehicles		71,677	
Pest Control		1,187	
Postal Charges		52	
Travel		1,886	
Disposal Fees		312	
Other Contracted Services		270,000	
Custodial Supplies		2,596	
Diesel Fuel		54,355	
Drugs and Medical Supplies		10,916	
Gasoline		10,617	
Instructional Supplies and Materials		973	
Office Supplies		3,991	
Uniforms		18,999	
Utilities		42,463	
Other Supplies and Materials		26,577	
Administration Equipment		52,768	
Communication Equipment		9,999	
Furniture and Fixtures		6,243	
Motor Vehicles		1,160,873	
Other Equipment		126,484	
Total Rural Fire Protection			\$ 3,681,152

Disaster Relief

County Official/Administrative Officer	\$	81,657
Assistant(s)		65,096
Supervisor/Director		96,637
Secretary(ies)		43,805
Longevity Pay		925
In-service Training		32
Social Security		16,701
Pensions		30,713
Employee and Dependent Insurance		66,838
Disability Insurance		532
Employer Medicare		3,906
Communication		14,943
Dues and Memberships		1,742
Maintenance Agreements		8,203
Maintenance and Repair Services - Buildings		11,774
Maintenance and Repair Services - Equipment		11,506
Maintenance and Repair Services - Vehicles		1,606
Postal Charges		36
Printing, Stationery, and Forms		264
Rentals		32,164

(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.)

Travel	\$	2,224	
Other Contracted Services		2,804	
Diesel Fuel		159	
Electricity		16,156	
Gasoline		5,941	
Instructional Supplies and Materials		897	
Office Supplies		1,742	
Uniforms		1,395	
Other Supplies and Materials		8,732	
Communication Equipment		147,593	
Data Processing Equipment		24,531	
Motor Vehicles		42,000	
Other Equipment		141,377	
Total Disaster Relief			\$ 884,631

Inspection and Regulation

County Official/Administrative Officer	\$	61,082	
Deputy(ies)		453,516	
Salary Supplements		5,000	
Clerical Personnel		118,055	
Longevity Pay		4,750	
Board and Committee Members Fees		400	
Social Security		37,668	
Pensions		67,569	
Employee and Dependent Insurance		149,775	
Disability Insurance		1,155	
Employer Medicare		8,810	
Communication		9,477	
Dues and Memberships		1,195	
Maintenance Agreements		910	
Postal Charges		316	
Printing, Stationery, and Forms		1,364	
Travel		3,179	
Other Contracted Services		300	
Gasoline		11,501	
Office Supplies		5,148	
Uniforms		534	
Other Supplies and Materials		1,593	
In Service/Staff Development		3,941	
Data Processing Equipment		521	
Motor Vehicles		43,793	
Total Inspection and Regulation			991,552

Public Health and WelfareLocal Health Center

Longevity Pay	\$	1,025	
Other Salaries and Wages		246,617	

(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	\$	15,542	
Pensions		26,398	
Employee and Dependent Insurance		45,823	
Disability Insurance		456	
Employer Medicare		3,635	
Communication		19,878	
Contracts with Government Agencies		94,217	
Maintenance and Repair Services - Buildings		12,034	
Maintenance and Repair Services - Equipment		4,752	
Travel		3,008	
Other Contracted Services		48,425	
Drugs and Medical Supplies		5,863	
Utilities		68,191	
Other Supplies and Materials		8,948	
In Service/Staff Development		165	
Other Charges		1,038	
Total Local Health Center			\$ 606,015

Rabies and Animal Control

County Official/Administrative Officer	\$	70,421	
Supervisor/Director		80,448	
Attendants		497,347	
Part-time Personnel		120,258	
Longevity Pay		1,625	
Overtime Pay		38,701	
Other Salaries and Wages		76,344	
Social Security		52,817	
Pensions		81,576	
Employee and Dependent Insurance		181,841	
Disability Insurance		1,329	
Unemployment Compensation		3,183	
Employer Medicare		12,352	
Advertising		9,602	
Communication		15,499	
Dues and Memberships		1,705	
Maintenance Agreements		25,719	
Maintenance and Repair Services - Buildings		39,092	
Maintenance and Repair Services - Vehicles		10,902	
Postal Charges		204	
Travel		10,864	
Veterinary Services		31,840	
Other Contracted Services		75,000	
Animal Food and Supplies		17,033	
Custodial Supplies		14,830	
Drugs and Medical Supplies		96,719	
Gasoline		40,724	
Office Supplies		8,630	

(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	\$	5,453	
Utilities		46,407	
Other Supplies and Materials		10,140	
Refunds		243	
Building Improvements		89,330	
Data Processing Equipment		13,802	
Motor Vehicles		23,813	
Other Equipment		104,066	
Total Rabies and Animal Control			\$ 1,909,859

Dental Health Program

Dues and Memberships	\$	400	
Medical and Dental Services		7,933	
Total Dental Health Program			8,333

Alcohol and Drug Programs

Contracts with Other Public Agencies	\$	5,779	
Travel		725	
Other Supplies and Materials		9,999	
Other Charges		64,764	
Total Alcohol and Drug Programs			81,267

Other Local Health Services

Medical Personnel	\$	1,419,676	
Longevity Pay		6,850	
Social Security		83,760	
Pensions		150,128	
Employee and Dependent Insurance		333,812	
Disability Insurance		2,588	
Unemployment Compensation		1,100	
Employer Medicare		19,589	
Travel		16,034	
Liability Insurance		2,000	
Other Charges		46,144	
Total Other Local Health Services			2,081,681

General Welfare Assistance

Contributions	\$	55,000	
Total General Welfare Assistance			55,000

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		399,345	
Total Other Public Health and Welfare			414,945

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

Parks and Fair Boards

Supervisor/Director	\$ 35,500	
Other Salaries and Wages	161,376	
Board and Committee Members Fees	2,700	
Social Security	9,218	
Employer Medicare	2,894	
Contributions	225,868	
Matching Share	4,666	
Postal Charges	74	
Travel	1,778	
Other Contracted Services	35,080	
Equipment and Machinery Parts	11,508	
Office Supplies	110	
Total Parks and Fair Boards		490,772

Other Social, Cultural, and Recreational

Contributions	\$ 790,967	
Total Other Social, Cultural, and Recreational		790,967

Agriculture and Natural ResourcesAgricultural Extension Service

Teachers	\$ 53,443	
Part-time Personnel	46,212	
Longevity Pay	550	
Other Salaries and Wages	32,862	
Board and Committee Members Fees	1,000	
Social Security	7,899	
Pensions	9,259	
Employee and Dependent Insurance	19,753	
Disability Insurance	160	
Employer Medicare	1,850	
Advertising	2,980	
Communication	3,094	
Contracts with Government Agencies	425,623	
Postal Charges	980	
Fertilizer, Lime, and Seed	996	

(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.)

Gasoline	\$	2,461	
Office Supplies		2,652	
Utilities		111,693	
Other Supplies and Materials		32,088	
Other Equipment		28,001	
Total Agricultural Extension Service			\$ 783,556

Soil Conservation

Assistant(s)	\$	31,722	
Other Salaries and Wages		16,154	
Social Security		2,863	
Pensions		5,104	
Employee and Dependent Insurance		11,369	
Disability Insurance		91	
Employer Medicare		670	
Contributions		20,000	
Total Soil Conservation			87,973

Storm Water Management

Assistant(s)	\$	55,132	
Part-time Personnel		26,253	
Longevity Pay		225	
Other Salaries and Wages		40,832	
In-service Training		1,753	
Social Security		7,353	
Pensions		10,254	
Employee and Dependent Insurance		23,247	
Disability Insurance		175	
Employer Medicare		1,720	
Communication		2,692	
Dues and Memberships		1,150	
Postal Charges		91	
Travel		459	
Other Contracted Services		3,460	
Data Processing Supplies		204	
Gasoline		2,570	
Office Supplies		841	
Uniforms		117	
Other Supplies and Materials		8,839	
Motor Vehicles		28,640	
Total Storm Water Management			216,007

Other OperationsTourism

Contributions	\$	739,603	
Total Tourism			739,603

(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	
Contributions		96,500	
Total Industrial Development			\$ 231,500

Other Economic and Community Development

Contracts with Other Public Agencies	\$	10,035	
Other Contracted Services		144,756	
Total Other Economic and Community Development			154,791

Other Charges

Mechanic(s)	\$	56,597	
Laborers		83,858	
Longevity Pay		975	
Overtime Pay		5,000	
Social Security		8,925	
Pensions		15,629	
Employee and Dependent Insurance		20,652	
Disability Insurance		258	
Employer Medicare		2,087	
Communication		1,233	
Evaluation and Testing		1,299	
Travel		5,894	
Equipment and Machinery Parts		1,500	
Gasoline		1,849	
Utilities		16,664	
Vehicle Parts		24,090	
Other Supplies and Materials		5,959	
Total Other Charges			252,469

Employee Benefits

Other Fringe Benefits	\$	439,225	
Workers' Compensation Insurance		426,500	
Total Employee Benefits			865,725

Payments to Cities

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

Miscellaneous

Judgments	\$	450,000	
Trustee's Commission		1,275,866	
Total Miscellaneous			1,725,866

Total General Fund \$ 95,892,441

(Continued)

Exhibit L-9

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

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Education/Information

Laborers	\$	52,278	
Part-time Personnel		1,532	
Longevity Pay		425	
Overtime Pay		4	
Other Salaries and Wages		46,057	
Social Security		6,025	
Pensions		10,528	
Employee and Dependent Insurance		21,557	
Disability Insurance		180	
Employer Medicare		1,409	
Travel		415	
Gasoline		10,090	
Instructional Supplies and Materials		1,943	
Other Supplies and Materials		6,797	
Motor Vehicles		63,440	
Total Sanitation Education/Information	\$		222,680

Convenience Centers

Supervisor/Director	\$	84,540
Foremen		46,334
Truck Drivers		420,050
Laborers		431,544
Clerical Personnel		71,128
Maintenance Personnel		43,695
Longevity Pay		2,625
Overtime Pay		65,979
Social Security		70,407
Pensions		78,222
Employee and Dependent Insurance		117,775
Disability Insurance		1,215
Employer Medicare		16,475
Advertising		1,985
Communication		25,710
Contracts with Private Agencies		12,256
Evaluation and Testing		1,082
Maintenance and Repair Services - Buildings		7,133
Maintenance and Repair Services - Equipment		41,367
Maintenance and Repair Services - Vehicles		98,631
Postal Charges		8
Rentals		9,000
Towing Services		1,602
Travel		1,294
Crushed Stone		478
Diesel Fuel		196,014
Equipment and Machinery Parts		44,270
Gasoline		3,351
Lubricants		4,612

(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	\$	64,696	
Uniforms		4,749	
Utilities		22,724	
Other Supplies and Materials		8,344	
Communication Equipment		618	
Data Processing Equipment		254	
Site Development		2,045	
Total Convenience Centers			\$ 2,002,212

Other Waste Collection

Laborers	\$	30,395	
Part-time Personnel		36,314	
Longevity Pay		100	
Overtime Pay		318	
Social Security		4,132	
Pensions		3,279	
Employee and Dependent Insurance		8,823	
Disability Insurance		56	
Employer Medicare		966	
Communication		364	
Contracts with Private Agencies		72,438	
Other Contracted Services		37,900	
Other Supplies and Materials		2,276	
Total Other Waste Collection			197,361

Landfill Operation and Maintenance

Mechanic(s)	\$	45,325	
Clerical Personnel		31,197	
Longevity Pay		400	
Overtime Pay		4,245	
Social Security		4,956	
Pensions		8,652	
Employee and Dependent Insurance		11,843	
Disability Insurance		142	
Employer Medicare		1,159	
Communication		1,610	
Contracts with Private Agencies		788,130	
Engineering Services		33,698	
Maintenance and Repair Services - Equipment		1,291	
Maintenance and Repair Services - Vehicles		12	
Postal Charges		5	
Rentals		1,359	
Travel		2,260	
Disposal Fees		276,307	
Penalties		17,145	
Crushed Stone		9,159	
Data Processing Supplies		1,778	

(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.)

Diesel Fuel	\$	3,513	
Equipment and Machinery Parts		4,691	
Fertilizer, Lime, and Seed		1,855	
Lubricants		1,348	
Small Tools		583	
Tires and Tubes		633	
Uniforms		1,901	
Utilities		7,767	
Other Supplies and Materials		2,147	
Total Landfill Operation and Maintenance			\$ 1,265,111

Postclosure Care Costs

Consultants	\$	93,980	
Contracts with Private Agencies		179,170	
Engineering Services		7,045	
Contracts for Postclosure Care Costs		125,364	
Crushed Stone		2,986	
Fertilizer, Lime, and Seed		4,765	
Testing		36,265	
Other Supplies and Materials		3,254	
Total Postclosure Care Costs			452,829

Other OperationsEmployee Benefits

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

Miscellaneous

Building and Contents Insurance	\$	3,230	
Judgments		11,000	
Liability Insurance		7,235	
Trustee's Commission		46,276	
Total Miscellaneous			67,741

Total Solid Waste/Sanitation Fund \$ 4,232,934

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

County Official/Administrative Officer	\$	102,503	
Supervisor/Director		1,319,745	
Accountants/Bookkeepers		257,670	
Paraprofessionals		4,853,472	
Dispatchers/Radio Operators		501,155	
Maintenance Personnel		35,454	
Part-time Personnel		446,218	
Longevity Pay		34,075	

(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.)

Overtime Pay	\$	385,000	
In-service Training		34,739	
Social Security		474,107	
Pensions		792,236	
Employee and Dependent Insurance		1,283,478	
Disability Insurance		10,296	
Employer Medicare		110,880	
Communication		91,269	
Contracts with Private Agencies		77,699	
Evaluation and Testing		8,000	
Maintenance and Repair Services - Buildings		53,742	
Maintenance and Repair Services - Vehicles		119,678	
Medical and Dental Services		13,500	
Pest Control		6,097	
Postal Charges		809	
Printing, Stationery, and Forms		446	
Travel		2,968	
Other Contracted Services		469,648	
Custodial Supplies		13,469	
Data Processing Supplies		13,553	
Drugs and Medical Supplies		387,116	
Gasoline		204,873	
Instructional Supplies and Materials		16,147	
Office Supplies		7,460	
Uniforms		55,385	
Utilities		101,281	
Other Supplies and Materials		42,600	
Judgments		40,000	
Refunds		47,599	
Trustee's Commission		180,516	
Workers' Compensation Insurance		50,000	
In Service/Staff Development		44,448	
Fines, Assessments, and Penalties		139,724	
Other Charges		44,063	
Building Improvements		3,200	
Communication Equipment		62,989	
Data Processing Equipment		11,089	
Motor Vehicles		395,970	
Health Equipment		18,109	
Total Ambulance/Emergency Medical Services			\$ 13,364,475

Total Ambulance Service Fund \$ 13,364,475

Industrial/Economic Development FundOther OperationsIndustrial Development

Trustee's Commission	\$	844	
Total Industrial Development			\$ 844

Total Industrial/Economic Development Fund 844

(Continued)

Exhibit L-9

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

Special Purpose FundPublic SafetySheriff's Department

Confidential Drug Enforcement Payments	\$	55,000	
Instructional Supplies and Materials		2,451	
Other Supplies and Materials		5,873	
Law Enforcement Equipment		15,304	
Other Capital Outlay		23,024	
Total Sheriff's Department			\$ 101,652

Total Special Purpose Fund \$ 101,652

Drug Control FundPublic SafetyDrug Enforcement

In-service Training	\$	30,161	
Confidential Drug Enforcement Payments		215,000	
Maintenance and Repair Services - Vehicles		17,567	
Animal Food and Supplies		1,315	
Law Enforcement Supplies		1,406	
Other Supplies and Materials		22,971	
Trustee's Commission		5,150	
Other Charges		13,992	
Building Improvements		5,925	
Data Processing Equipment		12,327	
Law Enforcement Equipment		14,479	
Motor Vehicles		49,353	
Other Capital Outlay		130,197	
Total Drug Enforcement			\$ 519,843

Total Drug Control Fund 519,843

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$	698,848	
Total Register of Deeds			\$ 698,848

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	431,010	
Total County Trustee's Office			431,010

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	1,656,383	
Total County Clerk's Office			1,656,383

Administration of JusticeCircuit Court

Constitutional Officers' Operating Expenses	\$	1,800,037	
Total Circuit Court			1,800,037

Total Constitutional Officers - Fees Fund 4,586,278

(Continued)

Exhibit L-9

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	133,432	
Assistant(s)		69,037	
Secretary(ies)		104,009	
Longevity Pay		2,150	
Board and Committee Members Fees		23,700	
Social Security		19,775	
Pensions		32,900	
Employee and Dependent Insurance		64,356	
Disability Insurance		520	
Employer Medicare		4,638	
Communication		5,126	
Dues and Memberships		7,030	
Janitorial Services		7,500	
Legal Notices, Recording, and Court Costs		1,951	
Maintenance and Repair Services - Office Equipment		62	
Postal Charges		767	
Printing, Stationery, and Forms		1,093	
Travel		162	
Electricity		19,694	
Natural Gas		9,120	
Office Supplies		1,796	
Water and Sewer		6,328	
Building and Contents Insurance		10,000	
Liability Insurance		130,000	
Trustee's Commission		116,440	
Other Charges		11,793	
Office Equipment		946	
Total Administration			\$ 784,325

Highway and Bridge Maintenance

Foremen	\$	342,242
Equipment Operators		1,197,042
Truck Drivers		238,284
Longevity Pay		13,100
Overtime Pay		14,709
Social Security		104,497
Pensions		192,454
Employee and Dependent Insurance		542,804
Disability Insurance		3,296
Employer Medicare		24,438
Engineering Services		15,060
Other Contracted Services		123,853
Asphalt		2,713,967
Crushed Stone		106,890
General Construction Materials		4,493
Pipe - Metal		34,889
Road Signs		34,206

(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.)

Salt	\$	47,509	
Uniforms		17,622	
Total Highway and Bridge Maintenance			\$ 5,771,355

Operation and Maintenance of Equipment

Foremen	\$	55,015	
Mechanic(s)		217,315	
Laborers		77,319	
Longevity Pay		2,875	
Overtime Pay		2,851	
Social Security		20,945	
Pensions		37,883	
Employee and Dependent Insurance		83,084	
Disability Insurance		642	
Employer Medicare		4,899	
Maintenance and Repair Services - Equipment		83,210	
Other Contracted Services		29,257	
Diesel Fuel		134,354	
Equipment and Machinery Parts		147,535	
Garage Supplies		7,530	
Gasoline		49,122	
Lubricants		8,659	
Tires and Tubes		50,062	
Other Supplies and Materials		15,772	
Total Operation and Maintenance of Equipment			1,028,329

Other Charges

Assistant(s)	\$	57,998	
Salary Supplements		10,000	
Foremen		52,823	
Equipment Operators		102,780	
Secretary(ies)		48,153	
Longevity Pay		1,525	
Overtime Pay		1,154	
In-service Training		5,168	
Social Security		15,847	
Pensions		29,255	
Employee and Dependent Insurance		78,494	
Disability Insurance		486	
Employer Medicare		3,706	
Communication		1,386	
Legal Notices, Recording, and Court Costs		43	
Maintenance and Repair Services - Equipment		15,562	
Travel		3,591	
Other Contracted Services		5,358	
Crushed Stone		270	
Data Processing Supplies		417	

(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.)

Diesel Fuel	\$	12,166	
Equipment and Machinery Parts		8,717	
Gasoline		3,632	
General Construction Materials		5,932	
Lubricants		257	
Office Supplies		413	
Pipe - Metal		5,000	
Tires and Tubes		4,878	
Other Supplies and Materials		4,373	
Other Equipment		46,501	
Total Other Charges			\$ 525,885

Employee Benefits

Unemployment Compensation	\$	614	
Other Fringe Benefits		125,516	
Workers' Compensation Insurance		58,085	
Total Employee Benefits			184,215

Capital Outlay

Bridge Construction	\$	48,764	
Building Improvements		522	
Highway Equipment		563,706	
State Aid Projects		1,247,338	
Total Capital Outlay			1,860,330

Total Highway/Public Works Fund \$ 10,154,439

General Debt Service FundGeneral GovernmentOther General Administration

Trustee's Commission	\$	994,349	
Other Debt Service		6,722	
Total Other General Administration			\$ 1,001,071

Principal on DebtGeneral Government

Principal on Bonds	\$	4,861,140	
Total General Government			4,861,140

Education

Principal on Bonds	\$	25,123,860	
Principal on Notes		59,552	
Principal on Capital Leases		220,602	
Principal on Other Loans		239,688	
Total Education			25,643,702

(Continued)

Exhibit L-9

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 3,959,051	
Total General Government		\$ 3,959,051

Education

Interest on Bonds	\$ 12,555,526	
Interest on Capital Leases	18,959	
Interest on Other Loans	8,886	
Total Education		12,583,371

Other Debt Service

Education

Underwriter's Discount	\$ 258,103	
Other Debt Issuance Charges	241,000	
Total Education		499,103

Total General Debt Service Fund		\$ 48,547,438
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General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 15,698	
Building Construction	78,657	
Total General Administration Projects		\$ 94,355

Administration of Justice Projects

Architects	\$ 347,839	
Consultants	112,920	
Contracts with Government Agencies	973,911	
Data Processing Services	474,675	
Legal Services	7,027	
Permits	53,388	
Other Contracted Services	491,357	
Building Construction	18,273,732	
Furniture and Fixtures	1,723,786	
Law Enforcement Equipment	50,529	
Total Administration of Justice Projects		22,509,164

Public Safety Projects

Data Processing Equipment	\$ 393,335	
Total Public Safety Projects		393,335

Total General Capital Projects Fund		22,996,854
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Education Capital Projects Fund

Interest on Debt

Education

Interest on Other Loans	\$ 15,098	
Total Education		\$ 15,098

(Continued)

Exhibit L-9

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

<u>Education Capital Projects Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$ 87,348,606		
Total Education Capital Projects		<u>\$ 87,348,606</u>	
Total Education Capital Projects Fund			<u>\$ 87,363,704</u>
Total Governmental Funds - Primary Government			<u><u>\$ 287,760,902</u></u>

Exhibit L-10

Rutherford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Rutherford County School Department
For the Year Ended June 30, 2018

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 128,180,150	
Career Ladder Program	276,104	
Educational Assistants	4,558,964	
Other Salaries and Wages	1,329,485	
Social Security	8,021,534	
Pensions	12,412,852	
Life Insurance	51,561	
Medical Insurance	23,601,879	
Unemployment Compensation	35,791	
Employer Medicare	1,876,861	
Other Fringe Benefits	248,950	
Maintenance and Repair Services - Equipment	501	
Contracts for Substitute Teachers - Certified	449,340	
Contracts for Substitute Teachers - Non-certified	1,358,842	
Other Contracted Services	90,815	
Instructional Supplies and Materials	2,518,724	
Textbooks - Bound	3,325,603	
Software	648,139	
Other Supplies and Materials	79,706	
Fee Waivers	68,517	
Other Charges	253,458	
Regular Instruction Equipment	3,364,137	
Total Regular Instruction Program		\$ 192,751,913

Alternative Instruction Program

Teachers	\$ 1,488,730	
Career Ladder Program	6,500	
Educational Assistants	115,237	
Social Security	96,179	
Pensions	150,012	
Life Insurance	636	
Medical Insurance	253,320	
Employer Medicare	22,653	
Other Fringe Benefits	2,974	
Contracts for Substitute Teachers - Certified	1,545	
Contracts for Substitute Teachers - Non-certified	17,333	
Other Contracted Services	4,312	
Instructional Supplies and Materials	21,658	
Other Supplies and Materials	815	
Total Alternative Instruction Program		2,181,904

Special Education Program

Teachers	\$ 12,248,332	
Career Ladder Program	41,409	
Educational Assistants	5,275,692	
Speech Pathologist	1,671,155	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$ 226,156	
Social Security	1,146,430	
Pensions	1,873,159	
Life Insurance	10,532	
Medical Insurance	4,477,572	
Unemployment Compensation	1,888	
Employer Medicare	268,704	
Other Fringe Benefits	37,948	
Contracts with Private Agencies	1,304,310	
Evaluation and Testing	21,680	
Maintenance and Repair Services - Equipment	832	
Contracts for Substitute Teachers - Certified	81,660	
Contracts for Substitute Teachers - Non-certified	303,925	
Other Contracted Services	26,837	
Instructional Supplies and Materials	129,446	
Textbooks - Bound	74,359	
Other Supplies and Materials	52,181	
Other Charges	837	
Special Education Equipment	51,786	
Total Special Education Program		\$ 29,326,830

Career and Technical Education Program

Teachers	\$ 8,958,975	
Career Ladder Program	11,115	
Clerical Personnel	173,382	
Educational Assistants	21,690	
Social Security	543,660	
Pensions	850,887	
Life Insurance	3,325	
Medical Insurance	1,676,754	
Unemployment Compensation	3,458	
Employer Medicare	127,490	
Other Fringe Benefits	16,870	
Maintenance and Repair Services - Equipment	39,839	
Contracts for Substitute Teachers - Certified	69,849	
Contracts for Substitute Teachers - Non-certified	189,797	
Other Contracted Services	73,440	
Instructional Supplies and Materials	254,903	
T&I Construction Materials	7,650	
Textbooks - Bound	213,276	
Other Supplies and Materials	64,960	
Vocational Instruction Equipment	659,086	
Total Career and Technical Education Program		13,960,406

(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	\$	96,665	
Career Ladder Program		4,100	
Social Workers		270,608	
Clerical Personnel		90,338	
Other Salaries and Wages		65,528	
Social Security		28,485	
Pensions		45,386	
Life Insurance		133	
Medical Insurance		61,205	
Employer Medicare		7,489	
Other Fringe Benefits		855	
Travel		2,352	
Other Contracted Services		95,046	
Other Supplies and Materials		5,794	
In Service/Staff Development		1,545	
Total Attendance			\$ 775,529

Health Services

Supervisor/Director	\$	136,572	
Medical Personnel		2,647,178	
Other Salaries and Wages		481,804	
Social Security		196,433	
Pensions		321,753	
Life Insurance		1,143	
Medical Insurance		461,949	
Employer Medicare		45,941	
Other Fringe Benefits		5,741	
Travel		15,333	
Other Contracted Services		36,039	
Drugs and Medical Supplies		15,438	
Other Supplies and Materials		58,635	
In Service/Staff Development		4,541	
Health Equipment		64,690	
Total Health Services			4,493,190

Other Student Support

Career Ladder Program	\$	20,000	
Guidance Personnel		5,099,243	
Career Ladder Extended Contracts		2,000	
Social Workers		50,330	
Clerical Personnel		284,790	
Other Salaries and Wages		657,653	
Social Security		364,083	
Pensions		565,762	
Life Insurance		2,212	
Medical Insurance		941,000	

(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.)

Other Student Support (Cont.)

Employer Medicare	\$	85,931	
Other Fringe Benefits		11,215	
Contracts with Government Agencies		354,792	
Evaluation and Testing		344,352	
Travel		8,384	
Contracts for Substitute Teachers - Certified		5,273	
Contracts for Substitute Teachers - Non-certified		26,024	
Other Contracted Services		107,753	
Other Supplies and Materials		27,126	
In Service/Staff Development		4,323	
Other Equipment		17,602	
Total Other Student Support			\$ 8,979,848

Regular Instruction Program

Supervisor/Director	\$	821,051	
Career Ladder Program		41,578	
Career Ladder Extended Contracts		2,000	
Librarians		3,145,035	
Materials Supervisor		48,842	
Instructional Computer Personnel		2,227,136	
Secretary(ies)		76,693	
Clerical Personnel		78,957	
Educational Assistants		679,318	
Other Salaries and Wages		1,174,096	
In-service Training		8,112	
Social Security		499,787	
Pensions		771,542	
Life Insurance		2,850	
Medical Insurance		1,353,943	
Employer Medicare		117,050	
Other Fringe Benefits		15,179	
Travel		44,207	
Contracts for Substitute Teachers - Certified		4,541	
Contracts for Substitute Teachers - Non-certified		29,708	
Other Contracted Services		64,962	
Library Books/Media		156,334	
Other Supplies and Materials		76,580	
In Service/Staff Development		115,225	
Other Equipment		58,387	
Total Regular Instruction Program			11,613,113

Alternative Instruction Program

Supervisor/Director	\$	179,402	
Career Ladder Program		5,500	
Guidance Personnel		126,988	
Librarians		50,507	

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Clerical Personnel	\$	60,991	
Other Salaries and Wages		279,845	
Social Security		42,134	
Pensions		66,658	
Life Insurance		230	
Medical Insurance		107,247	
Employer Medicare		9,854	
Other Fringe Benefits		1,289	
Other Contracted Services		780	
Library Books/Media		4,131	
Other Supplies and Materials		2,818	
In Service/Staff Development		311	
Other Charges		100	
Other Equipment		1,843	
Total Alternative Instruction Program			\$ 940,628

Special Education Program

Supervisor/Director	\$	97,432	
Career Ladder Program		8,198	
Psychological Personnel		600,799	
Clerical Personnel		78,431	
Other Salaries and Wages		229,470	
Social Security		60,491	
Pensions		95,535	
Life Insurance		296	
Medical Insurance		158,046	
Employer Medicare		14,169	
Other Fringe Benefits		1,867	
Maintenance and Repair Services - Equipment		1,139	
Travel		62,445	
Other Contracted Services		19,242	
Other Supplies and Materials		104,575	
In Service/Staff Development		14,922	
Other Charges		8,816	
Other Equipment		20,628	
Total Special Education Program			1,576,501

Career and Technical Education Program

Supervisor/Director	\$	91,884	
Other Salaries and Wages		82,245	
Social Security		10,285	
Pensions		15,811	
Life Insurance		39	
Medical Insurance		31,483	
Employer Medicare		2,405	
Other Fringe Benefits		320	

(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.)Career and Technical Education Program (Cont.)

Travel	\$	22,366	
Other Supplies and Materials		6,834	
In Service/Staff Development		11,710	
Total Career and Technical Education Program			\$ 275,382

Technology

Supervisor/Director	\$	94,550	
Computer Programmer(s)		1,171,234	
Clerical Personnel		39,216	
Other Salaries and Wages		131,508	
Social Security		86,739	
Pensions		153,132	
Life Insurance		443	
Medical Insurance		204,786	
Employer Medicare		20,286	
Other Fringe Benefits		2,659	
Maintenance and Repair Services - Equipment		2,478	
Internet Connectivity		274,815	
Travel		7,279	
Other Contracted Services		86,771	
Cabling		200,300	
Software		250,875	
Other Supplies and Materials		342,116	
Other Equipment		1,813,539	
Total Technology			4,882,726

Adult Programs

Supervisor/Director	\$	75,276	
Clerical Personnel		42,483	
Social Security		7,237	
Pensions		11,364	
Life Insurance		36	
Medical Insurance		6,745	
Employer Medicare		1,693	
Other Fringe Benefits		228	
Total Adult Programs			145,062

Board of Education

Secretary to Board	\$	131,082	
Board and Committee Members Fees		75,420	
Social Security		12,450	
Pensions		13,920	
Life Insurance		27	
Medical Insurance		2,751,986	
Employer Medicare		2,912	
Other Fringe Benefits		252	

(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.)

Audit Services	\$	47,164	
Dues and Memberships		9,577	
Legal Services		183,129	
Travel		26	
Other Contracted Services		10,875	
Liability Insurance		430,500	
Premiums on Corporate Surety Bonds		1,040	
Trustee's Commission		2,490,727	
Workers' Compensation Insurance		263,190	
In Service/Staff Development		23,754	
Criminal Investigation of Applicants - TBI		41,688	
Total Board of Education			\$ 6,489,719

Director of Schools

County Official/Administrative Officer	\$	187,160	
Career Ladder Program		1,000	
Secretary(ies)		42,483	
Other Salaries and Wages		290,675	
Social Security		29,755	
Pensions		49,799	
Life Insurance		124	
Medical Insurance		71,130	
Employer Medicare		7,321	
Other Fringe Benefits		811	
Communication		83,971	
Dues and Memberships		3,939	
Postal Charges		30,647	
Travel		1,274	
Other Contracted Services		17,081	
Other Supplies and Materials		10,260	
In Service/Staff Development		20,194	
Other Charges		45,646	
Administration Equipment		4,496	
Total Director of Schools			897,766

Office of the Principal

Principals	\$	4,277,955	
Career Ladder Program		51,568	
Accountants/Bookkeepers		1,204,198	
Career Ladder Extended Contracts		12,000	
Assistant Principals		5,967,931	
Secretary(ies)		1,307,384	
Clerical Personnel		1,660,723	
Social Security		864,454	
Pensions		1,385,172	
Life Insurance		5,079	

(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.)

Medical Insurance	\$ 2,638,913	
Unemployment Compensation	3,203	
Employer Medicare	202,171	
Other Fringe Benefits	25,623	
Communication	178,158	
Dues and Memberships	54,850	
Contracts for Substitute Teachers - Certified	11,811	
Contracts for Substitute Teachers - Non-certified	14,122	
Other Contracted Services	124,436	
Office Supplies	8,219	
Other Supplies and Materials	2,917	
Other Charges	246,733	
Administration Equipment	18,379	
Total Office of the Principal		\$ 20,265,999

Fiscal Services

Supervisor/Director	\$ 307,879	
Accountants/Bookkeepers	343,928	
Purchasing Personnel	110,872	
Social Security	45,864	
Pensions	81,301	
Life Insurance	266	
Medical Insurance	124,424	
Employer Medicare	10,726	
Other Fringe Benefits	1,389	
Travel	1,806	
Other Contracted Services	2,028	
Office Supplies	16,932	
Other Supplies and Materials	587	
In Service/Staff Development	7,704	
Administration Equipment	2,084	
Total Fiscal Services		1,057,790

Human Services/Personnel

Supervisor/Director	\$ 120,825	
Clerical Personnel	76,922	
Other Salaries and Wages	129,149	
Social Security	19,875	
Pensions	31,697	
Life Insurance	95	
Medical Insurance	50,844	
Employer Medicare	4,648	
Other Fringe Benefits	587	
Travel	599	
Other Contracted Services	57,648	
Other Supplies and Materials	7,258	

(Continued)

Exhibit L-10

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

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

In Service/Staff Development	\$ 6,055	
Administration Equipment	714	
Total Human Services/Personnel		\$ 506,916

Operation of Plant

Custodial Personnel	\$ 7,248,127	
Other Salaries and Wages	109,853	
Social Security	436,822	
Pensions	732,772	
Life Insurance	4,437	
Medical Insurance	1,773,795	
Unemployment Compensation	1,678	
Employer Medicare	102,527	
Other Fringe Benefits	12,666	
Maintenance and Repair Services - Buildings	6,208	
Maintenance and Repair Services - Equipment	14,659	
Other Contracted Services	622,249	
Custodial Supplies	903,019	
Electricity	9,261,139	
Natural Gas	1,095,879	
Water and Sewer	1,324,133	
Other Supplies and Materials	162,658	
Building and Contents Insurance	370,319	
Other Charges	80,599	
Plant Operation Equipment	118,925	
Total Operation of Plant		24,382,464

Maintenance of Plant

Supervisor/Director	\$ 491,400	
Secretary(ies)	119,737	
Maintenance Personnel	2,566,899	
Social Security	188,524	
Pensions	334,634	
Life Insurance	1,229	
Medical Insurance	702,841	
Employer Medicare	44,091	
Other Fringe Benefits	5,752	
Laundry Service	18,057	
Maintenance and Repair Services - Buildings	1,009,794	
Maintenance and Repair Services - Equipment	1,067,417	
Other Contracted Services	702,548	
Other Supplies and Materials	582,010	
Vehicle and Equipment Insurance	68,000	
In Service/Staff Development	7,016	
Other Charges	3,341	
Maintenance Equipment	152,070	
Total Maintenance of Plant		8,065,360

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	101,903	
Clerical Personnel		153,783	
Attendants		496,959	
Other Salaries and Wages		87,955	
Social Security		48,518	
Pensions		73,602	
Life Insurance		481	
Medical Insurance		207,392	
Employer Medicare		11,628	
Other Fringe Benefits		1,361	
Contracts with Private Agencies		530,040	
Contracts with Vehicle Owners		16,048,208	
Travel		32	
Other Contracted Services		113,814	
Other Supplies and Materials		31,170	
Vehicle and Equipment Insurance		90,000	
In Service/Staff Development		5,818	
Other Charges		11,590	
Administration Equipment		3,129	
Transportation Equipment		77,686	
Total Transportation			\$ 18,095,069

Operation of Non-Instructional Services

Community Services

Other Charges	\$	45,391	
Total Community Services			45,391

Early Childhood Education

Teachers	\$	1,432,627	
Career Ladder Program		6,000	
Educational Assistants		661,969	
Social Security		123,983	
Pensions		203,884	
Life Insurance		1,160	
Medical Insurance		509,112	
Employer Medicare		28,995	
Other Fringe Benefits		4,150	
Travel		400	
Contracts for Substitute Teachers - Certified		9,277	
Contracts for Substitute Teachers - Non-certified		27,441	
Other Contracted Services		4,711	
Food Supplies		5,060	
Instructional Supplies and Materials		120,955	
Other Supplies and Materials		9,482	
In Service/Staff Development		11,079	
Total Early Childhood Education			3,160,285

(Continued)

Exhibit L-10

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

General Purpose School Fund (Cont.)Capital OutlayRegular Capital Outlay

Other Contracted Services	\$ 4,250	
Total Regular Capital Outlay		\$ 4,250

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$ 547,687	
Total Education		547,687

Total General Purpose School Fund		\$ 355,421,728
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School Federal Projects FundInstructionRegular Instruction Program

Supervisor/Director	\$ 407	
Teachers	1,168,186	
Educational Assistants	400,579	
Social Security	93,360	
Pensions	145,389	
Life Insurance	719	
Medical Insurance	332,223	
Employer Medicare	21,834	
Other Fringe Benefits	2,803	
Contracts for Substitute Teachers - Certified	19,189	
Contracts for Substitute Teachers - Non-certified	104,567	
Other Contracted Services	33,206	
Instructional Supplies and Materials	236,940	
Other Supplies and Materials	262,467	
Other Charges	5,614	
Regular Instruction Equipment	609,158	
Total Regular Instruction Program		\$ 3,436,641

Special Education Program

Teachers	\$ 1,025,048	
Educational Assistants	1,380,752	
Speech Pathologist	125,067	
Other Salaries and Wages	100,554	
Social Security	152,875	
Pensions	263,722	
Life Insurance	1,796	
Medical Insurance	834,141	
Employer Medicare	35,753	
Other Fringe Benefits	5,390	
Contracts for Substitute Teachers - Certified	3,849	
Contracts for Substitute Teachers - Non-certified	7,037	
Other Contracted Services	23,438	
Instructional Supplies and Materials	37,331	

(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.)

Special Education Program (Cont.)

Other Supplies and Materials	\$ 43,034	
Special Education Equipment	98,935	
Total Special Education Program		\$ 4,138,722

Career and Technical Education Program

Other Supplies and Materials	\$ 68,847	
Vocational Instruction Equipment	459,957	
Total Career and Technical Education Program		528,804

Support Services

Health Services

Other Salaries and Wages	\$ 187,355	
Social Security	11,309	
Pensions	19,972	
Life Insurance	57	
Medical Insurance	25,041	
Employer Medicare	2,645	
Other Fringe Benefits	355	
Total Health Services		246,734

Other Student Support

Social Workers	\$ 516,289	
Other Salaries and Wages	204,766	
Social Security	42,960	
Pensions	66,432	
Life Insurance	225	
Medical Insurance	116,519	
Employer Medicare	10,047	
Other Fringe Benefits	1,305	
Travel	35,541	
Other Contracted Services	30,596	
Other Supplies and Materials	114,393	
In Service/Staff Development	63,725	
Other Charges	60,000	
Other Equipment	7,260	
Total Other Student Support		1,270,058

Regular Instruction Program

Supervisor/Director	\$ 48,514	
Secretary(ies)	54,424	
Other Salaries and Wages	878,903	
In-service Training	15,600	
Social Security	58,243	
Pensions	88,736	
Life Insurance	291	
Medical Insurance	84,985	

(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.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	14,192	
Other Fringe Benefits		1,662	
Maintenance and Repair Services - Equipment		1,645	
Travel		4,823	
Food Supplies		94	
Other Supplies and Materials		13,214	
In Service/Staff Development		1,188,476	
Other Equipment		1,928	
Total Regular Instruction Program			\$ 2,455,730

Special Education Program

Psychological Personnel	\$	727,856	
Other Salaries and Wages		535,987	
Social Security		72,056	
Pensions		111,551	
Life Insurance		322	
Medical Insurance		214,144	
Employer Medicare		17,659	
Other Fringe Benefits		2,202	
Other Contracted Services		404,174	
Other Supplies and Materials		33,255	
In Service/Staff Development		136,511	
Other Charges		2,257	
Other Equipment		17,616	
Total Special Education Program			2,275,590

Career and Technical Education Program

In Service/Staff Development	\$	1,410	
Total Career and Technical Education Program			1,410

Transportation

Other Salaries and Wages	\$	216,550	
Social Security		12,559	
Pensions		21,904	
Life Insurance		180	
Medical Insurance		77,455	
Employer Medicare		2,937	
Other Fringe Benefits		422	
Contracts with Parents		1,122	
Contracts with Vehicle Owners		24,995	
Maintenance and Repair Services - Vehicles		279	
Gasoline		3,226	
Total Transportation			361,629

(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.)Operation of Non-Instructional ServicesFood Service

Food Supplies	\$ 2,182	
Total Food Service		\$ 2,182

Total School Federal Projects Fund \$ 14,717,500

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	\$ 173,056	
Accountants/Bookkeepers	95,889	
Cafeteria Personnel	7,177,468	
Other Salaries and Wages	254,604	
Social Security	463,869	
Pensions	375,172	
Life Insurance	2,753	
Medical Insurance	1,106,885	
Unemployment Compensation	9,039	
Employer Medicare	108,681	
Other Fringe Benefits	7,183	
Maintenance and Repair Services - Equipment	71,289	
Postal Charges	187	
Transportation - Other than Students	105,045	
Travel	11,591	
Other Contracted Services	375,976	
Food Preparation Supplies	810,277	
Food Supplies	6,336,437	
Office Supplies	29,123	
Uniforms	11,605	
USDA - Commodities	908,679	
Other Supplies and Materials	193,971	
In Service/Staff Development	31,255	
Food Service Equipment	564,151	
Total Food Service		19,224,185

Total Central Cafeteria Fund 19,290,214

Education Capital Projects FundSupport ServicesBoard of Education

Trustee's Commission	\$ 87,456	
Total Board of Education		\$ 87,456

(Continued)

Exhibit L-10

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

<u>Education Capital Projects Fund (Cont.)</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Engineering Services	\$	3,203	
Maintenance and Repair Services - Buildings		3,197,962	
Other Contracted Services		<u>118,142</u>	
Total Education Capital Projects			<u>\$ 3,319,307</u>
Total Education Capital Projects Fund			\$ 3,406,763
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	1,716,491	
Engineering Services		224,600	
Building Construction		48,062,159	
Building Improvements		334,670	
Furniture and Fixtures		956,595	
Regular Instruction Equipment		2,403,063	
Site Development		1,402,640	
Other Equipment		9,550	
Other Capital Outlay		<u>270,868</u>	
Total Education Capital Projects			<u>\$ 55,380,636</u>
Total Other Capital Projects Fund			<u>55,380,636</u>
Total Governmental Funds - Rutherford County School Department			<u>\$ 448,216,841</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, 2018

	Cities - Sales Tax Fund	Cities - Property Tax Fund	City School ADA - Murfreesboro Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 0	\$ 13,627,446	\$ 13,627,446
Trustee's Collections - Prior Years	0	0	131,410	131,410
Circuit/Clerk and Master Collections - Prior Years	0	0	78,566	78,566
Interest and Penalty	0	0	28,361	28,361
Pick-up Taxes	0	0	25,586	25,586
Payments in-Lieu-of Taxes - T.V.A.	0	0	1,090	1,090
Payments in-Lieu-of Taxes - Local Utilities	0	0	166,556	166,556
<u>County Local Option Taxes</u>				
Local Option Sales Tax	68,109,636	0	10,861,900	78,971,536
Wheel Tax	0	0	723,351	723,351
Business Tax	0	0	403,989	403,989
Interstate Telecommunications Tax	0	0	0	0
<u>City/School District Property Taxes</u>				
Current Property Tax	0	10,404,934	0	10,404,934
Prior Year's Property Tax	0	59,503	0	59,503
Interest and Penalty	0	15,346	0	15,346
Pick-up Taxes	0	20,158	0	20,158
<u>Licenses</u>				
Marriage Licenses	0	0	2,297	2,297
<u>Other Local Revenues</u>				
Other Local Revenues	0	65,100	0	65,100
Total Cash Receipts	\$ 68,109,636	\$ 10,565,041	\$ 26,050,552	\$ 104,725,229
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 67,428,540	10,485,055	\$ 25,597,080	\$ 103,510,675
Trustee's Commission	681,096	0	398,653	1,079,749
Contracts with Government Agencies	0	65,100	0	65,100
Total Cash Disbursements	\$ 68,109,636	\$ 10,550,155	\$ 25,995,733	\$ 104,655,524
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 14,886	\$ 54,819	\$ 69,705
Cash Balance, July 1, 2017	0	0	160,666	160,666
Cash Balance, June 30, 2018	\$ 0	\$ 14,886	\$ 215,485	\$ 230,371

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	299-310
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	6-10	311-315
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	316-317
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	318-319
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	320-322

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>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>	<u>2018</u>
PRIMARY GOVERNMENT: (Note 1, 2)										
Governmental activities										
Net investment in capital assets	\$ 195,662	\$ 201,462	\$ 201,854	\$ 207,456	\$ 210,959	\$ 212,340	\$ 215,139	\$ 222,753	\$ 203,279	\$ 234,473
Restricted for:										
Capital Projects	2,071	403	3,650	3,251	1,858	2,568	1,064	2,630	27,160	3,196
Debt Service	32,067	34,939	-	-	-	2,909	2,895	2,861	2,711	2,559
General	-	-	-	588	407	379	426	490	542	603
Finance	-	-	-	22	22	36	71	97	131	129
Admin. of Justice	-	-	-	951	860	1,052	1,034	1,013	658	768
Public Safety	-	-	1,576	1,092	1,013	951	1,230	1,112	1,386	860
Public Health & Welfare	-	-	-	99	54	126	241	71	123	53
Pensions	-	-	-	-	-	-	-	-	1,132	4,636
Ambulance Service	-	5,216	-	-	-	-	-	-	-	-
Highways/Public Works	6,823	6,579	1,351	-	-	-	-	-	-	-
Solid Waste/Sanitation	4,166	4,257	-	-	-	-	-	-	-	-
Industrial/Economic Development	581	760	-	-	-	-	-	-	-	-
Drug Control	1,138	880	709	-	-	-	-	-	-	-
Adequate Facilities/Development Tax	4,269	-	-	-	-	-	-	-	-	-
District Attorney	210	241	286	-	-	-	-	-	-	-
Alcohol and Drug Treatment	139	-	-	-	-	-	-	-	-	-
Litigation Tax - Jail, Workhouse, or Courthouse	1,412	2,124	-	-	-	-	-	-	-	-
Victims Assistance Programs	169	229	281	-	-	-	-	-	-	-
Computer System - Register	647	691	589	-	-	-	-	-	-	-
Other Purposes	46	112	61	-	-	-	5,239	5,717	-	-
Unrestricted (2)	(325,800)	(300,698)	(225,824)	(255,927)	(230,810)	(228,754)	(235,427)	(204,313)	(206,887)	(265,825)
Total Governmental Activities Net Position	<u>\$ (76,400)</u>	<u>\$ (42,805)</u>	<u>\$ (15,467)</u>	<u>\$ (42,468)</u>	<u>\$ (15,637)</u>	<u>\$ (8,393)</u>	<u>\$ (8,088)</u>	<u>\$ 32,431</u>	<u>\$ 30,235</u>	<u>\$ (18,548)</u>
COMPONENT UNIT - Rutherford County Schools (Note 2)										
Governmental activities										
Net investment in capital assets	\$ 383,159	\$ 409,435	\$ 405,517	\$ 414,558	\$ 430,779	\$ 432,042	\$ 430,627	\$ 438,406	\$ 471,814	\$ 563,928
Restricted for:										
Capital Projects	46,795	10,924	1,482	30,143	4,288	13,720	34,697	15,110	29,878	15,676
Education	-	-	292	-	-	-	-	8,981	5,002	4,055
Pensions	-	-	-	-	-	-	-	-	1,162	5,419
School Federal Projects	394	828	86	289	2	2	-	-	-	-
Central Cafeteria	4,198	4,902	5,151	5,059	4,851	4,087	4,271	-	-	-
Career Ladder	-	335	-	-	-	-	-	-	-	-
Driver Education	260	-	-	256	116	-	-	-	-	-
Other Purposes	25	-	-	10	117	240	7,453	-	-	-
Unrestricted	(226)	(2,383)	(8,963)	(13,787)	(22,095)	(30,149)	(73,349)	(48,641)	(42,317)	(109,709)
Total Governmental Activities Net Position	<u>\$ 434,605</u>	<u>\$ 424,041</u>	<u>\$ 403,565</u>	<u>\$ 436,528</u>	<u>\$ 418,058</u>	<u>\$ 419,942</u>	<u>\$ 403,699</u>	<u>\$ 413,856</u>	<u>\$ 465,539</u>	<u>\$ 479,369</u>

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 to prior periods.
- (4) GASB Statements 67 and 68 were implemented for the fiscal year ended June 30, 2015, which affects the comparability of restricted net position to prior periods.

Table 2

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

	<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>	<u>2018</u>
EXPENSES (Note 1)										
Governmental activities:										
General Government	\$ 7,962	\$ 15,112	\$ 17,325	\$ 16,038	\$ 16,706	\$ 18,668	\$ 17,083	\$ 17,666	\$ 20,667	\$ 16,560
Finance	6,989	7,366	7,748	8,387	8,450	8,960	8,314	8,193	9,927	10,038
Administration of Justice	6,496	6,844	6,659	6,854	7,668	7,571	7,491	8,108	10,043	9,834
Public Safety	39,703	38,545	39,080	41,151	43,798	46,244	45,705	48,198	50,725	53,328
Public Health & Welfare	17,927	17,768	18,458	19,369	19,958	20,089	19,704	19,650	21,775	22,638
Social, Cultural & Rec. Services	2,458	2,786	1,838	2,112	2,264	2,267	2,307	2,687	2,802	2,920
Agriculture & Natural Resources	864	1,036	1,085	1,141	1,092	1,167	1,388	1,171	1,268	1,278
Other Operations (Note 2)	13,523	-	-	-	-	-	-	-	-	-
Highways/Public Works	14,529	16,925	9,264	11,206	10,474	12,246	12,038	8,885	12,683	11,622
Education (Pymts to Comp. Unit)	99,547	33,085	35,351	89,448	42,373	67,262	84,906	52,801	98,912	138,705
Interest on Long-Term Debt	16,221	17,064	13,850	15,177	14,840	13,998	14,203	13,124	10,924	16,400
Other Debt Service	-	-	-	-	323	-	-	-	-	-
Total Governmental activities expenses	\$ 226,219	\$ 156,531	\$ 150,658	\$ 210,883	\$ 167,946	\$ 198,472	\$ 213,139	\$ 180,483	\$ 239,726	\$ 283,323
PROGRAM REVENUES										
Governmental activities:										
Charges for Services:										
General Government	\$ 3,295	\$ 5,280	\$ 2,721	\$ 3,699	\$ 4,185	\$ 4,146	\$ 4,215	\$ 4,546	\$ 4,884	\$ 5,408
Finance	6,695	6,759	7,158	7,454	7,727	8,032	8,505	9,431	10,093	10,094
Administration of Justice	5,723	6,145	5,803	6,400	6,584	6,397	5,861	6,422	6,520	6,068
Public Safety	5,222	3,621	2,643	4,910	5,961	4,218	4,489	7,208	5,290	6,755
Public Health & Welfare	7,900	8,024	8,335	10,091	9,173	10,144	10,489	11,892	12,354	11,936
Social, Cultural & Rec. Services	58	-	1	1	1	-	-	-	-	-
Agriculture & Natural Resources	19	-	23	41	38	80	99	265	297	327
Other Operations	82	-	-	-	-	-	-	-	-	-
Highways/Public Works	104	76	-	69	47	45	-	155	121	-
Education	34,122	37,070	40,077	38,887	41,164	50,718	52,276	48,584	51,218	57,789
Operating Grants and Contributions	6,950	8,161	9,591	8,591	7,822	7,628	9,705	8,505	9,277	10,119
Capital grants and Contributions	13,745	14,707	1,936	1,770	2,732	4,274	3,053	3,900	5,170	3,877
Total Governmental activities program revenues	\$ 83,915	\$ 89,843	\$ 78,288	\$ 81,913	\$ 85,434	\$ 95,682	\$ 98,692	\$ 100,908	\$ 105,224	\$ 112,373

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>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>	<u>2018</u>
Net (expense)/Revenue Governmental Activities	<u>\$(142,304)</u>	<u>\$ (66,688)</u>	<u>\$ (72,370)</u>	<u>\$(128,970)</u>	<u>\$ (82,512)</u>	<u>\$(102,790)</u>	<u>\$(114,447)</u>	<u>\$ (79,575)</u>	<u>\$(134,502)</u>	<u>\$ (170,950)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property tax levied for general purposes	\$ 27,428	\$ 36,393	\$ 39,193	\$ 41,132	\$ 41,259	\$ 45,676	\$ 46,711	\$ 47,850	\$ 47,990	\$ 50,271
Property tax levied for debt services	38,072	39,729	37,780	36,077	36,121	36,193	36,958	37,883	43,250	45,938
Payments in Lieu of Taxes	6,526	5,535	7,084	6,751	14,346	8,356	7,778	8,380	8,399	7,780
Local Option Sales Tax	2,037	2,035	1,671	1,583	2,189	2,454	3,463	4,141	4,252	4,379
Hotel/Motel Tax	932	951	1,067	1,216	1,400	1,550	1,708	2,061	4,248	4,517
Wheel Tax	5,701	5,696	5,729	5,860	5,999	6,180	6,449	6,684	6,988	7,232
Business Tax	1,269	1,424	1,709	1,824	2,189	2,155	2,454	2,455	2,739	2,814
Mixed Drink Tax	-	-	-	-	-	-	17	17	10	-
Litigation Tax	1,863	2,242	2,232	2,423	2,449	2,424	2,080	2,092	3,191	3,378
Development Tax	2,579	1,395	865	2,051	3,210	3,719	3,353	5,189	6,196	5,807
Mineral Severance Tax	359	232	220	257	249	328	346	433	478	445
Bank Excise Tax	-	-	77	68	86	136	152	283	461	513
Wholesale Beer Tax	861	837	811	825	832	883	969	1,064	1,089	1,019
Interstate Telecommunications Tax	2	1	1	5	7	8	8	7	6	-
Other Local Taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	892	655	618	1,351	648	1,903	820	863	1,173	1,147
Investment earnings	2,603	1,218	654	407	311	197	319	609	1,712	3,636
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	264	119	63	140	241	190	96	83	124	125
Total Governmental activities	<u>\$ 91,388</u>	<u>\$ 98,462</u>	<u>\$ 99,774</u>	<u>\$ 101,970</u>	<u>\$ 111,536</u>	<u>\$ 112,352</u>	<u>\$ 113,681</u>	<u>\$ 120,094</u>	<u>\$ 132,306</u>	<u>\$ 139,001</u>
Change in Net Position	<u>\$ (50,916)</u>	<u>\$ 31,774</u>	<u>\$ 27,404</u>	<u>\$ (27,000)</u>	<u>\$ 29,024</u>	<u>\$ 9,562</u>	<u>\$ (766)</u>	<u>\$ 40,519</u>	<u>\$ (2,196)</u>	<u>\$ (31,949)</u>

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>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>	<u>2018</u>
EXPENSES (Note 1)										
Governmental activities:										
Education										
Instruction	\$ 177,210	\$ 177,407	\$ 195,749	\$ 192,333	\$ 201,313	\$ 215,249	\$ 203,109	\$ 214,997	\$ 223,312	\$ 238,880
Support Services	107,541	95,279	106,283	104,722	108,466	109,528	115,090	115,179	128,038	135,735
Operation of Non-instructional Services	13,763	15,857	17,093	19,011	18,593	19,573	18,330	19,263	20,886	22,559
Interest on Long-term Debt	100	79	65	68	62	-	-	-	-	-
Total Governmental activities expenses	\$ 298,614	\$ 288,622	\$ 319,190	\$ 316,134	\$ 328,434	\$ 344,350	\$ 336,529	\$ 349,439	\$ 372,236	\$ 397,174
PROGRAM REVENUES										
Governmental activities:										
Charges for Services - Education	\$ 7,353	\$ 6,693	\$ 6,641	\$ 6,760	\$ 6,684	\$ 6,967	\$ 6,514	\$ 6,769	\$ 7,274	\$ 7,728
Operating Grants and Contributions	20,249	29,948	31,830	28,696	24,158	26,724	22,834	23,459	25,072	24,824
Capital grants and Contributions	71,724	-	803	48,267	-	277	97	605	-	556
Total Governmental activities program revenues	\$ 99,326	\$ 36,641	\$ 39,274	\$ 83,723	\$ 30,842	\$ 33,968	\$ 29,445	\$ 30,833	\$ 32,346	\$ 33,108
Net (expense)/Revenue Governmental Activities	\$ (199,288)	\$ (251,981)	\$ (279,916)	\$ (232,411)	\$ (297,592)	\$ (310,382)	\$ (307,084)	\$ (318,606)	\$ (339,890)	\$ (364,066)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Tax levied for general purposes	\$ 55,512	\$ 59,597	\$ 61,012	\$ 61,080	\$ 61,721	\$ 65,551	\$ 66,830	\$ 79,584	\$ 79,769	\$ 82,810
Payments in-Lieu-of Taxes	734	828	841	871	890	-	941	987	935	942
Local Option Sales Tax	36,185	35,408	37,871	40,662	43,798	46,243	50,348	54,870	59,370	62,304
Wheel Tax	3,215	3,214	3,255	3,320	3,430	3,538	3,654	3,787	3,965	4,096
Business Tax	1,077	1,120	1,360	1,442	1,750	1,726	1,960	2,272	2,395	2,422
Mixed Drink Tax	-	-	-	-	-	1,048	492	403	424	494
Interstate Telecommunications Tax	19	13	10	14	19	23	22	19	19	-
Other local taxes	-	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	139,098	140,711	154,124	157,772	167,392	195,538	212,588	186,632	244,215	305,865
Investment earnings	731	327	185	108	89	63	73	157	401	856
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Pension Income	-	-	-	-	-	-	231	-	-	-
Miscellaneous	143	197	145	105	45	46	30	51	80	74
Total Governmental activities	\$ 236,714	\$ 241,415	\$ 258,803	\$ 265,374	\$ 279,134	\$ 313,776	\$ 337,169	\$ 328,762	\$ 391,573	\$ 459,863
Change in Net Position	\$ 37,426	\$ (10,566)	\$ (21,113)	\$ 32,963	\$ (18,458)	\$ 3,394	\$ 30,085	\$ 10,156	\$ 51,683	\$ 95,797

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
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	47,990	43,250	8,399	4,252	4,248	6,988	2,739	10	3,191	6,196	478	1,089	461	6	-	129,297
2018	50,271	45,938	7,780	4,379	4,517	7,232	2,814	-	3,378	5,807	445	1,019	513	-	-	134,093

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
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
2018	82,810	942	62,304	4,096	2,422	494	-	153,068

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

Table 4

	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016	(Note 1) 2017	(Note 1) 2018
PRIMARY GOVERNMENT										
General Fund										
Nonspendable: Prepaid Items	\$ -	\$ -	\$ 43	\$ 46	\$ 34	\$ 24	\$ 41	\$ 29	\$ 42	\$ 37
Reserved	2,983	4,013	-	-	-	-	-	-	-	-
Restricted										
General Government	-	-	589	588	407	379	426	490	542	603
Finance	-	-	11	22	21	36	71	97	131	129
Admin of Justice	-	-	419	636	861	1,052	1,034	1,013	658	768
Public Safety	-	-	1,629	428	116	72	246	11	85	35
Public Health & Welfare	-	-	-	99	46	126	212	71	116	53
Other Operations	-	-	32	-	-	-	-	-	-	-
Capital Projects	-	-	2,980	1,742	1,858	2,030	1,636	2,630	2,839	2,150
Committed										
General Government	-	-	155	471	132	183	105	422	662	1,200
Finance	-	-	51	129	102	255	233	454	237	201
Admin of Justice	-	-	5	-	1	3	5	252	21	13
Public Safety	-	-	524	315	401	341	381	969	479	661
Public Health & Welfare	-	-	291	94	81	96	102	132	136	84
Agriculture & Natural Resources	-	-	229	208	211	248	231	292	412	493
Other Operations	-	-	20	7	2	-	-	4	2	1
Assigned for Other Purposes	-	-	2,210	3,838	3,443	1,471	6,351	6,159	8,089	7,400
Unassigned	-	-	14,524	14,687	16,332	19,532	20,017	23,625	24,267	31,198
Unreserved	12,794	18,694	-	-	-	-	-	-	-	-
Total General Fund	<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>	<u>\$ 45,026</u>
All Other Governmental Funds										
Reserved	\$ 2,944	\$ 2,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Admin of Justice	-	-	286	314	-	-	-	-	-	-
Public Safety	-	-	709	664	897	878	984	1,101	1,301	824
Public Health & Welfare	-	-	669	-	8	-	29	-	6	-
Highways/Public Works	-	-	1,351	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	2,909	2,895	2,861	2,711	2,559
Capital Projects	-	-	-	5,750	3,149	7,026	5,975	-	24,321	2,015
Committed										
Public Health & Welfare	-	-	29	20	-	-	-	-	-	-
Highways/Public Works	-	-	-	1,780	1,640	1,831	1,992	2,125	2,228	2,306
Capital Projects	-	-	741	-	-	-	-	-	-	-
Debt Service	-	-	-	1,821	1,821	1,821	1,821	1,821	1,821	1,821
Assigned										
General Government	-	-	-	-	-	-	-	256	181	175
Finance	-	-	110	110	110	110	125	672	650	525
Admin of Justice	-	-	173	246	72	230	81	125	304	602
Public Health & Welfare	-	-	7,402	8,681	10,325	8,800	9,068	10,650	11,635	12,712
Other Operations	-	-	715	1,268	1,049	479	275	201	127	166
Highways/Public Works	-	-	5,507	5,532	6,680	7,391	8,441	10,301	11,332	13,452
Debt Service	-	-	35,734	33,994	33,329	33,979	33,646	33,903	41,009	47,538
Unassigned	-	-	-	-	-	-	-	(3,332)	-	-
Unreserved, reported in:										
Special revenue funds	17,581	14,376	-	-	-	-	-	-	-	-
Debt Service	32,182	33,214	-	-	-	-	-	-	-	-
Capital projects funds	1,020	196	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 84,695</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)

	2009	2010	(Note 1) 2011	(Note 1) 2012	(Note 1) 2013	(Note 1) 2014	(Note 1) 2015	(Note 1) 2016	(Note 1) 2017	(Note 1) 2018
COMPONENT UNIT - Rutherford County Board of Education										
General Purpose School Fund										
Reserved	\$ 1,216	\$ 3,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable: Prepaid Items	-	-	-	-	16	4	5	6	4	13
Restricted	-	-	797	266	233	240	352	-	-	-
For Education	-	-	-	-	-	-	-	414	430	364
For Capital Projects	-	-	-	-	-	-	-	120	34	34
Committed	-	-	11	-	-	-	-	-	-	5,336
Assigned	-	-	6,873	9,253	11,996	12,275	12,183	7,868	9,763	18,173
Unassigned	-	-	12,641	14,890	15,266	15,189	17,330	33,493	32,688	27,409
Unreserved	10,948	16,318	-	-	-	-	-	-	-	-
Total General Purpose School Fund	<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>	<u>\$ 51,329</u>
All other School Funds										
Nonspendable: Inventory	\$ -	\$ -	\$ 249	\$ 200	\$ 233	\$ 294	\$ 193	\$ 180	\$ 224	\$ 243
Reserved	37,366	8,409	-	-	-	-	-	-	-	-
Restricted										
Education	-	-	4,989	5,348	4,853	4,089	4,271	4,339	4,348	3,690
Capital projects	-	-	1,482	30,144	4,287	13,719	34,697	14,990	29,844	67,392
Committed										
Education	-	-	1,000	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	3,972	4,695	-	-	-	-	-	-	-	-
Capital projects funds	10,049	3,549	-	-	-	-	-	-	-	-
Total all other School Funds	<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>	<u>\$ 72,325</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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,352	\$ 112,660	\$ 118,102	\$ 129,425	\$ 134,395
Licenses & Permits	1,263	1,295	1,276	1,421	1,643	1,702	1,923	2,224	2,513	2,590
Fines & Forfeitures	2,724	2,490	2,479	2,531	3,051	2,723	2,691	2,743	2,395	2,559
Charges for Service	11,998	12,511	10,856	11,750	11,564	12,410	12,852	15,658	16,778	17,936
Other Local Revenue	3,588	2,667	1,880	3,215	1,680	1,842	2,073	2,309	3,399	5,548
Fees from Co. Officials	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)	11,040 (2)
State Revenues	10,518	9,162	9,856	11,259	11,529	10,160	11,566	12,441	13,114	16,134
Federal Revenues	602	1,297	1,817	2,080	1,836	1,657	1,823	1,556	1,289	1,044
Other Govt/Citizens	3,559	2,299	1,045	887	2,157	2,669	2,171	1,084	1,443	1,298
Total revenues	<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>	<u>\$ 192,544</u>
Expenditures										
General Government	\$ 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)	\$ 13,128 (2)
Finance	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)	9,959 (2)
Admin. Of Justice	6,311	6,487	6,700	6,803	7,674	7,906	7,808	8,229	10,208	10,312
Public Safety	35,961	35,072	37,477	41,091	42,411	46,708	47,955	49,929	51,332	53,529
Public Health/Welfare	15,843	15,867	16,639	17,387	17,460	19,579	18,928	19,589	21,409	22,698
Social, Cultural/Rec.	1,418	1,422	1,476	2,112	2,264	2,267	2,307	2,687	2,802	2,920
Agriculture & Natural	755	780	874	964	908	980	1,030	999	1,092	1,087
Other Operations	7,088	8,535	7,540	5,288	5,439	7,071	5,621	6,213	7,330	6,067
Highway & Bridge	7,688	7,811	7,395	8,659	7,850	7,690	8,622	7,684	10,887	10,154
Debt Service:										
Principal	22,670	22,375	31,935	23,115	30,177	44,430	27,906	29,017	28,574	30,505
Interest	16,441	17,815	14,277	15,339	14,587	14,119	13,693	13,739	14,188	16,558
Other charges	432	-	858	504	7,662	317	9,282	-	3,671	499
Capital Projects	85,202	4,709	1,062	52,130	4,853	22,181	39,639	9,358	87,954	110,345
	<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>	<u>\$ 287,761</u>
Excess of revenues over (under) expenditures	<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>	<u>\$ (95,217)</u>

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

(2) Effective January 1, 2016, offices of Register of Deeds and County Clerk became excess fee offices, and the salaries for their operations are NOT included in the Primary Government.

Table 5

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses)										
Transfers in	\$ 3,238	\$ 6,413	\$ 1,873	\$ 3,749	\$ 1,209	\$ 1,132	\$ 1,304	\$ 1,064	\$ 2,554	\$ 2,025
Transfers out	(2,843)	(5,997)	(1,389)	(3,254)	(678)	(566)	(748)	(514)	(1,962)	(1,421)
Insurance Recovery	100	12	49	14	253	43	48	71	64	127
Capital Lease Issued	-	-	-	-	947	-	341	-	-	-
Bond proceeds	41,325	-	-	49,259	-	24,270	33,864	-	101,000	81,530
Note proceeds	31,000	-	-	-	-	-	-	-	-	-
Other Loans Issued	-	-	-	-	-	-	-	-	2,163	639
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	3,408	-	20,355	4,557	5,402	2,608	8,549	-	15,567	5,694
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	\$ 76,228	\$ 428	\$ 8,160	\$ 52,926	\$ 12,413	\$ 46,087	\$ 48,154	\$ 621	\$ 117,706	\$ 88,594
 Net change in fund balances	 \$ (8,983)	 \$ 1,796	 \$ 4,017	 \$ 6,351	 \$ (47)	 \$ 8,175	 \$ 5,120	 \$ 911	 \$ 39,010	 \$ (6,623)
 Debt Service as a percentage of noncapital expenditures	 19.2%	 30.9%	 33.2%	 21.1%	 29.0%	 31.6%	 21.3%	 28.1%	 20.1%	 18.3%
Capital Expenditures	\$ 10,514	\$ 4,924	\$ 2,299	\$ 7,583	\$ 5,048	\$ 6,314	\$ 6,268	\$ 13,551	\$ 46,623	\$ 30,149

General Governmental TAX Revenues by Source

Last Ten Fiscal Years (expressed in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property Tax & PILOT	\$ 71,872	\$ 83,035	\$ 84,328	\$ 84,212	\$ 84,076	\$ 90,540	\$ 91,753	\$ 93,712	\$ 99,664	\$ 104,408
Sales Tax	2,296	2,016	1,814	1,452	2,157	2,428	3,370	4,106	4,355	4,262
Hotel/Motel Tax	932	951	1,067	1,216	1,400	1,551	1,709	2,061	4,248	4,517
Wheel Tax	5,701	5,695	5,729	5,860	5,999	6,180	6,449	6,684	6,989	7,232
Litigation Tax	1,863	2,242	2,231	2,422	2,449	2,424	2,080	2,092	3,191	3,378
Business Tax	1,269	1,424	1,709	1,824	2,189	2,155	2,454	2,455	2,739	2,814
Mixed Drink Tax	-	-	-	-	-	-	17	17	9	-
Mineral Severance	359	232	221	257	249	328	346	433	478	445
Development Tax	2,579	1,395	866	2,051	3,210	3,719	3,353	5,188	6,196	5,807
Bank Excise Tax	342	219	77	68	86	135	152	283	461	513
Wholesale Beer Tax	861	837	811	825	832	883	969	1,064	1,089	1,019
Other Statutory Tax	14	8	1	5	7	8	8	7	6	-
	\$ 88,088	\$ 98,054	\$ 98,854	\$ 100,192	\$ 102,654	\$ 110,351	\$ 112,660	\$ 118,102	\$ 129,425	\$ 134,395

Table 5a

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 96,644	\$ 99,907	\$ 104,406	\$ 107,183	\$ 111,728	\$ 118,961	\$ 123,915	\$ 141,531	\$ 146,700	\$ 152,564
Licenses & Permits	11	11	12	12	11	12	13	12	14	13
Charges for Service	7,111	6,594	6,591	6,702	6,595	6,844	6,466	6,661	7,183	7,320
Other Local Revenue	1,255	743	518	432	317	407	326	607	715	1,436
State Revenues	140,433	144,467	153,732	156,628	165,852	177,327	175,350	184,802	200,020	217,057
Federal Revenues	17,784	24,958	32,939	29,669	25,586	26,193	24,265	25,541	25,861	27,362
Other Govt/Citizens	71,724	-	-	48,257	947	17,755	35,625	-	45,406	87,349
Total revenues	<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>	<u>\$ 493,101</u>
Expenditures										
Education										
Instruction	\$ 161,908	\$ 167,761	\$ 186,041	\$ 183,565	\$ 192,389	\$ 206,228	\$ 206,071	\$ 219,513	\$ 224,316	\$ 246,325
Support Services	82,531	82,355	89,164	90,621	92,795	99,697	100,128	103,746	110,561	120,208
Operational Services	14,089	15,070	17,602	18,696	18,745	20,152	18,418	19,327	20,806	22,432
Capital Outlay	38	124	2	-	35	74	41	49	33	5
Debt Service										
Principal	581	601	673	933	-	-	-	-	-	-
Interest	109	89	73	75	-	-	-	-	-	-
Other Debt Service	-	-	13	-	1,124	550	550	510	424	547
Capital Projects	43,803	38,137	13,724	23,020	29,265	11,900	17,531	23,635	53,867	58,700
	<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>	<u>\$ 448,217</u>
Excess of revenues over (under) expenditures	<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>	<u>\$ 44,884</u>
Other financing sources (uses)										
Transfers in	\$ 1,836	\$ 724	\$ 907	\$ 244	\$ 278	\$ 847	\$ 223	\$ 148	\$ 19,307	\$ 4,763
Transfers out	(1,836)	(724)	(907)	(244)	(278)	(847)	(223)	(148)	(19,307)	(4,763)
Insurance Recovery	-	-	4	-	100	29	-	3	34	435
Note proceeds	-	-	1,609	-	-	-	-	-	-	-
Capital Leases Issued	-	-	-	514	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER SOURCES	<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>	<u>\$ 435</u>
Net change in fund balances	<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>	<u>\$ 45,319</u>
Debt Service as a percentage of noncapital expenditures	0.3%	0.3%	0.3%	0.3%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%
Capital expenditures	\$ 30,257	\$ 30,607	\$ 8,243	\$ 21,028	\$ 26,066	\$ 14,800	\$ 14,800	\$ 21,388	\$ 47,181	\$ 54,739

Table 5a

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property Tax & PILOT	\$ 55,952	\$ 60,201	\$ 62,104	\$ 62,093	\$ 62,966	\$ 66,656	\$ 67,812	\$ 80,435	\$ 80,870	\$ 83,703
Sales Tax	36,381	35,359	37,676	40,313	43,563	45,970	49,976	54,616	59,027	61,849
Wheel Tax	3,215	3,214	3,255	3,321	3,430	3,538	3,654	3,787	3,965	4,096
Business Tax	1,077	1,120	1,360	1,442	1,750	1,726	1,960	2,272	2,395	2,422
Mixed Drink Tax	-	-	-	-	-	1,048	492	402	424	494
Other Statutory Tax	19	13	11	14	19	23	22	19	19	-
	<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>	<u>\$ 152,564</u>

Table 6

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

Fiscal Year Ending June 30	Tax Year	Tax Rate	<u>Real Property</u>		<u>Personal Property</u>		<u>Public Utilities</u>		Equalization Ratio	<u>Total</u>		Ratio of Total Assessed Value To Total Estimated Actual Value
			Estimated	Assessed	Estimated	Assessed	Estimated	Assessed		Estimated	Assessed	
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	90.95%	28,102,683,045	6,861,881,755	24.42%
2018	2017	2.6800	24,448,618,078	6,484,653,382	1,826,626,737	498,900,870	452,694,692	197,601,233	90.95%	29,387,509,079	7,181,155,485	24.44%

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 Fact	(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	
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
2018	2017	0.6982	1.3435	0.6383	2.6800	0.1503	2.4871	7.20%	1.2066	0.8840	0.9500	0.7282	6.4488

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

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

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

(3) Overlapping rates are those of local governments that apply to property owners within Rutherford County. Not all overlapping rates apply to all Rutherford County property owners. 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, 2018

Taxpayer	Type of Business	2017			Percentage of Total Taxes Levied (2)	2008			Percentage of Total Taxes Levied (2)
		Rank	Assessed Valuation	2017 Tax Liability		Rank	Assessed Valuation	2008 Tax Liability	
Nissan Motor Mfg. Co. Automobile Maker		1	\$ 615,483,392	\$ 5,669,323	2.94%	1	\$ 600,665,384	\$ 4,166,327 (1)	3.17%
Pillsbury Co./General Mills Bakery Goods		2	83,618,247	2,240,970	1.16%	2	45,705,243	1,059,394	0.81%
Middle Tennessee Electric Public Utility-Electric Company		3	73,579,409	1,971,927	1.02%	3	43,834,564	1,069,564	0.81%
Heins Global Reit / CF Murfreesboro Assoc. Retail Mall (The Avenues)		4	56,739,680	1,520,964	0.79%	10	18,071,960	480,153	0.37%
Prologis Real Estate Development		5	47,808,120	1,281,258	0.67%				
Bridgestone Tire Maker		6	42,850,707	1,148,399	0.60%	4	42,599,340	1,090,543	0.83%
Swanson Development Commerical Properties		7	33,629,981	901,283	0.47%				
HCA Health Services Stone Crest Medical Center		8	24,900,645	667,338	0.35%	7	19,435,605	497,552	0.38%
Atmos Public Utility		9	21,676,194	580,922	0.30%				
CH Realty (formerly Southpark, Nashville, LLC) Warehousing						5	29,708,680	760,543	0.58%
LC Henley Station, LLC Apartments		10	18,923,186	507,141	0.26%				0.00%
BellSouth Public Utility - Telephone						6	23,533,549	574,218	
Tennnes/Mahle Retail						8	18,974,808	485,755	0.37%
Rich-Healy Products Food Plant						9	18,579,484	442,030	0.34%
					<u>8.56%</u>				
									<u>7.66%</u>

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

- (1) The taxes represent \$1,039,955 (2017 tax year) and \$890,625 (2008 tax year) collected on real and personal property not covered by the PILOT agreement. The remaining amounts of \$4,629,368 (2017) and \$3,275,702 (2008) 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, 2018

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
2008	\$ 131,273,518	\$ 125,819,556	95.85%	\$ 5,348,610	\$ 131,168,166	99.92%	\$ 105,352	0.08%
2009	147,086,182	140,414,404	95.46%	6,451,363	146,865,767	99.85%	220,415	0.15%
2010	149,180,338	142,559,175	95.56%	6,450,691	149,009,866	99.89%	170,472	0.11%
2011	149,526,088	143,397,179	95.90%	5,990,753	149,387,932	99.91%	138,156	0.09%
2012	149,938,381	145,139,838	96.80%	4,653,622	149,793,460	99.90%	144,921	0.10%
2013	157,643,335	153,702,248	97.50%	3,737,897	157,440,145	99.87%	203,190	0.13%
2014	160,554,547	157,029,432	97.80%	3,301,289	160,330,721	99.86%	223,826	0.14%
2015	177,329,882	173,966,599	98.10%	3,033,347	176,999,946	99.81%	329,936	0.19%
2016	183,684,656	180,789,656	98.42%	2,111,697	180,789,656	98.42%	783,303	0.43%
2017	192,522,373	189,470,950	98.42%	(1)	189,470,950	98.42%	3,051,423	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	
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
2018	2017	2,005,770,586	683,852,116		6,189,101

Source: In lieu of tax agreements

NOTE: Property subject to in-lieu-of tax payment is included in the agreement with each company. The county had PILOT agreements with 12 companies in 2017-2018. Nissan represents approximately 81.56% of the total estimated assessed values of properties under PILOTs and paid 71.8% 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	General Bonded Debt	(3) 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)
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	-	354,180,000	6,034,170,347	5.87%	262,604	1,349	4.30%	1,349	4.30%
2012	379,345,000	-	379,345,000	6,097,873,015	6.22%	268,921	1,411	4.34%	1,411	4.34%
2013	356,489,102	-	356,489,102	6,120,354,263	5.82%	274,454	1,299	3.93%	1,299	3.93%
2014	356,302,259	-	356,302,259	6,145,784,457	5.80%	281,029	1,268	3.80%	1,268	3.80%
2015	361,267,344	-	361,267,344	6,460,622,318	5.59%	288,906	1,250	3.56%	1,250	3.56%
2016	332,250,683	-	332,250,683	6,602,290,907	5.03%	298,612	1,113	3.18%	1,113	3.18%
2017	405,159,525	-	405,159,525	6,861,881,755	5.90%	308,251	1,314	3.60%	1,314	3.60%
2018	456,823,706	-	456,823,706	7,181,155,485	6.36%	317,157	1,440	3.89%	1,440	3.89%

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 2018, amounts available in Debt Service funds show \$0 because the funds that are available are not restricted by an outsi

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, 2018

		% of Estimated Property Value (1)	% of Assessed Property Value (1)
<u>Direct Debt</u>			
General Bonded Debt	\$ 454,025,000		
County School District of Rutherford (Notes)	2,452,262		
County School District of Rutherford (Cap. Lease)	<u>346,444</u>		
Total Direct Debt	\$ 456,823,706	100.00%	100.00%
<u>Overlapping Debt</u>			
City of Murfreesboro	\$ 276,285,513	45.81%	47.75%
Town of Smyrna	11,897,700	15.74%	16.58%
City of LaVergne	11,540,000	11.41%	11.91%
City of Eagleville	<u>443,833</u>	0.25%	0.25%
Total Overlapping Debt	<u>300,167,046</u>		
Total Direct and Overlapping Debt	<u>\$ 756,990,752</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
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%
2018	317,157	38,098	11,743,613,000	32.9	44,768	2.6%

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 2016-2018.

Table 14

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

Employer	2018			2009		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Nissan Motor Manufacturing Corp. USA	8,000	1	4.71%	4,400	2	3.31%
Rutherford County Government & Board of Education	6,482	2	3.82%	5,193	1	3.90%
Middle Tennessee State University	2,205	3	1.30%	2,208	3	1.66%
National Healthcare Corp.	2,071	4	1.22%			
Ingram Book Company	2,000	5	1.18%	815	10	0.61%
State Farm Insurance	1,650	6	0.97%	1,665	4	1.25%
Amazon Fulfillment Center	1,550	7	0.91%			
St. Thomas Rutherford	1,400	8	0.82%	1,300	7	0.97%
Alvin C. York Veterans Administration Medical Center	1,300	9	0.77%	1,563	5	1.18%
Assurion	1,250	10	0.74%	1,098	9	0.83%
Bridgestone/Firestone, Inc.				1,466	6	1.10%
Verizon				1,122	8	0.84%
Total			<u>16.44%</u>			<u>15.65%</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>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>	<u>2018</u>
Function:										
General Government	81	79	80	79	82	81	82	83	87	89
Finance	88	90	90	91	90	91	91	88	90	93
Justice	89	89	88	90	92	94	94	116	133	141
Public Safety	504	501	504	505	504	518	528	534	580	580
Health & Welfare	217	217	216	216	214	215	218	221	222	242
Agriculture	8	8	7	8	8	7	7	5	5	5
Other	3	3	3	3	3	3	3	3	3	3
Road & Bridge	77	70	72	64	64	64	64	60	65	65
Total	1,067	1,057	1,060	1,056	1,057	1,073	1,087	1,110	1,185	1,218

COMPONENT UNIT:

Education	4,129	4,332	4,555	4,609	4,681	4,841	4,912	4,981	5,095	5,264
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Source: Rutherford County Finance Department & Rutherford County Board of Education

Table 16

Rutherford County, Tennessee
Operating Indicators by Function

FUNCTION	<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>	<u>2018</u>
<u>General Government</u>										
Registered Voters (1)	141,090	144,150	142,856	148,849	149,445	153,131	151,276	158,899	158,723	163,963
Building Permits Issued										
Single Family Homes	314	388	305	410	582	581	638	634	739	713
All other permits	1,646	1,549	1,445	1,620	1,837	1,868	2,016	2,189	2,625	2,682
<u>Public Safety</u>										
Number of warrants										
State - Issued	N/A	N/A	13,436	13,568	14,200	14,707	15,557	14,708	14,227	12,862
State - Served	12,215	12,012	12,722	12,484	12,755	13,469	13,626	11,513	10,670	10,561
Civil - Issued	N/A	N/A	19,394	19,902	19,576	19,750	19,804	19,526	18,663	17,325
Civil - Served	19,966	19,795	19,069	19,054	19,273	19,240	19,542	12,108	12,308	10,809
Rural Fire - Call Volume	N/A	N/A	1,306	1,748	1,960	2,170	2,683	2,738	3,747	6,312
<u>Public Health</u>										
Ambulance- Call Volume	18,600	19,724	22,119	24,331	24,877	26,015	28,700	31,433	34,920	34,343
Response Time -avg. minutes	8.02	7.70	7.60	7.60	7.80	7.80	8.00	8.00	7.90	7.60
Animal Control										
Requests for service	16,824	16,539	14,328	15,920	16,430	18,628	18,707	18,681	18,837	20,825
Animals Impounded	9,220	8,616	8,208	8,403	7,982	7,740	6,876	6,949	6,701	7,286
Animals Adopted	2,009	2,010	1,658	1,471	1,701	1,754	1,939	2,516	3,104	3,735
<u>Road & Bridge</u>										
Street Resurfaced (miles)	54.4	57.4	55.9	56.2	37.9	52.3	35.1	36.5	48.1	41.2
<u>Sanitation</u>										
(tons per day)										
Refuse Collected	105.7	106.3	103.8	104.1	100.3	123.0	113.1	120.8	112.4	120.4
Recyclables Collected	8.1	8.3	12.4	14.9	15.0	14.1	13.6	11.3	24.9	15.7
Tires Collected	N/A	N/A	N/A	N/A	N/A	8.8	13.7	9.8	10.1	6.4

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>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>	<u>2018</u>
Highways and Streets										
Number of Streets in System	2,004	2,034	2,039	2,039	2,071	2,108	2,150	2,200	2,246	2,286
Number of Miles	959	964	965	963	967	976	971	973	980	974
Number of Bridges	163	164	165	165	166	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	25	25	25	25	27	29	28	32	34
Sanitation/Landfill										
Number of SW trucks	16	16	17	17	19	19	17	18	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	4,129	4,332	4,555	4,609	4,681	4,841	4,912	4,981	5,095	5,095
Elementary Schools	23	24	24	24	24	24	24	24	24	24
Middle Schools	9	9	10	10	10	10	10	10	10	11
High Schools	7	7	7	7	7	8	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	1

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

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

**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***

Independent Auditor's Report

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, 2018, 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 30, 2018. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2018-001 and 2018-002.

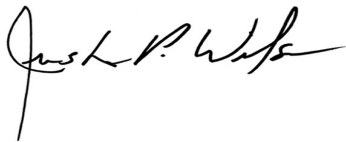
Rutherford County's Response to the Findings

Rutherford County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Rutherford County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rutherford County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2018

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

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.

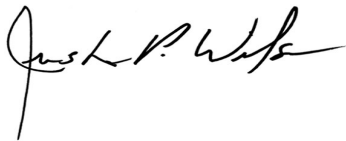
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2018, and the related notes to the financial statements, which collectively comprise Rutherford County's basic financial statements. We issued our report thereon dated November 30, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on 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.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2018

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, 2018

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)	\$ 2,345,942
National School Lunch Program	10.555	(3)	8,101,777
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	908,679
Total U.S. Department of Agriculture			<u>\$ 11,356,398</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	\$ 154,881
Total U.S. Department of Housing and Urban Development			<u>\$ 154,881</u>
U.S. Department of Justice:			
Direct Programs:			
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	\$ 111,935
Equitable Sharing Program	16.922	N/A	39,048
Passed-through State Department of Mental Health and Substance Abuse:			
Drug Court Discretionary Grant Program	16.585	57096	6,302
Passed-through State Department of Finance and Administration:			
Violence Against Women Formula Grants	16.588	(5)	89,313
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG 32077	53,611
Total U.S. Department of Justice			<u>\$ 300,209</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	Z-18-THS268	\$ 9,838
Alcohol Open Container Requirements	20.607	M5HVE-18-19	32,650
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-25917	14,000
Total U.S. Department of Transportation			<u>\$ 56,488</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	(3)	\$ 5,147,182
Title 1 State Agency Program for Neglected and Delinquent Children and Youth	84.013	(3)	148,716
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	(3)	8,174,230
Special Education - Preschool Grants	84.173	(3)	73,837
Career and Technical Education - Basic Grants to States	84.048	(3)	645,338
Career and Technical Education - National Programs	84.051	(3)	2,787
Education for Homeless Children and Youth	84.196	(3)	167,038
English Language Acquisition State Grants	84.365	(3)	267,628
Supporting Effective Instruction State Grants	84.367	(3)	586,734
Total U.S. Department of Education			<u>\$ 15,213,490</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	\$ 113,916
Passed-through State Department of Human Services:			
Child Support Enforcement	93.563	34513-83814	29,019
CCDF Cluster:			
Child Care Development Block Grant	93.575	(3)	185,471
Total U.S. Department of Health and Human Services			<u>\$ 328,406</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:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	34101-30715	\$ 12,309
Emergency Management Performance Grants	97.042	34101-06618	69,350
Homeland Security Grant Program	97.067	34101-13418	184,737
Total U.S. Department of Homeland Security			<u>\$ 266,396</u>
Total Expenditures of Federal Awards			<u><u>\$ 27,676,268</u></u>

		Contract Number	
<u>State Grants</u>			
Juvenile Court Prevention - State Department of Children Services	N/A	35910-20625	\$ 417,696
Rural Local Health Services - State Department of Health	N/A	GG-16-47123-00	2,066,083
Tennessee Certified Recovery Court Program - State Department of Finance and Administration	N/A	55156	107,500
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	39471	9,000
Community Early Intervention Services - State Department of Children Services	N/A	34910-20605	38,195
Law Enforcement Training - State Department of Public Safety	N/A	(3)	143,400
Low Cost Sterilization of Dogs and Cats - State Department of Health	N/A	34339-08313	2,200
LTSLA - Archives Development Program Grant - Tennessee Secretary of State	N/A	30501-01818-16	2,460
Litter Grant - State Department of Transportation	N/A	Z-15-LIT075	106,227
Recycling Program - State Department of Environment and Conservation	N/A	(3)	56,226
Early Childhood Education - State Department of Education	N/A	(3)	1,228,248
Read to be Ready - State Department of Education	N/A	(3)	11,338
Student Ticket Subsidy (STS) Grant - Tennessee Arts Commission	N/A	(3)	3,000
Coordinated School Health - State Department of Education	N/A	(3)	180,000
Safe Schools - State Department of Education	N/A	(3)	209,170
CTE Equipment - State Department of Education	N/A	(3)	556,300
Total State Grants			<u><u>\$ 5,207,043</u></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 \$11,356,398; Special Education Cluster total \$8,248,067.
(5) 26694: \$45,492; 26707: \$43,821

Rutherford County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2018

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Rutherford County, Tennessee, for the year ended June 30, 2018.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

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, 2018

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: 84.010 Title I Grants to Local Education Agencies
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$830,288**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2018-001 **AN EMERGENCY MEDICAL SERVICE DEPARTMENT
EMPLOYEE IS CURRENTLY UNDER INVESTIGATION**
(Noncompliance Under *Government Auditing Standards*)

An investigation is ongoing of an employee with the Rutherford County Emergency Management Service Department by the Comptroller's Division of Investigation for alleged irregularities. Findings, if any, resulting from this investigation will be included in a subsequent report.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2018-002 **A CASH SHORTAGE OF \$200 EXISTED IN THE OFFICE
OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE
COURTS CLERK AT JUNE 30, 2018**
(Noncompliance Under *Government Auditing Standards*)

Juvenile Court

On July 12, 2017, an employee was preparing the daily deposit and discovered the cash drawer was short \$100. The bookkeeper used accumulated clerk fees to replenish the cash drawer for the shortage. Auditors verified the cash shortage while reviewing the accounting records.

Circuit Court

On July 18, 2017, an employee was preparing the daily deposit and discovered the cash drawer was short \$100. The bookkeeper used accumulated clerk fees to replenish the cash drawer for the shortage. Auditors verified the cash shortage while reviewing the accounting records.

These combined shortages of \$200 resulted from a lack of management oversight. The clerk stated that she was not aware of either shortage; therefore, a Fraud Reporting Form was not filed with the state Comptroller's Office as required by Section 8-4-503, *Tennessee Code*

Annotated. The clerk reimbursed the office for the clerk fees used to cover the shortages from personal funds subsequent to June 30, 2018.

RECOMMENDATION

The clerk should ensure that adequate controls over collections and the cash drawers are in place.

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

While during Fiscal Year 2017-18, my staff and I accurately accounted for \$20,413,227.16 of receipted public funds in the circuit, juvenile, and general sessions clerk offices, I take this shortage of \$200 seriously. I have taken immediate steps to rectify this issue and enhance my office's internal control system to prevent this from happening again. My corrective action plan is as follows:

1. Upon learning of this shortage, and how it happened, I immediately wrote a check from my personal funds to reimburse for the loss of these public funds.
2. New office policies were developed and implemented to ensure any cash shortage of daily receipts will be the responsibility of the clerk deputy whose assigned cash drawer is short and my chief deputy or I will investigate all shortages. No exceptions to this rule will be tolerated.
3. All court clerk office staff, that are assigned to receipt public funds, were informed of this new policy and have signed a copy of this policy that has been placed in their personnel files.
4. While I am proud of my office's overall performance, this \$200 shortage highlights the importance of constant monitoring of the office's internal controls by my management team and myself. In the upcoming months, my management staff and I will work with our University of Tennessee, County Technical Assistance financial consultant to perform a comprehensive fraud risk management analysis based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Enterprise Risk Management Framework. Our goal is to perform a top to bottom review of our office's current internal control system, in order to strengthen it and prevent fraud or material financial statement errors from occurring or going undetected in this office in the future.

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, 2018.

Rutherford County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2018

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

2018-002	A cash shortage of \$200 existed in the Office of Circuit, General Sessions, and Juvenile Courts Clerk at June 30, 2018	338-340
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MELISSA HARRELL

RUTHERFORD COUNTY CLERK OF COURTS

Judicial Building
116 W. Lytle
Murfreesboro, TN 37130

Circuit Civil Court

PH: 615.898.7820 FAX: 615.217.7118
615.217.7119

Circuit Criminal Court

PH: 615.898.7812 FAX:

General Sessions Civil Court Criminal & Traffic

PH: 615.217.0069 FAX: 615.898.7801
615.898.7835

General Sessions

PH: 615.898.7831 FAX:

Juvenile Court Administration

PH: 615.898.7972 FAX: 615.217.7120
615.217.7119

Circuit Court Jury

PH: 615.907.3566 FAX:

Corrective Action Plan

**FINDING: A CASH SHORTAGE OF \$200 EXISTED IN THE OFFICE OF
CIRCUIT, GENERAL SESSIONS AND JUVENILE COURT CLERK'S OFFICE AT
JUNE 30, 2018**

Response and Corrective Action Plan Prepared by:

Melissa Harrell

Circuit Court Clerk

Person Responsible for Implementing the Corrective Action:

Melissa Harrell – Circuit Court Clerk

Tammy Albertson – Chief Deputy

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

My corrective action plan is as follows:

1. Upon learning of this shortage, and how it happened, I immediately wrote a check from my personal funds to reimburse for the loss of these public funds.
2. New office policies were developed and implemented to ensure any cash shortage of daily receipts will be the responsibility of the clerk deputy whose assigned cash drawer is short and my chief deputy or I will investigate all shortages. No exceptions to this rule will be tolerated.
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Assistance financial consultant to perform a comprehensive fraud risk management analysis based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Enterprise Risk Management Framework. Our goal is to perform a top to bottom review of our office's current internal control system, in order to strengthen it and prevent fraud or material financial statement errors from occurring or going undetected in this office in the future.

Signature: Melissa Hance

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.